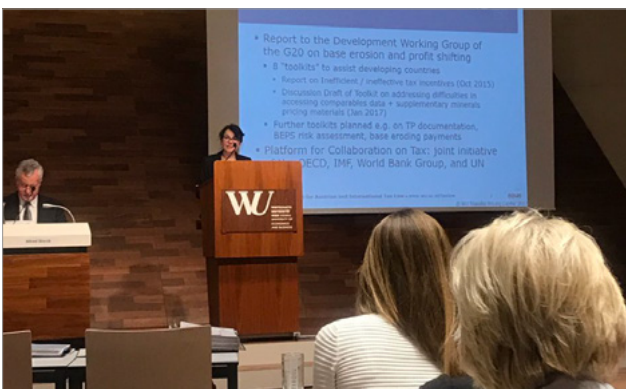




What happens when **vehicle annual fee** is not paid? ▶6



MIRA files **74 cases** in courts in 2016 ▶4



**Transfer Pricing Draft Toolkit for Developing Countries** ▶7

**Company annual fee deadline is**

**31 MARCH**

▶2

**MIRA's teams to visit atolls**

HA, HDH, SH, R, GA, GDH, L, FUVAMULAH CITY, ADDU CITY

# Company annual fee deadline is 31 March



**Ali Naseer Ibrahim,**  
Deputy Director, Tax Clearance

One of the most important deadlines falling within the running month of March is 31 March 2017, which is the deadline for the payment of company annual fee for the year 2017.

Private companies are required to pay MVR 2,000 as the annual fee while public companies are required to pay MVR 10,000. After the deadline of 31 March 2017, annual fee would be collected with a fine of MVR 1,000 if paid within the month of April or with a fine of MVR 2,500 if paid after the month of April.

As no company is exempt from paying the

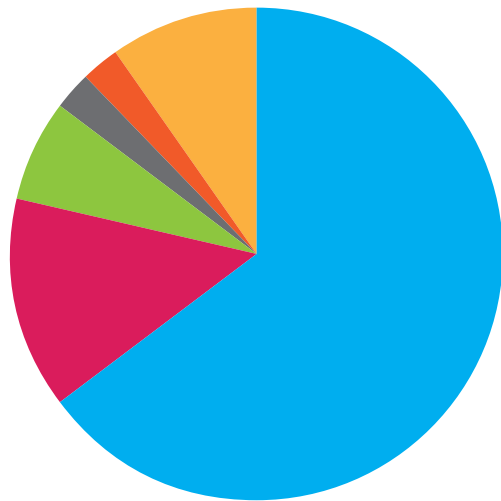
annual fee, all companies, whether active or inactive, are required to make the annual fee payment by the deadline. However, a company would not be required to pay the annual fee for the year 2017 if all the paperwork for company liquidation is submitted to and approved by the Registrar of Companies before 31 March 2017.

Late payment of the annual fee could lead to situations where the fine payable exceeds the annual fee or it becomes difficult to obtain tax clearances and liquidate the company.

In addition, to recover the outstanding fee, MIRA would take various enforcement actions such as suspension of government services to that company. Hence, all the companies are urged to pay the annual fee by 31 March 2017.



# MIRA collects MVR 1 Billion in February



**1.00 Billion MVR**

Total revenue collection inclusive of USD collection

**41.7 Million USD**

USD revenue collection

**4.6** Airport Service charge

**2.5** Land Acquisition and Conversion Fee

**9.3** Others

**63.6** GST

**13.6** BPT

**6.4** Green Tax

**Mariyam Jaidha**  
Senior Tax Officer, Policy, Planning and Statistics

MIRA's revenue collection for the month of February totaled MVR 1 Billion. While this amount is 15.2% more than the amount forecasted for February 2017, it is also 35.7% less than the amount collected in February 2016. The reason for this is that a significant amount was collected as Lease Period Extension Fee and Land Acquisition and Conversion Fee in February 2016, where the Land Acquisition and Conversion Fees were a once-off payments for newly leased islands.

The biggest revenue contribution for this

month came from GST with MVR 638.83 million, which amounts to 63.6% of the total revenue collected.

The second biggest contribution comes from BPT with MVR 136.85 Million and made up 13.6% of total collection. The other major revenue contributors were Green Tax (MVR 64.52 Million and 6.4% of total revenue), Airport Service Charge (MVR 45.99 Million and 4.6% of total revenue), Land Acquisition and Conversion Fee (MVR 24.76 Million and 2.5% of total revenue) and Other Taxes and Fees (MVR 93.83 Million and 9.3% of revenue). Of the revenue collected in February 2017, the USD collection was USD 41.7 Million.

## MIRA files 74 cases in courts in 2016



**Fathimath Shaufa**  
Senior Tax Officer, Legal Service

Number of cases filed by MIRA in the Civil Court in 2016 amounted to 74, statistics shows. Amongst the 74 cases, 40 were filed to recover GST. One case in each tax type was also filed to recover tourism sector GST, WHT and BPT. Additionally, 31 cases for execution of

judgement were filed. Out of the 90 judgments passed, there were 5 cases decided by the High Court in favor of MIRA. Out of the remaining 85 cases which were concluded by the civil court, 70 cases were decided in favor of MIRA and 15 cases were withdrawn.

The statistics further shows that 8 cases were appealed against MIRA in the Tax Appeal Tribunal and 2 cases were appealed against MIRA in the Supreme Court of Maldives.

## Certificate Level Course to be introduced by the Maldives Tax Academy in Eydhafushi

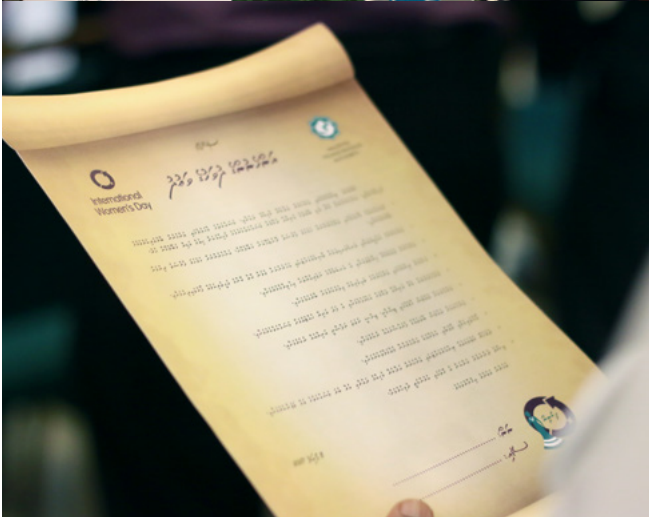
**Mariyam Waheed**  
Assistant Tax Officer, Maldives Tax Academy

The Maldives Tax Academy, the training wing of the Maldives Inland Revenue Authority, has decided to carry out the "Certificate 1 in Taxation in Maldives course currently conducted in Male', in Eydhafushi as well this April.

This course will cover information on tax

administration system in the Maldives and main taxes levied in the Maldives such as GST, BPT, Green Tax, Remittance Tax and Airport Taxes. This course is accredited by the Maldives Qualification Authority and all participants are required to hold a qualification of M.N.Q.F level 7 or higher. The course is conducted free of charge and those interested may call MIRA's hotline 1415 or Eydhafushi Branch of the MIRA at 9177799.

# MIRA News in Pictures



► Activities conducted at MIRA to celebrate this year's International Women's Day



# What happens when vehicle annual fee is not paid?



- ▶ Registration of the vehicle no longer gets cancelled even if the annual fee is not paid within 6 months of the due date

**Ahmed Zakariyya**  
Deputy Director, Payment processing

Under the National Land Transport Act, all land vehicles are required to be registered at the National Transport Authority and the annual fee and sticker compelled by the law must be acquired before the vehicle can be used in the Maldives. The succeeding year's annual fee must be paid before the end of that current dues clearance period. In the case annual fee for a vehicle is paid six months after the payment due date, it will be subject to a fine of MVR 750. Additionally, in the event there are any fines incurred by the registered owner

due to parking violations (or any other form of violation), the annual fee will only be accepted once the fines are fully cleared.

Prior to the third amendment to the National Land Transportation Act, the rule was that, if the annual fee of a vehicle is not paid within six months from the due date, the vehicle's registration at the National Transport Authority would be cancelled, and the owner of the vehicle would be liable to pay half of the annual fee as penalty fine and the vehicle must be registered at the Transport Authority anew. However, with the third amendment to the Land Transportation Act, the previously followed procedure in cases of late payment of annual fee is longer applicable

# Transfer Pricing Draft Toolkit for Developing Countries

**Mariyam Muzna**  
Senior Tax Officer, International Taxation

On 24th January 2017, a joint initiative of IMF, OECD, UN and World Bank Group released a draft toolkit which assists developing countries to build strong and reliable transfer pricing regimes.

Transfer pricing occurs when two companies under the same umbrella organization trade goods and services between each other, and establish an acceptable price for the transaction. Transfer pricing is not illegal so long as the price assigned is similar to market rates. What is illegal is transfer mispricing, also known as transfer pricing manipulation or abusive transfer pricing. This occurs when related firms trade with each other and artificially distort the price at which the trade is recorded in order to minimize tax liabilities. Developing countries are most at risk of transfer mispricing, as multinationals can take advantage of a wide network of business partners to avoid paying tax.

The released draft highlights on how to make

the best use of data and options for monitoring the behavior of multinational corporations in situations where no information is available. It examines how tax administrations can measure transfer prices set by multinationals when there is inadequate information available to the government on market-based transactions that are comparable to those reported by the multinational corporation.

Moreover, since the pricing of transactions in the extractive industries is a concern of particular relevance to many low-income countries, the draft addresses on a systematic process that could be used by tax administrations to map the transformation chain for a particular mineral, identify key traded products and establish common industry pricing practices.

Transfer pricing being a prominent aspect of international tax strategies, this toolkit would be of great importance to address the increasingly critical issue in this globalized world. Commenting for this draft has been opened until 7th April 2017 and these comments would be taken into consideration while finalizing the toolkit.




► Ceremony held to inaugurate the draft toolkit

# 404

## PAYMENT FORM

**MIRA 404**  
Version 16.1

ދިވެހިރާއްޖޭގެ ފަރާތް  
**Payment Form**



MALDIVES  
ISLAND REVENUE  
AUTHORITY

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Taxpayer: \_\_\_\_\_

އެ.ޖ. / ރ.ޖ. / ސ.ޖ.  
ID/W.P/P.No: \_\_\_\_\_

ފޯން ނަންބަރު  
Contact Number: \_\_\_\_\_

ދުވަސް  
Date: \_\_\_\_\_

TIN/ Reg. no	Establishment Name	Payment Detail	Payment Period	Currency	Amount
<b>Total</b>					<b>0 00</b>

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Tick on the relevant box

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NOTA payment

ފަރާތް ގެ ފަރާތް  
Installment Payment

ފަރާތް ގެ ފަރާތް ގެ ފަރާތް ގެ ފަރާތް  
Payment presented by

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Signature / Company seal


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For MIRA use

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Date: \_\_\_\_\_

ސަފްތާ  
Signature: \_\_\_\_\_



1415

1415@mira.gov.mv   www.mira.gov.mv

 Maldives Inland Revenue Authority  
  MIRAmaldives  
  Mira Maldives  
  miramaldives

MTA

VAARU

MIRAconnect



Fees collected by MIRA other than taxes can be paid using MIRA 404 – Payment form. Any payment to MIRA without accompanying a tax return can be paid using the payment form. For example, vehicle fee, vessel fee, traffic/parking violation fee, company annual fee, trade fee.

**THIS FORM IS AVAILABLE FROM TAXPAYER SERVICE CENTER AND MIRA’S WEBSITE.**