

Unofficial translation of the

TAX ADMINISTRATION REGULATION 2013/R-45

This document consolidates the following:

Regulation/Tax Ruling Number	Description	Date of Issue	Summary of Amendments
2013/R-45	<i>Tax Administration Regulation</i>	30 May 2013	-
2014/R-36	<i>Tax Agents Regulation</i>	18 Jun 2014	<ul style="list-style-type: none"> • Repealed section 65 (Licensing tax agents) and 66 (Revoking license of tax agents).
TR-2016/A5	<i>First amendment to the Tax Administration Regulation</i>	22 Feb 2016	<ul style="list-style-type: none"> • Amended section 11 (Sending and receiving documents via email) and 31 (Procedure for summons).
TR-2016/A6	<i>Second amendment to the Tax Administration Regulation</i>	10 Mar 2016	<ul style="list-style-type: none"> • Amended section 3 (Registration), 8 (Deregistration) and 62 (Standards for disclosure of information).
TR-2016/A8	<i>Third amendment to the Tax Administration Regulation</i>	27 Oct 2016	<ul style="list-style-type: none"> • Amended section 9 (Electronic media), 10 (Submitting documents via email), 11 (Sending and receiving documents via email), 18 (Service of Notice) and 23 (Assessment by MIRA). • Repealed section 12 (Submitting documents via fax).
2021/R-40	<i>Fourth amendment to the Tax Administration Regulation</i>	15 March 2021	<ul style="list-style-type: none"> • Amended Sections 14 (Records required to be maintained), 23 (Assessment by MIRA), 24 (Notice of Tax Assessment), 35 (Notice of objection) and 60 (Accepting payments in cheque). • Inserted new sections as 17-1 (Auditing), 75-1 (Information on

			<i>beneficial ownership) and 75-2 (Amending tax rulings).</i> <ul style="list-style-type: none"> • <i>Inserted new chapters as Chapter 13 (Mutual Agreement Procedure) and Chapter 14 (Automatic Exchange of Information (AEOI)).</i> • <i>Repealed Section 37 (Matters that cannot be objected).</i>
2021-R-127	<i>Fifth amendment to the Tax Administration Regulation</i>	27 September 2021	<ul style="list-style-type: none"> • <i>Amended Section 69 (Refund of amount paid in excess)</i> • <i>Inserted new Sections as 69-1 (Payment of refund money into a bank account) and 69-2 (Refund currency)</i>
2021/R-172	<i>Sixth amendment to the Tax Administration Regulation</i>	27 December 2021	<ul style="list-style-type: none"> • <i>Amended Section 3 (Registration), 4 (Responsible person), 6(Change of information), 7(Penalty of the offence of non-registration), 23 (Assessment by MIRA), 36(Amending the decision of MIRA), and 77 (Definitions).</i> • <i>Inserted a new section as 71-1 (Computation of the periods).</i> • <i>Repealed Section 25 (Changes to the amount determined by MIRA).</i>

DISCLAIMER OF LIABILITY

This is the unofficial translation of the original Regulation in Dhivehi. In the event of conflict between this translation and the Dhivehi version of this Regulation, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this Regulation and this translation be read concurrently.

TABLE OF CONTENTS

1. Introduction and citation	7
2. Objective.....	7
CHAPTER 1: REGISTRATION	7
3. Registration.....	7
4. Responsible person	7
5. Obligation of responsible person.....	8
6. Change of information	8
7. Penalty for the offence of non-registration.....	8
8. Deregistration	9
CHAPTER 2: ELECTRONIC MEDIA.....	9
9. Electronic media.....	9
10. Submitting documents via email	9
11. Sending and receiving documents via email	10
12. <i>[Repealed.]</i>	10
13. Submitting originals of documents	10
CHAPTER 3: MAINTAINING RECORDS.....	10
14. Records required to be maintained	10
15. Place and language for maintaining records.....	12
16. Maintaining records in an electronic format.....	12
17. Records relating to an audit.....	13
CHAPTER 4: AUDIT AND INVESTIGATION	13
17-1. Auditing.....	13
18. Service of Notice.....	14
19. Power to enter taxpayer's administrative office and business premises	14
20. Obtaining documents from taxpayers	14
21. Obtaining documents from third parties.....	15
22. Audit report	15
23. Assessment by MIRA	15
24. Notice of Tax Assessment	17
25. <i>[Repealed.]</i>	17

26. Fines or interest levied on outstanding tax	17
27. Requesting for bank account details.....	18
CHAPTER 5: SEARCH OF PREMISES	18
28. Obtaining search warrant to enter private residences.....	18
29. Execution of the search warrant.....	18
30. Confiscation of items	19
CHAPTER 6: SUMMONS.....	19
31. Procedure for summons.....	19
32. Presenting identity records when summoned.....	20
33. Recording of interview	20
34. Appointment of lawyer.....	20
CHAPTER 7: OBJECTIONS.....	20
35. Notice of objection	20
36. Amending the decision of MIRA.....	21
37. <i>[Repealed]</i>	21
38. Onus of proof.....	21
39. Accumulation of fines and interest.....	21
40. Withdrawal of objection.....	21
CHAPTER 8: RECOVERY OF DUES.....	21
41. Undertaking actions for recovery of tax and tax related monies	21
42. Request for payment of tax related monies on instalment basis.....	22
43. Accumulation of fines and interest related to taxes.....	22
44. Formulating policies for taking action against persons with tax and other tax related monies in default.....	22
44-1. Undertaking actions for recovery of non-tax monies.....	22
44-2. Disclosure of identity of persons with non-tax monies in default.....	22
44-3. Suspension of provision of services by State offices.....	22
44-4. Request for payment of non-tax monies on instalment basis.....	22
44-5. Sharing of information of persons with non-tax monies in default with State offices.....	23
CHAPTER 9: FREEZING OF BANK ACCOUNTS	23
45. Policy on freezing of bank accounts	23
46. Procedure to follow upon notice to freeze bank accounts	23

47. Informing the taxpayer of the freezing of bank accounts.....	24
48 Determining the date of payment.....	24
CHAPTER 10: IMPOSING CHARGES ON ASSETS.....	24
49 Appointing bailiffs.....	24
50. Requirement of the bailiff	25
51. Responsibilities of the bailiff	25
52. Preparing an inventory of assets.....	25
53. Warrant imposing charge	26
54. Removal of charge.....	26
55. Responsibility for expenditure.....	27
56. Prohibition on sale or alteration of asset following the issuance of warrant.....	27
57. Enforcing the warrant.....	27
58. Remuneration of bailiff	28
59. Dismissal of bailiff.....	28
CHAPTER 11: ACCEPTANCE OF CHEQUES AND RETURNED CHEQUES.....	28
60. Accepting payments in cheque	28
61. Returned cheques.....	29
CHAPTER 12: DISCLOSURE OF INFORMATION	29
62. Standards for disclosure of information	29
63. Disclosure of information to State institutions	30
64. Disclosure of information of taxpayers in default.....	30
CHAPTER 13: MUTUAL AGREEMENT PROCEDURE.....	30
64-1. Request for Mutual Agreement Procedure	30
64-2. Situations where access to mutual agreement procedure is granted	31
64-3. Stages of mutual agreement procedure process.....	31
64-4. Obligation under a tax law cannot be held in abeyance	31
64-5. Withdrawal of mutual agreement procedure request.....	31
64-6. Restriction of access to mutual agreement procedure.....	32
CHAPTER 14: AUTOMATIC EXCHANGE OF INFORMATION (AEOI)	32
64-7. Definitions.....	32
64-8. Common Reporting Standard.....	35

64-9. Pre-existing accounts.....	35
64-10. Application to register	36
64-11. Common Reporting Standard Report.....	36
64-12. Penalties for failure to submit information.....	36
CHAPTER 15. GENERAL PROVISIONS	36
65. <i>[Repealed.]</i>	36
66. <i>[Repealed.]</i>	37
67. Responsibilities in relation to minor taxpayers	37
68. Cooperation	37
69. Refund of amounts paid in excess	37
69-1. Payment of refund money into a bank account	39
69-2. Refund currency.....	39
70. Relief from penalties.....	40
71. Extension of deadlines.....	40
71-1. Computation of the periods	41
72. Death of a taxpayer	41
73. Sending and receiving documents	41
74. Signing documents	41
75. Notices	42
75-1. Information on beneficial ownership.....	42
75-2. Amending tax rulings	42
76. Regulation to be read together with tax laws	42
77. Definitions.....	42

TAX ADMINISTRATION REGULATION

1. Introduction and citation

- (a) This Regulation was made pursuant to the authority granted to the Maldives Inland Revenue Authority by the Tax Administration Act (Law Number 3/2010).
- (b) This Regulation shall be cited as the “Tax Administration Regulation”.

2. Objective

The objective of this Regulation is to establish the procedures to be followed by MIRA, taxpayers and any other person subject to the tax laws, in administering the Tax Administration Act in the manner that best achieves the objectives of the Act.

CHAPTER 1: REGISTRATION

3. Registration

Where MIRA believes that a person is required to be registered under a tax act or regulation based on information received under Section 21(b) of the Act or otherwise, the Commissioner General may, at his discretion, register that person with MIRA under the relevant act or regulation, and notify the person of such registration.

4. Responsible person

- (a) Where the person applying for registration under a tax act or regulation is not an individual, such person shall appoint a responsible person pursuant to Section 22 of the Act.
- (b) Where a responsible person is not appointed by a company or partnership pursuant to subsection (a), the responsible person of that company or partnership shall be deemed to be:
 - (1) In the case of a company, the managing director of the company;
 - (2) In the case of a partnership, the managing partner of the partnership.

- (c) Where the person applying for registration under a tax act or regulation is an individual, then the person shall have the discretion to appoint a responsible person at the time of such application.
- (d) The responsible person shall cooperate with MIRA and shall fully comply with the person's obligations stated in the tax acts and regulations.

5. Obligation of responsible person

- (a) The taxpayer shall not be relieved from his responsibilities by appointment of a responsible person. However, the responsibilities fulfilled by the responsible person shall be deemed to be fulfilled by the taxpayer.
- (b) Where notices and documents required to be provided from MIRA to the taxpayer are delivered to the responsible person, such notices and documents shall be deemed to have been provided to the taxpayer.

6. Change of information

Upon the occurrence of one of the following events, the taxpayer or the responsible person of the taxpayer shall notify MIRA within 15 (fifteen) days from the occurrence of that event.

- (a) Commencement of an additional business activity by the taxpayer;
- (b) Change of any information provided to MIRA relating to the taxpayer or a business activity conducted by the taxpayer;
- (c) Change of the responsible person appointed by the taxpayer or any information relating to the responsible person.

7. Penalty for the offence of non-registration

- (a) Where a person required to register under a tax act or regulation fails to register, that person shall be subject to a penalty of MVR 50 (Fifty Rufiyaa) for each day of delay, under Section 65(b)(2) of the Act. The criminal penalty for such offence shall be house arrest of the offender for a period of between 1 (one) and 6 (six) months.
- (b) The total amount of the penalty imposed under subsection (a) shall not exceed MVR 5,000 (Five Thousand Rufiyaa).

8. Deregistration

- (a) Where any of the following events occur, a “Deregistration” (MIRA 106) form shall be completed and submitted to MIRA, together with the information and documents specified therein, within 15 (fifteen) days from the date of occurrence of the event:
 - (1) Cessation or sale of the business or a business activity;
 - (2) Bankruptcy of the taxpayer;
 - (3) Death of the taxpayer.
- (b) Submission of the form specified in subsection (a) shall be the responsibility of:
 - (1) If in relation to subsection (a)(1) or (2), the taxpayer.
 - (2) If in relation to subsection (a)(3), where a responsible person is appointed by the taxpayer, the responsible person. Where a responsible person is not appointed by the taxpayer, the taxpayer’s heirs.
- (c) Notwithstanding subsection (a), the Commissioner General may at his discretion deregister a person from the Taxpayer Register or from a particular tax, or deregister a particular business activity, based on information received by MIRA, and notify that person of such deregistration.

CHAPTER 2: ELECTRONIC MEDIA

9. Electronic media

For the purpose of section 20 of the Act, electronic media refers to email or online services provided through MIRA website or a MIRA online portal.

10. Submitting documents via email

Where a document required to be submitted by the taxpayer is emailed to MIRA, it shall be submitted in the following manner:

- (a) Where a document is attached to the email, the attachment shall be a scanned copy of the original document.
- (b) Forms and supporting documents submitted through email shall be emailed to the address specified in the form, with the subject of the email being the form number.

- (c) Where MIRA has not specified an email address to which the document shall be emailed, it shall be emailed to 1415@mira.gov.mv.
- (d) Notwithstanding subsection (b) and (c), tax returns and documents required to be submitted with the returns sent through email shall not be accepted.

11. Sending and receiving documents via email

- (a) Documents submitted to MIRA through email by persons registered with MIRA under a tax act or regulation, shall be emailed from the person's email address registered with MIRA.
- (b) Where MIRA emails any document to an email address registered with MIRA by the taxpayer, the document shall be deemed to be delivered to the taxpayer.
- (c) The Commissioner General shall have the discretion to determine pursuant to a notice issued by the Commissioner General that all correspondence from MIRA to taxpayers who meet the conditions determined by MIRA shall only be sent via email, to the email address registered with MIRA by such taxpayers.

12. *[Repealed.]*

13. Submitting originals of documents

- (a) Where MIRA notifies a taxpayer to submit the originals of documents submitted via electronic media in accordance with this Chapter, such originals shall be submitted to MIRA within the specified period.
- (b) Receiving of documents by MIRA via electronic means or otherwise shall not be deemed as confirmation by MIRA that they are complete or valid.

CHAPTER 3: MAINTAINING RECORDS

14. Records required to be maintained

- (a) Without limiting the generality of Section 27 of the Act, any person that is subject to a tax law shall maintain sufficient records that are necessary to ascertain the person's income, expenditure, capital allowances, tax credits, output tax, input tax, goods and services tax adjustments, tax payable and withholding tax payable. Such records shall include the following:

- (1) Records of all assets and liabilities in relation to the person's business or business activity (including details of assets and money withdrawn for personal use and assets in an inoperative state due to damage, loss or any other reason);
- (2) A day-to-day record of all monies received and expended in the course of carrying on the person's business or business activities;
- (3) Invoices, receipts, payment vouchers, credit notes, debit notes and other such documents relating to goods and services sold and purchased;
- (4) Accounting records that record transactions of the person's business or business activity, such as journals and ledgers;
- (5) Chart of accounts, code of accounts, accounting instruction manuals and programming documentation, which describe the accounting system used by the person in carrying on the person's business or business activities;
- (6) Where a person records transactions using the accrual basis of accounting, details of inventory, debtors (including bad debts written off) and creditors at the end of each accounting period;
- (7) Details of payments made to or for the benefit of employees or officers of the person (separately identifying payments and benefits made by the person to directors, substantial shareholders, trustees or partners of the person and to other persons associated with those directors, substantial shareholders, trustees or partners);
- (8) Agreements relating to business transactions;
- (9) Bills of Lading, Airway Bills, Customs Export Declarations, Customs Import Declarations and all documents relating to imports and exports;
- (10) Bank statements and other documents that provide details of all transactions made through the bank account;
- (11) Financial statements and related documents;
- (12) All documents related to transactions conducted over the internet;
- (12-1) Details of remuneration paid in monetary form;
- (12-2) Details of remuneration paid in non-monetary form;
- (12-3) Details of income derived as remuneration in monetary form;
- (12-4) Details of income derived as remuneration in non-monetary form;
- (12-5) Details of income derived from disposal of movable, immovable, intellectual and intangible property;

- (13) Any other documents necessary for the verification of income and expenditure and other amounts included in any tax return or in the financial statements of the taxpayer;
 - (14) Other documents required to be maintained by the taxpayer under a tax law.
- (b) For the purposes of subsection (a)(7), a substantial shareholder is a shareholder that falls within the definition of a “Person holding a substantial interest in a company” in Section 43(a) of the Business Profit Tax Act (Law Number 5/2011).
 - (c) Where the amounts shown on invoices, receipts, debit notes and credit notes are not generated through software, a pre-printed serial number shall be included on each document.

15. Place and language for maintaining records

- (a) All documents required to be maintained under Section 27 of the Act and Section 14 of this Regulation shall be kept at the principal place of business in the Maldives of the taxpayer or at any other place in the Maldives where the records are accessible to MIRA, on demand. Further, all such documents shall be maintained legibly.
- (b) Where documents maintained by the taxpayer are in a language other than Dhivehi or English, the taxpayer shall translate such documents into Dhivehi or English if required by MIRA, within a period determined by MIRA.

16. Maintaining records in an electronic format

- (a) Records may be maintained by the taxpayer in an electronic format only if:
 - (1) The records can be readily printed on paper if required by MIRA;
 - (2) The records can be readily accessed if required by MIRA;
 - (3) Where the records are transferred from one format to another, the duplicate of the records can be confirmed to be identical to the original records;
 - (4) If manually prepared records are transferred to an electronic format, such records shall be in portable document format (PDF);
 - (5) The records are secure from alteration by unauthorized parties;
 - (6) A backup of software used for maintaining records or soft copies of the documents is maintained;
 - (7) An audit trail of records and any alteration to such records can be retrieved.

- (b) Where MIRA requires records to be printed on paper, the date of preparation of the original document shall be clearly shown on the printed document.

17. Records relating to an audit

Notwithstanding Section 27(c) of the Act, the Commissioner General may require a person to keep records which may be required for an audit being conducted by MIRA until such audit is concluded.

CHAPTER 4: AUDIT AND INVESTIGATION

17-1. Auditing

- (a) Auditing of taxpayers' accounts and documents under Chapter 3 of the Act shall be carried out pursuant to the following rules, in accordance with the principles of risk-based tax auditing.
 - (1) All audits shall be carried out in accordance with an audit plan containing the audit procedures, which is formulated after setting the audit procedures based on the scope of, and the risks identified for the audit.
 - (2) Audits may be concluded based on the results arrived at based on selected samples as opposed to taking into account all transactions carried out by the taxpayer.
 - (3) Where the result of all issues identified or number of issues identified, relating to one particular transaction or transactions of the same or similar nature, selected as samples pursuant to subsection (a)(2), is not material, and, the total number of issues identified or result of all issues identified, relating to all transactions taken into account is not material, the audit may be concluded without determining an amount of tax required to be paid for that particular period of audit.
 - (4) Notwithstanding subsection (a)(3), where the net adjustment made in the audit to the amount declared by the taxpayer for the particular period is equal to or less than the amount of the "materiality threshold" set by MIRA, the audit may be concluded without determining an amount of tax required to be paid for that particular period of audit.
- (b) This section shall not apply where a taxpayer has failed to submit a tax return for the period being audited.

18. Service of Notice

- (a) A taxpayer subject to an audit under Section 30 of the Act shall be notified in writing through the issuance of a notice (“Audit Notice”) prior to the commencement of such audit, and that notice shall include the following information:
- (1) The name, address and TIN of the taxpayer;
 - (2) The period to be audited;
 - (3) The estimated commencement date of audit;
 - (4) Documents that officers of MIRA are likely to examine during the audit;
 - (5) The name of the officer of MIRA in charge of the audit.
- (b) Persons appointed by the Commissioner General other than the officer of MIRA in charge may also be involved in the audit.
- (c) Where MIRA suspects that a taxpayer has committed or is committing a criminal offence in relation to tax, such taxpayer shall be informed in writing that he is being investigated in relation to that offence.
- (d) MIRA shall not be required to send a notice to the taxpayer under this Section in relation to gathering of information or work done in preparation for an audit or investigation prior to the commencement of such audit or investigation.
- (e) Notwithstanding subsection (a), where MIRA determines the amount of tax payable by a taxpayer who has not filed tax returns by the due date, MIRA may notify such taxpayer that he is subject to an audit through a document other than the Audit Notice. And the document sent under such circumstances need not include the information specified in subsection (a).

19. Power to enter taxpayer’s administrative office and business premises

Upon issuing an Audit Notice in accordance with Section 18 of this Regulation, officers of MIRA authorized by the Commissioner General may enter a taxpayer’s administrative office and business premises for the purpose of achieving the objectives in Section 30(e) of the Act.

20. Obtaining documents from taxpayers

The following information shall be included in the notice (“Document Request Notice”) issued under Section 31(b) of the Act:

- (a) The name, address and TIN of the taxpayer;
- (b) Documents required to be submitted;

- (c) Period given to submit the required documents.

21. Obtaining documents from third parties

The following information shall be included in the notice (“Third Party Document Request Notice”) issued under Section 32(a) of the Act:

- (a) Name and address of the recipient of the notice;
- (b) The name, address and TIN of the taxpayer in relation to whom the notice is being issued;
- (c) Documents required to be submitted;
- (d) The period given to submit the required documents;
- (e) Reason for issuing the notice.

22. Audit report

- (a) At the conclusion of an audit conducted under Section 30 of the Act, MIRA shall send an audit report to the taxpayer highlighting the findings of that audit.
- (b) Where the amount of tax required to be paid by the taxpayer is determined by MIRA under Section 39(a) of the Act, MIRA shall send the notice referred to in Section 24 of this Regulation together with the audit report.
- (c) Where the audit report sent to the taxpayer under subsection (a) highlights issues that require rectification, the taxpayer shall rectify the issues and notify MIRA of details of such rectifications, or where the issues have not been rectified, the reason for not making such rectification and an estimated date for making such rectification, within 15 (fifteen) days from the date of the report or within any other period determined by the Commissioner General, in a manner instructed by MIRA.

23. Assessment by MIRA

- (a) Factors that may be considered by MIRA in making an assessment under Section 39(a) of the Act include the following:
 - (1) The market value of goods and services that are similar to goods and services supplied to or purchased by the taxpayer;
 - (2) The average value of goods and services that are similar to goods and services supplied to or purchased by the taxpayer during corresponding periods in previous years;

- (3) The average value of goods and services in other countries that are similar to goods and services supplied to or purchased by the taxpayer;
 - (4) Amount of tax paid or payable in previous years;
 - (5) The average of tax paid or payable during that period by other taxpayers of the same category in that industry.
 - (6) Information obtained by MIRA intelligence or from other State Institutions;
 - (7) Information related to the person being audited which is included in tax returns and other documents submitted by other taxpayers.
 - (8) Information contained in the bank statements, or other documents of the person, which show transactions made through banks;
 - (9) Expenses paid for in cash by the person;
 - (10) Expenses paid for in a form other than cash by the person;
 - (11) Information with respect to all properties and monies owned by the person, and, information with respect to the business interests and all assets and liabilities of the person;
 - (12) Cost of purchases of goods or cost of provision of services, and, the mark-up applied on the sale of those goods or provision of the services;
 - (13) Income of other taxpayers of similar size and operating business in the same industry as that of the taxpayer;
 - (14) Proportion of the cost of purchases and the cost of provision of services and profit margins of taxpayers operating business in the same industry as that of the taxpayer;
 - (15) Income statements and books of accounts of payer of remuneration.
 - (16) Information available on commercial databases.
- (b) When making assessments based on the factors specified in subsection (a), sampling may be used.
- (b-1) The following information may be used for the purposes of subsections (a)(13) and (a)(14).
- (1) Information included in tax returns and other documents submitted to MIRA;
 - (2) Information made available to the general public by State institutions;
 - (3) Information provided to MIRA by State institutions;
 - (4) Information made available to the general public by official bodies representing the respective industry.

- (b-2) MIRA may use, for the purpose of determining the amount of tax payable under Section 39(a) of the Act, the following indirect income measurement methods or any other method, in order to indirectly determine or deduce the amount of income.
- (1) Source and application of funds method;
 - (2) Bank deposits and cash expenditure method;
 - (3) Mark-up method;
 - (4) Unit and volume method;
 - (5) Net-worth method.
- (b-3) For the purpose of determining the amount of tax required to be paid under Section 39(a) of the Act, the arm's length price of a controlled transaction entered into between associated parties may be determined using the transfer pricing methods specified in Section 8(e) of the Transfer Pricing Regulation (Regulation number 2020/R-43).
- (c) Where MIRA makes an assessment for a period in respect of which a taxpayer has not filed a tax return by the due date, any fines applicable shall be imposed until the date of such assessment, and the taxpayer shall not file a tax return in respect of that period.
- (d) Where MIRA makes a decision in respect of a period for which the taxpayer has filed a tax return, the return shall not be amended in such a way that it amends a decision of MIRA. The taxpayer may, however, in such cases, object to the decision of MIRA under Section 42 of the Act.

24. Notice of Tax Assessment

- (a) Notice of a determination made by MIRA under Section 39(a) of the Act, issued in writing, in accordance with Section 39(b) of the Act to the assessee, shall be referred to in this Regulation as the "Notice of Tax Assessment".
- (b) For the purpose of Section 39(b)(3) of the Act, in disclosing the basis and details of MIRA's assessment, disclosing the information of a third party shall be subject to the confidentiality requirements set out in Section 15 of the Act.

25. [Repealed]

26. Fines or interest levied on outstanding tax

Where MIRA makes an assessment under Section 39 of the Act, and the amount paid by the taxpayer for that period is lower than the amount assessed by MIRA, the unpaid

amount shall be deemed as outstanding from the deadline for payment, and fines and interest shall be levied from such deadline in accordance with the Act and regulations.

27. Requesting for bank account details

For the purpose of Section 48 of the Act, “bank account details” in relation to a taxpayer or his associates include the following:

- (a) The names and numbers of all bank accounts, credit cards and debit cards;
- (b) Details of transactions made using credit cards or debit cards or through bank accounts, and bank statement;
- (c) Transfers between one bank account or card and another bank account or card;
- (d) Details of loans and documents related to loans;
- (e) Bank file notes;
- (f) Correspondences made through the bank.

CHAPTER 5: SEARCH OF PREMISES

28. Obtaining search warrant to enter private residences

For the purpose of an audit conducted by MIRA, entry to private residences shall only be undertaken with a court warrant.

29. Execution of the search warrant

Where a search is undertaken under a search warrant, in a manner not violating the authority granted under that warrant:

- (a) If the premises are occupied at the time of entry, the person in charge of the premises or the person who appears to be in charge of the premises shall be provided with a copy of the warrant which specifies the name of the Officer in Charge, and he shall be informed of the intention to enter the premises to execute the search warrant. If the premises are not occupied at the time of entry, such copy must be placed in a conspicuous place within the premises.
- (b) Entry to the premises shall be in a manner that causes minimal damage to the premises or any item in the premises.

30. Confiscation of items

- (a) The Officer in Charge of executing a search warrant may confiscate during the execution of the search warrant any object that could reasonably be treated as evidence in proceedings relating to offences involving serious tax fraud.
- (b) Where any items are confiscated under this Section, a written document stating that the item is under the custody of MIRA and the reason for confiscation shall be given to the persons responsible for the safekeeping of the item or to the owner of the item.

CHAPTER 6: SUMMONS

31. Procedure for summons

- (a) Where a person is being summoned under Section 33 of the Act to MIRA or to a place determined by MIRA, such person shall be notified at least 12 (twelve) hours prior to the time that the person is required to be present.
- (b) A notice issued under this Section ("Summons") shall be sent in writing and shall include the following information:
 - (1) Name and address of the recipient of the Notice;
 - (2) The place, date and time of attendance;
 - (3) The purpose of summoning;
 - (4) A statement that the interview may be audio or video recorded;
 - (5) A statement that the person may have his legal representative present at the interview if he wishes.
- (c) If the person being summoned is, with reasonable excuse, unable to attend the interview at the date or time stated in the Notice, he shall inform MIRA at least 1 (one) hour prior to the time of the interview stated in the Notice.
- (d) Notwithstanding subsection (a), under special circumstances, the Commissioner General shall have the discretion to summon persons to MIRA or to a place determined by MIRA, within a period shorter than that specified in that subsection.
- (e) If a person being summoned under this Section does not attend the interview at the date or time stated in the Summons without informing MIRA about his absence in accordance with subsection (c) for two consecutive instances, or if a person refuses to receive a Summons issued under this Section for two consecutive instances, such

person shall be summoned to MIRA or to a place determined by MIRA through Maldives Police Service.

32. Presenting identity records when summoned

A person summoned in accordance with this Chapter shall produce an official photographic document as proof of identity, if required by MIRA.

33. Recording of interview

An interview with a person summoned in accordance with this Chapter may be audio or video recorded.

34. Appointment of lawyer

A person being summoned and interviewed in accordance with this Chapter shall have the right to be interviewed in the presence of a lawyer appointed by him.

CHAPTER 7: OBJECTIONS

35. Notice of objection

- (a) Where a taxpayer objects to a decision of the Commissioner General of Taxation or MIRA under Section 42 of the Act, the taxpayer shall submit to MIRA a “Notice of Objection” (MIRA 903) form, together with the information and documents specified therein, within 30 (thirty) days from the date of notification of the Commissioner General’s or MIRA’s decision.
- (b) Where a taxpayer makes an objection in accordance with subsection (a), the taxpayer shall provide MIRA with the reasons for the objection and the amount that the taxpayer considers is payable, together with details of that calculation.
 - (b-1) Documents and evidence requested for in writing by MIRA and not submitted to MIRA by the date of issuance of Notice of Tax Assessment shall not be allowed to be presented in support of a notice of objection submitted by the taxpayer.
 - (b-2) A tax return and other documents submitted by the taxpayer, and, the information declared and assessments made by the taxpayer in such return or documents shall not be deemed to be a decision of the Commissioner General of Taxation or MIRA.

- (c) Public holidays and Government holidays shall be excluded in computing the 30 (thirty) days specified in subsection (a).

36. Amending the decision of the Commissioner General or the decision of MIRA

Based on the objection raised in accordance with this Chapter, the decision of the Commissioner General or the decision of MIRA may be amended in part or in full, or it may be affirmed as correct.

37. [Repealed]

38. Onus of proof

It shall be the responsibility of the person objecting, to prove that the decision of MIRA is incorrect.

39. Accumulation of fines and interest

Notwithstanding an objection raised by a taxpayer with regard to a decision made by MIRA, where the amount payable by the taxpayer remains outstanding or the taxpayer's legal responsibilities remain unfulfilled, any fines and interest levied under such circumstances shall accrue accordingly.

40. Withdrawal of objection

- (a) Where a taxpayer wishes to withdraw an objection made under this Chapter the taxpayer or the responsible person or the person appointed in relation to the objection shall give a written notice to MIRA of the withdrawal.
- (b) Where subsection (a) applies, the decision of MIRA, which was subject to the objection, shall be deemed to be correct.

CHAPTER 8: RECOVERY OF DUES

41. Undertaking actions for recovery of tax and tax related monies

Unless stipulated otherwise in any law, the Commissioner General of Taxation shall have the discretion to pursue an action or a combination of actions stated in the Act, separately or together, for the recovery of monies due to be paid under a tax law.

42. Request for payment of tax related monies on instalment basis

Notwithstanding the pursuit of actions under Section 41 of this Regulation, a person in default may request an arrangement with MIRA to pay the outstanding dues by way of instalments in a manner determined by MIRA.

43. Accumulation of fines and interest related to taxes

Notwithstanding the pursuit of actions in accordance with Section 41 of this Regulation or instalment arrangements made under Section 42 of this Regulation, the fines and interest charges applicable shall accrue up until full settlement of the outstanding dues.

44. Formulating policies for taking action against persons with tax and other tax related monies in default

Relevant policies formulated and published by MIRA shall be followed by MIRA in collecting outstanding dues under a tax law or in taking action against persons with tax and other tax related monies in default and in the disclosure of the identity of such persons or in the disclosure of information relating to skip tracing persons with outstanding dues under a tax law.

44-1. Undertaking actions for recovery of non-tax monies

MIRA shall have the discretion to pursue an action or a combination of actions specified in Section 50(g) of the Act, separately or together, for the recovery of non-tax monies due to be paid to MIRA.

44-2. Disclosure of identity of persons with non-tax monies in default

In disclosing the identities of persons with non-tax monies in default, MIRA shall apply the policies formulated and published under Section 44 of this Regulation.

44-3. Suspension of provision of services by State offices

Where MIRA has notified a State office to suspend the provision of a service sought by a person with non-tax monies in default under Section 50(g)(3) of the Act, such office shall suspend the provision of all services related to such monies until notified otherwise by MIRA.

44-4. Request for payment of non-tax monies on instalment basis

- (a) Notwithstanding the pursuit of actions under Section 50 of the Act, a person with non-tax monies in default may request an arrangement with MIRA to pay the

outstanding dues by way of instalments in a manner determined by the respective office on whose behalf the monies are collected.

- (b) Subsection (a) shall be subject to Section 11.07-1 of the Public Finance Regulation (Regulation number 2017/R-20).

44-5. Sharing of information of persons with non-tax monies in default with State offices

- (a) MIRA may share the information of persons with non-tax monies in default with the following institutions;
 - (1) Ministry of Finance;
 - (2) The office on whose behalf monies are collected;
 - (3) The Attorney General's Office;
- (b) Information shall be shared with the offices specified in subsections (a)(2) and (a)(3) in accordance with a procedure mutually agreed by both MIRA and such respective office.

CHAPTER 9: FREEZING OF BANK ACCOUNTS

45. Policy on freezing of bank accounts

The relevant policies formulated and published by MIRA shall be followed in freezing the bank accounts of taxpayers and in recovering the due amounts from such bank accounts.

46. Procedure to follow upon notice to freeze bank accounts

A bank shall act in the following manner, upon the receipt of a written notice by the MMA following the request by MIRA to freeze a bank account:

- (a) Freeze the bank accounts of the taxpayer and accounts under the business names of the taxpayer immediately upon receipt of the Notice, in the manner specified in the Notice;
- (b) Provide the following information to MIRA in writing, within 3 (three) days from the receipt of the Notice:
 - (1) Date and time of freezing the account and the account balance at the time of freezing;

- (2) Where any credit arrangements or any other arrangements in relation to the account exist, details of such arrangements, and details of any collateral security or any other charges levied on the account;
- (3) Where the account of persons to whom the Notice refers, has already been frozen under a warrant issued by a Court of Law or in any other manner, information to such effect;
- (4) Where an account under the name referred to in the Notice does not exist, information to such effect.

47. Informing the taxpayer of the freezing of bank accounts

Where a person's bank account is frozen in accordance with this Chapter, MIRA shall inform the person in writing.

48. Determining the date of payment

Where bank accounts are frozen in accordance with this Chapter, the date of receipt of payment to MIRA shall be deemed to be the date on which that payment is deposited to the public bank account.

CHAPTER 10: IMPOSING CHARGES ON ASSETS

49. Appointing bailiffs

- (a) Where a charge is to be imposed over an asset of any person under Section 46 of the Act, MIRA shall appoint a bailiff to undertake all the responsibilities of enforcing a warrant issued for that purpose.
- (b) A bailiff shall be appointed from among the applicants who fulfil the requirements stipulated in Section 50 of this Regulation upon public announcement for such post.
- (c) For the purpose of this Chapter:
 - (1) "Bailiff" refers to the person appointed by MIRA to perform the responsibilities stated in Section 51 of this Regulation in order to recover the outstanding dues from a taxpayer.
 - (2) "Charge" refers to a charge made over a particular asset or assets as determined by MIRA for the purpose of recovery of outstanding dues of a person in default under a tax law.

50. Requirement of the bailiff

A person appointed as a bailiff in accordance with this Chapter shall meet the following conditions:

- (a) Attained the age of 18 (eighteen) years;
- (b) Not be a person who has been convicted on indictment of an offence of theft, extortion, robbery, deception, criminal breach of trust, bribery or negligence;
- (c) Not be a person who has been convicted on indictment of an offence under any finance or business related law;
- (d) Not have a conflict of interest in relation to any matter assigned to him;
- (e) Possess, to the satisfaction of MIRA, the capacity and capability to fulfil the responsibilities and duties of a bailiff.

51. Responsibilities of the bailiff

Responsibilities of the bailiff include the following:

- (a) Enforce warrants issued under Section 46 of the Act to impose a charge on movable and immovable property or any other such assets of taxpayers in default, whether tangible or intangible;
- (b) Pay to MIRA, the proceeds received from the sale of assets subject to the charge, in accordance with the Act and this Regulation;
- (c) Review complaints filed in relation to the assets subject to the charge and undertake actions to resolve such complaints, and respond to claims made in relation to such assets;
- (d) Sell the assets subject to the charge, in accordance with the Act and this Regulation, following the completion of any tasks necessary to determine that such assets are not subject to any form of legal confiscation;
- (e) For the purpose of preparing the inventory required to be completed for levying a charge, obtain records of assets owned by the taxpayer from relevant record keeping offices and maintain details of such assets where it is held as collateral.

52. Preparing an inventory of assets

- (a) Where charges are imposed on the assets of any person under Section 49(e) of this Regulation, the bailiff shall prepare an inventory comprising the assets owned by persons in default that may be subject to the charge and sold. Such an inventory shall include the following details:
 - (1) The assets that may be subject to the charge;

- (2) The estimated value of each asset that may be subject to the charge;
 - (3) Details of interests or rights of any other person in relation to the assets which may be subject to the charge.
- (b) Charges shall be imposed on assets owned by persons in default based on the inventory prepared under subsection (a), in the order of convenience, considered by MIRA, for the sale of such assets.
- (c) Notwithstanding subsection (b), residential properties of a person in default shall only be subject to a charge under circumstances where any other assets of that person cannot be sold or where the outstanding amount is not recovered fully from the sale of such other assets.

53. Warrant imposing charge

Where a charge is imposed over an asset of the taxpayer in accordance with this Chapter, it shall be imposed via a warrant to the taxpayer and such warrant shall include the following:

- (a) Name, address and TIN of the person in default;
- (b) Details of the amount outstanding;
- (c) Details of the asset subject to the charge;
- (d) Final deadline provided for payment;
- (e) A statement to the effect that, if the amount is not settled in full within the period provided for payment, the asset shall be disposed to recover the outstanding amount.

54. Removal of charge

A charge imposed on an asset or assets under this Chapter shall be removed when:

- (a) The outstanding amount is settled in full;
- (b) The asset subject to the charge is sold in accordance with this Chapter;
- (c) The asset subject to the charge cease to exist;
- (d) MIRA issues a written notice to the person in default, informing that the warrant imposing the charge is withdrawn for any reason other than those stated in subsection (a) to (c).

55. Responsibility for expenditure

Where assets owned by any person are subjected to a charge in accordance with this Chapter, that person shall bear the expenditure incurred in the process of selling such assets or to enforce the warrant issued for the imposition of a charge on such assets.

56. Prohibition on sale or alteration of asset following the issuance of warrant

Where a warrant specified in Section 53 has been issued, the asset subjected to the charge shall not, without the consent of MIRA, be altered in any manner that may, in the opinion of MIRA, have any impact on the value of such asset, and the ownership of the asset shall not, without the consent of MIRA, be transferred to a third party, sold or held as collateral.

57. Enforcing the warrant

The warrant shall be enforced in the following manner:

- (a) Where the asset subjected to the charge is registered with any Government office, a copy of the warrant shall be sent to that office.
- (b) Where the amount is not paid by the deadline referred to in Section 53(d) of this Regulation or the taxpayer has not agreed with MIRA on an arrangement for the payment, the following information in relation to the sale of the asset subjected to the charge shall be published in the Government Gazette:
 - (1) Where the asset is being sold in an auction, time, place and date for the auction;
 - (2) Where the asset is being sold by way of a bid, deadline for submitting the bid proposal;
 - (3) Details of the asset subjected to the charge;
 - (4) The terms and conditions of the sale;
 - (5) The name, address and contact number of the person appointed as bailiff.
- (c) Where the outstanding amount is settled in full prior to the date referred to in subsection (b)(1) or (b)(2), the asset subjected to the charge shall not be sold.
- (d) Where subsection (c) applies, the taxpayer shall pay to MIRA all costs incurred by MIRA and the bailiff in imposing the charge and arranging for the sale of the asset subjected to the charge. Such amount shall be treated as if it were an outstanding amount of tax payable to MIRA and the tax laws and regulations relating to payment of tax shall apply to that amount accordingly.

- (e) The asset subjected to the charge shall be sold to the highest bidder following the elapse of a minimum of 5 (five) days from the date of publishing the information stated in subsection (b) in the Government Gazette.
- (f) Employees of MIRA, relatives of employees of MIRA, the bailiff, relatives of the bailiff or any person appointed under the Act shall not place bids directly or indirectly to purchase any asset subjected to a charge that is sold in accordance with this Section or to obtain any direct or indirect interest in relation to that asset.
- (g) Proceeds from the sale of an asset shall be applied in the order specified below, and where there is any balance remaining after such application, such balance shall be given to the taxpayer.
 - (1) Recovery of expenditure incurred in the sale of the asset under this Chapter;
 - (2) Payment of remuneration to the bailiff;
 - (3) Payment to settle the outstanding amount in full.

58. Remuneration of bailiff

The remuneration of a bailiff appointed under Section 49(a) of this Regulation and the administrative expenditure incurred in the course of fulfilling the responsibilities of the bailiff shall be arranged in a manner agreed between MIRA and the bailiff.

59. Dismissal of bailiff

Where the responsibilities of a bailiff are not fulfilled to the satisfaction of MIRA, MIRA shall have the discretion to dismiss the bailiff from his duties, by way of written notice to him.

CHAPTER 11: ACCEPTANCE OF CHEQUES AND RETURNED CHEQUES

60. Accepting payments in cheque

- (a) A person that intends to make any payment to MIRA by means of a cheque shall register with MIRA the bank accounts that are utilized for making payments, in a manner determined by MIRA.

- (b) Bank accounts applied for registration with MIRA under subsection (a) shall be in a bank being operated in the Maldives.
- (c) Notwithstanding subsection (a), under circumstances determined by the Commissioner General, the Commissioner General shall have the discretion to accept any payment by cheque of a bank account that is not registered with MIRA.
- (d) Notwithstanding anything to the contrary in this Section, the Commissioner General of Taxation may at his discretion determine not to accept cheques written for an amount less than a specified amount.

61. Returned cheques

Where a cheque issued to MIRA is returned for any reason, MIRA may at its discretion decline payments made by cheque by that taxpayer or the person that issued the cheque.

CHAPTER 12: DISCLOSURE OF INFORMATION

62. Standards for disclosure of information

- (a) Subject to subsection (b), information relevant to the work of MIRA shall be provided upon request, in accordance with the Right to Information Act (Law Number 1/2014).
- (b) Subsection (a) does not apply to:
 - (1) Information, the disclosure of which is declared an offence in any law of the Maldives;
 - (2) Information that may lead to a claim against MIRA for breach of confidentiality if disclosed;
 - (3) Where disclosure of information is not in the best interest or the most fair approach under the particular circumstances;
 - (4) Information relating to a specific person, where such information is sought without the consent of that person;
 - (5) Information gathered by MIRA from another institution, or information relevant to the work of MIRA where MIRA does not hold proprietorship rights in the information;
 - (6) Information that may disclose the identity of a whistle blower;

- (7) Information related to a completed or on-going audit conducted by MIRA.
- (c) The consent referred to in subsection (b)(4) shall be in writing. Where the consent is granted to provide information to a particular person, such consent shall state the name, address and National Identity Card number or registration number of such person, the purpose for which the permission was given, and the period of validity. Consent granted without the aforementioned details shall be considered as a general consent issued with a validity period of 3 (three) months.

63. Disclosure of information to State institutions

Subject to Section 15 of the Act, pursuant to an agreement entered into with a State or Government institution, MIRA shall have the discretion to provide information to persons specified in the agreement, in accordance with the provisions of such agreement, in order to fulfil its responsibilities under such agreement.

64. Disclosure of information of taxpayers in default

Pursuant to Section 16(c) of the Act, details of any taxpayer with outstanding payments under a tax law may be disclosed in a manner determined by MIRA.

CHAPTER 13: MUTUAL AGREEMENT PROCEDURE

64-1. Request for Mutual Agreement Procedure

- (a) Where it results or will result for the person in taxation not in accordance with the relevant provisions of the agreement entered into under Section 51 or 51-1 of the Act, such person to whom the agreement applies may request the competent authority in the Maldives for assistance under a mutual agreement procedure.
- (b) Subsection (a) shall only apply if the agreement entered into under Section 51 or 51-1 of the Act contains a provision which provides that the countries which are parties to the agreement may resolve such matters by means of a mutual agreement procedure.
- (c) Persons applying for settlement under a mutual agreement procedure shall submit a completed "Request for Mutual Agreement Procedure" (MIRA 921) form together with the information and documents specified therein.

64-2. Situations where access to mutual agreement procedure is granted

A mutual agreement procedure under Section 64-1 of this Regulation may be accessed as regards the following issues and cases.

- (a) Transfer pricing issues;
- (b) Juridical or economic double taxation;
- (c) Determination of country of residence;
- (d) Issues relating to attribution of profits to a permanent establishment.

64-3. Stages of mutual agreement procedure process

- (a) The first stage of establishing a mutual agreement procedure shall include the following;
 - (1) Presenting the case to MIRA;
 - (2) Assessment by MIRA as to whether the case presented appears to be justified and well-founded;
 - (3) Where possible, resolution of the case unilaterally without consulting another competent authority.
- (b) The second stage of mutual agreement procedure shall include resolving the case by mutual agreement with the competent authority of the other Contracting State(s), where the case cannot be resolved through the first stage of mutual agreement procedure.

64-4. Obligation under a tax law cannot be held in abeyance

- (a) The request for a mutual agreement procedure shall not exempt a person from adherence to obligations of the person under any tax law.
- (b) Where at the conclusion of mutual agreement procedure it is determined that a person has paid tax in excess to MIRA, such excess amount shall be refunded to that person pursuant to the relevant tax laws.

64-5. Withdrawal of mutual agreement procedure request

Where a person wishes to withdraw from the mutual agreement procedure process requested for under this Chapter, such that shall be notified to MIRA, in writing.

64-6. Restriction of access to mutual agreement procedure

A person shall not have access to a mutual agreement procedure where a final judgement has been issued by the Tax Appeal Tribunal or a court of law in the Maldives as regards the matter in dispute.

CHAPTER 14: AUTOMATIC EXCHANGE OF INFORMATION (AEOI)

64-7. Definitions

For the purpose of this Chapter and the Common Reporting Standard, the following terms and phrases shall have the following meanings:

- (a) The term “Reporting Financial Institution” means any Financial Institution of the Maldives that is not a Non- Reporting Financial Institution.
- (b) The term “Financial Institution of the Maldives” means,
 - (1) any Financial Institution that is resident in the Maldives, but excludes any branch of that Financial Institution that is located outside the Maldives; and
 - (2) any branch of a Financial Institution that is not resident in the Maldives, if that branch is located in the Maldives.
- (c) The term “Financial Institution” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.
- (d) The term “Custodial Institution” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of:
 - (1) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or
 - (2) the period during which the Entity has been in existence.
- (e) The term “Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

- (f) The term “Investment Entity” means any Entity:
- (1) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
 - (i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - (ii) individual and collective portfolio management; or
 - (iii) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or
 - (2) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subsection f(1) of this Section.
- (g) Subsections (f)(1) and (f)(2) shall apply if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the shorter of :
- (1) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or
 - (2) the period during which the Entity has been in existence.
- (h) The term “Financial Asset” includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term “Financial Asset” does not include a non-debt, direct interest in real property.
- (i) The term “Specified Insurance Company” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
- (j) The term “Non-Reporting Financial Institution” means any Financial Institution that is;

- (1) a Governmental Entity, International Organization or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution;
 - (2) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organization or Central Bank; or a Qualified Credit Card Issuer;
 - (3) any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in subsections (j)(1) and (j)(2), and is defined in domestic law as a Non-Reporting Financial Institution, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard;
 - (4) an Exempt Collective Investment Vehicle; or
 - (5) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported pursuant to this Regulation with respect to all Reportable Accounts of the trust.
- (k) The term “Pre-existing Account” means a Financial Account maintained by a Reporting Financial Institution as of 31 December 2020.
- (l) The term “New Account” means a Financial Account maintained by a Reporting Financial Institution opened on or after 1 January 2021.
- (m) The term “Pre-existing Individual Account” means a Pre-existing Account held by one or more individuals.
- (n) The term “Lower Value Account” means a Pre-existing Individual Account with an aggregate balance or value as of 31 December 2020 that does not exceed USD 1,000,000 (One Million United States Dollars).
- (o) The term “High Value Account” means a Pre-existing Individual Account with an aggregate balance or value that exceeds USD 1,000,000 (One Million United States Dollars) as of 31 December 2020 or 31 December of any subsequent year.
- (o-1) “Reportable jurisdiction” refers to any jurisdiction other than the Maldives.
- (p) Unless otherwise defined under this Chapter, all the terms and phrases specified in this chapter shall be defined as accordance with the provisions of the Common Reporting Standard referred to in section 64-8 of this Regulation.

64-8. Common Reporting Standard

- (a) The Common Reporting Standard, for the purposes of Section 51-2 of the Act, shall mean the Common Reporting Standard specified in Chapter B of the “Standard for Automatic Exchange of Financial Account Information in Tax Matters (Second Edition)” published by the OECD.
- (b) Financial Institutions which are subject to this Chapter shall be responsible for the submission of information and maintenance of records and carrying out of due diligence requirements, all in compliance with the procedures set out in the Common Reporting Standard referred to in subsection (a) of this Section.

64-9. Pre-existing accounts

- (a) If a Pre-existing Individual Account is not a High Value Account as of 31 December 2020, but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures described in the Common Reporting Standard with respect to such account within the calendar year following the year in which the account becomes a High Value Account. If based on this review such account is identified as a Reportable Account, the Reporting Financial Institution must report the required information about such account with respect to the year in which it is identified as a Reportable Account and subsequent years on an annual basis, unless the Account Holder ceases to be a Reportable Person.
- (b) For the purpose of the Common Reporting Standard;
 - (1) Review of Pre-existing Individual Accounts must be completed by 31 December 2021.
 - (2) Review of Pre-existing Entity Accounts with an aggregate account balance or value that exceeds USD 250,000 (Two Hundred and Fifty Thousand United States Dollars) as of 31 December 2020 must be completed by 31 December 2021.
 - (3) Review of Pre-existing Entity Accounts with an aggregate account balance or value that does not exceed USD 250,000 (Two Hundred and Fifty Thousand United States Dollars) as of 31 December 2020, but exceeds USD 250,000 (Two Hundred and Fifty Thousand United States Dollars) as of 31 December of a subsequent year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds USD 250,000 (Two Hundred and Fifty Thousand United States Dollars).

64-10. Application to register

- (a) Where any person is a “Reporting Financial Institution” at the date of effect of the Fourth amendment to the Tax Administration Regulation (Regulation no 2013/R-45), such person shall apply for registration with MIRA under this Section within a period of not more than 90 (Ninety) days from the date of effect of the Fourth amendment to the Tax Administration Regulation (Regulation no 2013/R-45).
- (b) Where any person becomes a “Reporting Financial Institution” after the date of effect of the Fourth amendment to the Tax Administration Regulation (Regulation no 2013/R-45), such person shall apply for registration with MIRA under this Section within a period of not more than 90 (Ninety) days from the date of such determination.
- (c) Persons applying for registration under this Section shall submit a completed “Registration of Financial Institutions” (MIRA 119) form together with the information and documents specified therein.

64-11. Common Reporting Standard Report

- (a) Persons required to submit information for every calendar year under the Common Reporting Standard shall submit a completed Common Reporting Standard Report (MIRA 922) form consisting of the information specified therein before 31st July of the subsequent year.
- (b) The first reportable calendar year, for the purposes of this Chapter, shall be the year 2021.

64-12. Penalties for failure to submit information

Penalties as regards failure to submit information under Section 51-3 of the Act in compliance with the provisions of the Common Reporting Standard, shall be determined under Section 65 of the Act.

CHAPTER 15. GENERAL PROVISIONS

65. *[Repealed.]*

66. *[Repealed.]*

67. Responsibilities in relation to minor taxpayers

Where a taxpayer is a minor who has not attained the age of 18 (eighteen) years on the date required to fulfil an obligation under a tax law, for the purpose of tax laws, the business or the taxable activity shall be deemed to be undertaken by:

- (a) the transferor, where the business was transferred to the minor; or
- (b) where subsection (a) does not apply, the father of the minor or, if the father is deceased, the legal guardian of the minor.

68. Cooperation

For the purpose of Section 26(f) of the Act, provision of full cooperation to the Commissioner General and any person or persons appointed by the Commissioner General shall include:

- (a) Providing copies of all records required for an audit or investigation carried out by MIRA and, if required, providing the originals of such records, and facilitating MIRA officers to take copies of such records;
- (b) Providing details of persons with whom the taxpayer communicates, or arranging means of communication between such persons and MIRA;
- (c) Arranging a workstation for MIRA officers to undertake their tasks, where MIRA requires visiting the administrative office or business premises of the taxpayer;
- (d) Sufficiently responding to questions put forward by MIRA officers and following the instructions given by MIRA officers;
- (e) Where MIRA wishes to examine the records of a person and such records are maintained on an uninhabited island, under circumstances where MIRA requests, arrange the means of transportation for the relevant MIRA officers and facilitate the examination of such records.

69. Refund of amounts paid in excess

- (a) Where submission of a tax return or amending a tax return results in overpayment of tax, such overpaid amount shall be refunded by MIRA in the following manner.
 - (1) Set off against amounts overdue and outstanding by the taxpayer to MIRA at the time;

- (2) Where subsection (a)(1) does not apply, or, if the taxpayer is entitled to a refund even after the application of subsection (a)(1), such amount shall be refunded to the taxpayer in money.
- (b) Notwithstanding subsection (a)(2), the taxpayer may elect any one of the following options in respect of an amount overpaid by the taxpayer.
 - (1) Retain the amount overpaid at MIRA to be set off against the taxpayer's future liabilities;
 - (2) Set off the amount overpaid against an amount payable to MIRA by a third party.
- (c) Where subsection (a) does not apply to an amount overpaid by a person and the person wishes to recover such amount, the person shall submit to MIRA a completed MIRA 904 (Adjustment/Refund Request) form.
- (d) Notwithstanding subsection (c), the requirement in subsection (c) to submit a MIRA 904 (Adjustment/Refund Request) form shall not apply where a person is entitled to a refund following a decision of the Tax Appeal Tribunal or a judgement passed by a court of law of the Maldives, and, such refund shall be made to the person without consideration to amounts overdue and outstanding by the person to MIRA at the time. However, such person may elect to set off the refundable amount against amounts overdue and outstanding by the person at that time or retain the refundable amount with MIRA to be set off against the person's future liabilities.
- (e) Notwithstanding subsection (c), it shall not be a requirement to submit MIRA 904 (Adjustment/Refund Request) form referred to in subsection (c) to claim a refund arising from overpayment of an amount due to a "payment processing error" occurred during the payment, and, such refund shall be made to the person without consideration to amounts overdue and outstanding by the person to MIRA at the time. However, in such cases, the person may elect to set off the refundable amount against amounts overdue and outstanding by the person at that time or retain the refundable amount with MIRA to be set off against the person's future liabilities.
- (f) Notwithstanding anything to the contrary in this Section, in the event of the death of a person who has made a payment of more than the requirement amount to MIRA, the overpaid amount may be refunded to the heirs of the deceased, upon their request, in a manner determined by a court of law, and, in such cases the amount to be refunded shall first be set off against amounts overdue and outstanding by the deceased, if any.
- (g) For the purposes of the Act and this Regulation, excess of input tax over the output tax of a person registered with MIRA under the Goods and Services Tax Act (Law Number 10/2011) shall not be considered as the payment of an amount in excess, and such excess may be set off against the output tax of that person.

- (h) MIRA shall have the discretion to perform a review or conduct an audit of the person who requests for a refund, with reference to either the risks involved or a threshold as determined by MIRA, before issuing a refund under this Section in respect of an amount overpaid.
- (i) Notwithstanding anything to the contrary in this Section, where the Commissioner General has reasonable grounds to believe that MIRA may not be able to recover a tax amount due and outstanding by a person if a refund arising under the following circumstances is issued to the taxpayer, MIRA shall conduct an audit prior to the issuance of such refund.
 - (1) A person who is not a resident of the Maldives files an interim return or an income tax return under the Income Tax Act (Law number 25/2019);
 - (2) A person files a tax return under Section 48 of the Income Tax Act (Law number 25/2019).

69-1. Payment of refund money into a bank account

- (a) Refunds issued under Section 69 of this Regulation shall be paid into a bank account held at a bank licensed under the Maldives Banking Act (Law number 24/2010) or an account held at the Maldives Monetary Authority.
- (b) Notwithstanding subsection (a), in the following circumstances, refunds may be paid into a bank account other than those specified in subsection (a) of this Section.
 - (1) The person to whom the refund is due is neither a resident of the Maldives nor has a permanent establishment in the Maldives; or
 - (2) The person being refunded to meets all of the following conditions:
 - i. The person is not a citizen of the Maldives;
 - ii. The person does not reside in the Maldives;
 - iii. The person does not hold a bank account as specified in subsection (a).
- (c) Bank charges or fees or commission levied in respect of the payment of refund money into a bank account under this Section shall be borne by the person to whom the refund is due.

69-2. Refund currency

- (a) Refund money paid into a bank account under Section 69-1 of this Regulation shall be in Maldivian Rufiyaa.
- (b) Notwithstanding subsection (a), refunds in respect of taxes or monies which have been made mandatory to be paid to MIRA in United States Dollar shall be refunded in United States Dollar.

70. Relief from penalties

- (a) A request submitted to the Commissioner General for relief from penalties under Section 75(a) of the Act shall include the reason for and details of relief sought.
- (b) Where a request is received under subsection (a), relief from penalties shall be granted with reference to the following, in a manner determined by the Commissioner General:
 - (1) Reason for the imposition of penalty;
 - (2) History of fulfilment of obligations under tax laws;
 - (3) Whether any other penalties have been imposed on the person under any tax laws;
 - (4) Cooperation of the person to MIRA.

71. Extension of deadlines

- (a) Requests to extend deadlines under Section 77 of the Act shall be made prior to the expiry of such deadline. Such a request shall include the reason for requesting for the extension and the person's estimate of the period within which the obligation will be fulfilled.
- (b) Where a request is received under subsection (a), a deadline may be extended, in a manner determined by the Commissioner General, based on the circumstances of the case and after considering the period estimated by the taxpayer.
- (c) The Commissioner General shall have the discretion to grant a conditional extension to a deadline under this Section.
- (d) Whether or not a request for an extension of a deadline has been submitted by any person, where the Commissioner General sees fit, a deadline may be extended for a particular tax or a particular class of taxpayers.
- (e) For the purpose of Section 77 of the Act, a reasonable cause shall be deemed to be:
 - (1) An accident or the occurrence of a natural disaster;
 - (2) Incapacitation to perform the act due to illness;
 - (3) The occurrence of any other event acceptable to the Commissioner General as being out of the taxpayer's control.
- (f) Notwithstanding subsection (e), financial difficulties shall not be considered as a reasonable cause.

71-1. Computation of the periods

- (a) Unless specified otherwise in the Act or this Regulation, public holidays and Government holidays shall not be included in computing the periods specified in days in the Act or this Regulation.
- (b) Unless specified otherwise in that policy, public holidays and Government holidays shall not be included in computing the periods specified in a policy formulated by MIRA.
- (c) Notwithstanding subsection (a), public holidays and Government holidays shall be included in computing the period specified in Section 43(a) of the Act. However, where the last day of that period falls on a public holiday or Government holiday, the first official working day following that public holiday or Government holiday shall be considered the last day of the period.

72. Death of a taxpayer

Where a taxpayer is deceased, the obligations of such person under a tax law shall be fulfilled by persons legally responsible for the affairs of the deceased person.

73. Sending and receiving documents

- (a) Where a document is sent to the taxpayer via more than one mean, that person shall be deemed to have received it on the date on which the document is first received.
- (b) MIRA shall have the discretion not to accept documents submitted to MIRA by taxpayers, which MIRA believes are not complete.
- (c) Where a person is notified by MIRA that a document submitted by that person is incomplete, it shall be deemed that the person has not fulfilled the responsibility of submitting that document.

74. Signing documents

Except under the circumstances specified in Section 17(a)(1) and (2) of the Act, for the purposes of Section 17 of the Act, a document signed by an employee of MIRA under authority delegated via the organisational structure of MIRA and its operational procedures shall be deemed as a document signed by a person authorised by the Commissioner General.

75. Notices

All notices referred to in this Regulation shall be served in writing. For the purpose of the Act and this Regulation, communications made via email shall also be deemed as written documents.

75-1. Information on beneficial ownership

- (a) MIRA may obtain the information of beneficial ownership in the following circumstances;
 - (1) For the purposes of a request sought under an agreement entered into pursuant to Section 51 or 51-1 of the Act;
 - (2) For the implementation of benefits and concessions granted under an agreement entered into under Section 51 of the Act;
 - (3) For the purposes of an audit or investigation carried out by MIRA;
 - (4) For the purpose of assessing international tax compliance risks.
- (b) The information on beneficial ownership obtained under subsection (a)(1) shall only be shared or exchanged in accordance with the provisions of such agreement.
- (c) Notwithstanding anything to the contrary in this Section, a person who is resident in the other Contracting State, shall only be eligible for the benefits and concessions applicable under the agreement entered into under Section 51 of the Act, if the beneficial owners of such person are also resident in that other Contracting State.

75-2. Amending tax rulings

Tax Ruling Number TR-2015/A2 (Submission of documents during the process of an objection review) shall be repealed from the date of effect of the Fourth amendment to the Tax Administration Regulation (Regulation no 2013/R-45).

76. Regulation to be read together with tax laws

This Regulation shall be read together with the Tax Administration Act (Law Number 3/2010) and other tax laws and regulations made pursuant to those laws, and any word or expression not defined in this Regulation, unless the context requires otherwise, shall have the same meaning that such word or expression has in those laws and regulations.

77. Definitions

- (a) For the purpose of this Regulation, in phrasing the singular shall include the plural and the plural shall include the singular.

- (b) *(Repealed)*.
- (c) “Commissioner General” refers to the Commissioner General of Taxation appointed under the Tax Administration Act (Law Number 3/2010).
- “MMA” refers to the Maldives Monetary Authority established pursuant to the Maldives Monetary Authority Act (Law Number 6/81).
- “Business” shall have the same meaning as in Section 79(y) of the Income Tax Act (Law Number 25/2019).
- “Business premises” refers to a place where a business as specified in Section 79(y) of the Income Tax Act (Law Number 25/2019) is conducted.
- “MIRA” refers to the Maldives Inland Revenue Authority established pursuant to the Tax Administration Act (Law Number 3/2010).
- “Money” includes money and anything having money’s worth.
- “Act” refers to the Tax Administration Act (Law Number 3/2010), including any amendments.
- “GST” refers to the tax imposed under the Goods and Services Tax Act (Law Number 10/2011).
- “Business activity” refers to separate activities within a business, for example, a shop, a restaurant, a tourist resort, a tourist vessel, a rented house.