

# MiraPost

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## Global Progress on the OECD Two-Pillar Solution

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MALDIVES  
INLAND REVENUE  
AUTHORITY



MIRA



## **a) Amount A**

Amount A represents the share of residual profit allocated to market jurisdictions based on a new nexus.

Amount A is implemented through a Multilateral Convention (MLC) developed by the Inclusive Framework, which allows jurisdictions to reallocate and exercise a domestic taxing right over Amount A. This MLC will enter into force upon ratification by 30 jurisdictions accounting for at least 60 percent of the ultimate parent entities (UPEs) of in-scope MNEs.

Although the Multilateral Convention was technically finalized, it has not been signed or entered into force due to the absence of broad political agreement, most notably the lack of US participation. Consequently, Amount A of Pillar One remains unimplemented. While the OECD and the Inclusive Framework have not formally abandoned Amount A, attention since 2025 has increasingly shifted toward advancing Amount B.

## **b) Amount B**

Amount B of Pillar 1 aims to establish a new framework to simplify the existing transfer pricing rules and the application of the arm's length principle to baseline marketing and distribution activities to promote more efficient utilisation of resources for both taxpayers and tax administrations.

The arm's length price for in-scope transactions will be determined with reference to a pricing matrix that will be built by the Inclusive Framework. This will standardize the mechanism by which arm's length prices are established across the globe, eliminating

the need for local market comparables that are appropriate for every in-scope transaction.

In 2025, the OECD made significant progress in advancing and operationalizing Amount B under Pillar One. While Amount A continued to face challenges, Amount B moved forward through the consolidation of previously issued guidance into a comprehensive report. The consolidated report contains the guidance on "Special considerations for baseline distribution activities" which is incorporated into the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 as an Annex to Chapter IV. This incorporation provides jurisdictions with a clearer and more consistent framework for applying the simplified approach to baseline marketing and distribution activities on an elective basis.

## **Pillar Two**

Pillar Two is designed to ensure large multinational enterprises (MNEs) pay a minimum level of tax on the income arising in each jurisdiction where they operate. It consists of two main rules that seek to ensure that multinationals pay a minimum level of tax on their profits, namely Global Anti-Base Erosion (GloBE) Rules and Subject to Tax Rule (STTR).

### **a) Global Anti-Base Erosion (GloBE) Rules**

The GloBE Rules of Pillar Two ensures in-scope multinationals pay a global effective minimum tax of 15 percent, irrespective of place of business or residency.

Following his inauguration in January

2025, US President Trump issued executive actions stating that the OECD “Global Tax Deal” has no legal effect in the US. At the April 2025 Inclusive Framework plenary, the US proposed a side by side approach to Pillar Two, citing concerns over duplicative taxation and compliance burdens for US headquartered MNEs.

This position was subsequently reflected in the G7’s June 2025 agreement on the parameters of a potential side by side system aimed at preserving the objectives of the GloBE Rules while ensuring tax certainty and stability. The issue was further considered by the G20 in July 2025, which emphasized the importance of maintaining a level playing field, appropriately addressing substance based tax incentives, and mitigating BEPS risks.

The OECD finalized the Side by Side (SbS) Safe Harbor through the issuance of Administrative Guidance on 5 January 2026. The long anticipated SbS Safe Harbor applies to fiscal years beginning on or after 1 January 2026.

To date, the United States is the only jurisdiction that has been recognized by the OECD as having a Qualified SbS Regime. Accordingly, where an MNE group’s Ultimate Parent Entity is located in the United States, the SbS Safe Harbor provides that, upon election, the group will not be subject to either the Income Inclusion Rule (IIR) or the Undertaxed Profits Rule (UTPR).

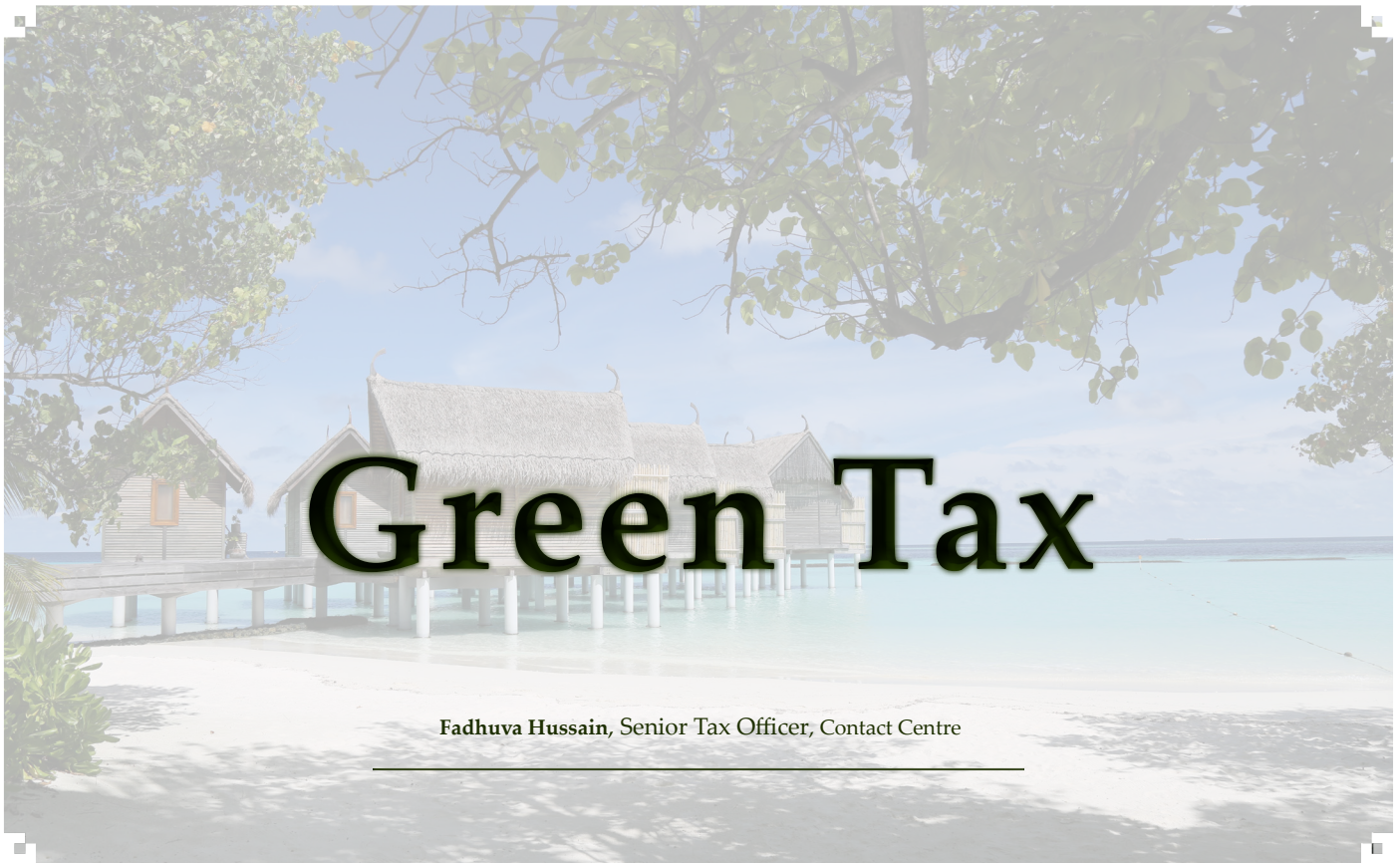
Nevertheless, the practical effectiveness of the SbS Safe Harbor ultimately depends on its incorporation into domestic Pillar Two legislation by participating jurisdictions.

## **b) Subject to Tax Rule (STTR)**

STTR supports the GloBE rules by ensuring that the source country ‘tax back’ a portion forgone due to the tax treaty. This is a treaty provision to be inserted in certain double tax treaties with developing countries that allows a source country to recapture some of the taxing rights on intragroup payments made to connected persons, where the income is taxed in the residence country at a rate less than 9%.

Jurisdictions in scope of STTR can implement it into relevant tax treaties individually via bilateral negotiations which could be a relatively lengthy process. Alternatively, implementation of the STTR will be facilitated through a Multilateral Instrument (MLI) designed by the OECD for the purpose of treaty-related modifications. Tax treaties covered by the MLI can be directly amended to implement the STTR and will take effect only once both treaty partners have signed and ratified the MLI in accordance with their respective domestic legal procedures.

The Multilateral Instrument is currently open for signature by members of the OECD/G20 Inclusive Framework from 2 October 2023. As of 11 December 2025, 10 jurisdictions have signed with a further 10 stating an intention to sign the MLI. However, to date, only one of the jurisdictions that has signed the STTR Multilateral Instrument has deposited its instrument of ratification with the OECD in its capacity as Depositary. This limited level of ratification raises concerns about the pace and extent of the STTR’s effective global implementation and its ability to achieve its intended policy objectives.



The Green Tax is a key revenue stream for the Maldives Green Fund, which was established to finance environmental protection and sustainability initiatives across the Maldives. The tax is collected under the Maldives Tourism Act and plays a vital role in supporting climate resilience, environmental conservation, and sustainable development projects within the tourism sector and beyond.

### **Overview of Green Tax**

Green Tax is a tax payable by tourists who stay in tourist resorts, integrated tourist resort, tourist hotels, resort hotels, hotels, tourist vessels and tourist guesthouses operated in the Maldives based on each day of stay as prescribed under the Green Tax Regulation.

The 24-hour block between check-in time and check-out time will be considered as 1 taxable day. If the tourist spends 12 hours or more at the establishment/vessel during that 24-hour block, the tourist must pay Green Tax for the block at the rate applicable for the respective tourist establishment type, on the date on which the 12-hour duration is completed. If the stay is less than 12 hours, Green Tax is not payable for that 24-hour block.

Example: Mrs. Kate checked in to Ocean Safari at 09:00 hours on 5 March 2026, and checked out at 22:00 hours on the same day. In this case, Mrs. Kate spent 13 hours on the Tourist vessel. Under the 12-hour rule, Green Tax is payable if the tourist spends 12 hours or more at the establishment during the 24-hour block in which the tourist checks out. Hence, Mrs. Kate must pay \$12 as Green Tax.

Where a tourist does not check out by month end, Green Tax is payable in that month only if the tourist stayed at least 12 hours during the 24 hour block ending at 23:59 on the last day of the month; otherwise, it is payable in the next month.

## Green Tax Rates - From 1 January 2025 onwards

Name (Establishment/Vessel)	Amount (USD per day of stay)
Tourist resort	12
Integrated tourist resort	12
Resort hotel	12
Hotel (located on an uninhabited island, OR, has more than 50 registered rooms)	12
Hotel (located on an inhabited island and has 50 or fewer registered rooms)	6
Tourist hotel (located on an uninhabited island, OR, has more than 50 registered rooms)	12
Tourist hotel (located on an inhabited island and has 50 or fewer registered rooms)	6
Tourist vessel	12
Tourist guesthouse (located on an uninhabited island, OR, has more than 50 registered rooms)	12
Tourist guesthouse (located on an inhabited island and has 50 or fewer registered rooms)	6
Any other establishments	12

Effective 1 January 2025, children under the age of two years are exempt from Green Tax.

### Registration

It is mandatory to obtain operating license from Ministry of Tourism if any establishment wishes to provide accommodation to tourists on a commercial basis. Unlike the registration process for GST, tourist establishments are not required to submit a separate Green Tax registration application to Mira. Instead, the establishment will be automatically registered for Green Tax from the date on which the Ministry of Tourism issues an operating license to that establishment.

Each tourist establishment will be registered separately and assigned a distinct Taxpayer Identification Number (TIN). Accordingly, a separate Green Tax Registration Certificate will be issued for each registered establishment. For example, if a business operates two guesthouses, each guesthouse will have a different TIN, such as 1234567GRT001 for the first guesthouse and 1234567GRT002 for the second guesthouse.

### Return Filing and Payment

Once registered, taxpayers are required to file monthly Green Tax returns and make payment before the 28th of the following month. The operator of the tourist establishment or vessel is responsible for collecting and paying Green Tax to MIRA. The operator is the person under whose name the operating license is issued.

MIRA provides guidance on completing the Green Tax return and making payment via the MIRAconnect portal. MIRAconnect plays a major role in enabling convenient and timely filing. Automated reminders, filing deadlines, and digital tools ensure that taxpayers can comply efficiently.

Taxpayers must first upload information sheets containing data of guests who checked in and out during the month. When the Information Sheet is uploaded to the portal, it will automatically compute all items of the GRT return other than Item 5 (Green Tax collected in excess), including the amount of tax payable for the month. "Green Tax Collected in excess" refers to green tax collected from a person who is not subject to it or charged a higher amount than the amount chargeable. Green Tax collected under such circumstances must be paid to MIRA unless the amount is refunded to the guest.

Green Tax must be paid in USD only. USD payments can be made to MIRA using the following online payment options:

1. Mastercard Business Debit Card (linked to BML USD account)
2. Maldives Real Time Gross Settlement (MRTGS) form
3. MIB Global Pay (for MIB USD card holders)

### **Record Keeping**

Proper business records must always be maintained as per the Tax Administration Act and Regulation. More specifically, for the purpose of Green Tax, a guest register and guest registration card must also be maintained.

- For Maldivians, copies of their national identity cards,
- For resident permit holders, copies of their visa
- For children below the age of two years, copies of their passport must be kept.

## **Are you interested in participating in a tax information session?**

### **GST information session**

Date: 27 April 2026 Time: 14:00 - 15:00 Language: Dhivehi

### **GST return filing session via MIRAconnect**

Date: 27 April 2026 Time: 15:00 - 16:00 Language: Dhivehi

### **Information session on Employee Withholding Tax (EWT)**

Date: 28 April 2026 Time: 15:00 - 16:00 Language: English

### **Income Tax information session**

Date: 30 April 2026 Time: 15:00 - 16:00 Language: Dhivehi

**If you wish to participate, please register through the link below:**

<https://www.mira.gov.mv/Pages/View/upcomingsessions>