

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



MALDIVES
INLAND REVENUE
AUTHORITY

Unofficial translation of the

**REGULATION ON SUBMISSION OF
INFORMATION TO MIRA BY
DEVELOPERS AND INVESTORS OF
SPECIAL ECONOMIC ZONES**

2024/R-106

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

CHAPTER 1: PRELIMINARY	3
1. Introduction and citation	3
2. Objective.....	3
CHAPTER 2: SUBMISSION OF INFORMATION BY ZONE DEVELOPERS AND INVESTORS....	3
3. Preparation and maintenance of documentation	3
4. Submission of information by developers and investors.....	4
5. Preparation of financial statements	4
6. Currency in which financial statements must be prepared	5
7. Presentation currency.....	5
8. Documents to be submitted.....	5
9. Transfer pricing documentation	6
CHAPTER 3: SUBMISSION OF INFORMATION ON PERSONS GRANTED OR REVOKED PERMITS FOR DEVELOPERS AND INVESTORS.....	6
10. Information on persons granted or revoked permits for developers and investors	6
CHAPTER 4: MISCELLANEOUS PROVISIONS.....	6
11. Confidentiality.....	6
12. Definitions.....	7
13. Commencement of the Regulation	7

REGULATION ON SUBMISSION OF INFORMATION TO MIRA BY DEVELOPERS AND INVESTORS OF SPECIAL ECONOMIC ZONES

CHAPTER 1: PRELIMINARY

1. Introduction and citation

- (a) This Regulation is made pursuant to Section 70(b) of the Special Economic Zones Act (Law Number 24/2014).
- (b) This Regulation shall be cited as the “Regulation on Submission of Information to MIRA by Developers and Investors of Special Economic Zones”.

2. Objective

The objective of this Regulation is to prescribe, for the purpose of determining the scale of economic activities undertaken within the special economic zones and the computation of tax expenditure due to the incentives accorded under the Act to the zone developers and investors, the information to be submitted to MIRA by zone developers and investors, and the manner of submission.

CHAPTER 2: SUBMISSION OF INFORMATION BY ZONE DEVELOPERS AND INVESTORS

3. Preparation and maintenance of documentation

- (a) The zone developer shall, from the date of signing the investment agreement pursuant to Section 48 of the Act, prepare and maintain proper records of all activities undertaken in the zone granted to the developer, including the documents specified in Section 8(a) and Section 9 of this Regulation.
- (b) The investor shall, from the date of signing the agreement with the zone developer to carry on business or economic activities in a zone designated under the Act, prepare and maintain proper records of all activities undertaken by the investor in the zone, including the documents specified in Section 8(a) and Section 9 of this Regulation.

- (c) Documentation and records required under this Regulation shall be maintained in accordance with Section 15 of the Tax Administration Regulation (Regulation number 2013/R-45).
- (d) Where documentation and records required under this Regulation are maintained in an electronic format, the same shall be in conformity with Section 16 of the Tax Administration Regulation (Regulation number 2013/R-45).
- (e) Documentation and records required under this Regulation shall be retained for a period of not less than 5 (five) years from the end of the calendar year to which such documentation or records relate.

4. Submission of information by developers and investors

- (a) Developers and investors shall submit to MIRA, in respect of each calendar year, in a format prescribed by MIRA, the information and documents requisite for determining the scale of economic activities undertaken within the special economic zones and the computation of tax expenditure due to the incentives accorded under the Act to the zone developers and investors.
- (b) Persons required to submit information under subsection (a) shall submit to MIRA the information pertaining to each calendar year by the 30th of June of the subsequent calendar year.
- (c) The zone developer shall be responsible for maintaining proper records and documentation, and for submitting the same to MIRA pursuant to the provisions of this Regulation, pertaining to all the activities undertaken within a zone by the developer; and the investors shall bear the same responsibility in respect of all the activities undertaken within the zone by the investor.
- (d) Notwithstanding subsection (c), where a developer of a zone appoints a third party by way of contract to develop infrastructure in the zone pursuant to Section 23(c) of the Act, the third party shall be responsible for keeping proper records and documentation and for submitting the same to MIRA pursuant to the provisions of this Regulation, pertaining to all the activities undertaken within the zone by the third party.

5. Preparation of financial statements

Every person who is required to submit information and documentation under Section 4(a) shall prepare financial statements in accordance with international accounting standards approved by the Commissioner General, using the accrual basis of financial accounting.

6. Currency in which financial statements must be prepared

The information and documentation specified under Section 4 of this Regulation and the financial statements specified under Section 5 of this Regulation shall be prepared in the functional currency of the person.

7. Presentation currency

- (a) The currency in which a person presents to MIRA the financial statements and other documentation specified in this Regulation, shall be the person's presentation currency.
- (b) Where a person's functional currency is Rufiyaa, the person's presentation currency shall be Rufiyaa.
- (c) Where a person's functional currency is a currency other than Rufiyaa, the person's presentation currency shall be United States Dollar.
- (d) For the purpose of this Section, in translating currency, the principles set forth in International Accounting Standard 21 (The Effects of Changes in Foreign Exchange Rates) shall be applied, and a rate within $\pm 2\%$ (plus or minus two per cent) of the rate published by the Maldives Monetary Authority, pertaining to the relevant date, shall be used.

8. Documents to be submitted

- (a) The following documents shall be submitted under Section 4(a) of this Regulation:
 - (1) Special Economic Zone Return;
 - (2) Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement);
 - (3) Statement of Financial Position (Balance Sheet);
 - (4) Statement of Cash Flows (Cash Flow Statement);
 - (5) Statement of Changes in Equity;
 - (6) Notes to the financial statements;
 - (7) Directors' Report;
 - (8) Auditor's Report.
- (b) Notwithstanding subsection (a), persons other than companies shall not be required to submit the Directors' Report referred to in subsection (a)(7) of this Section. The Directors' Report prepared thereto shall comprise of all the information specified in Section 185(a) of the Companies Act of the Maldives (Law number 7/2023).

- (c) The auditor referred to in this Section shall be an independent auditor licensed by the relevant authority to conduct statutory audits in the Maldives.

9. Transfer pricing documentation

- (a) Every person who is required under this Regulation to prepare and maintain documentation shall prepare transfer pricing documentation in respect of every transaction entered into with an associate, and such that shall comprise of all the information specified in Section 68(b) of the Income Tax Act (Law number 25/2019).
- (b) The transfer pricing documentation required to be maintained pursuant to subsection (a) shall be prepared and finalized by the due date for the submission of the special economic zone return for the calendar year to which the transaction relates and shall be submitted to MIRA by a deadline prescribed by MIRA.

CHAPTER 3: SUBMISSION OF INFORMATION ON PERSONS GRANTED OR REVOKED PERMITS FOR DEVELOPERS AND INVESTORS

10. Information on persons granted or revoked permits for developers and investors

The zone superintendent appointed by the Board of Investments for each zone pursuant to Section 28 of the Act shall provide notice to MIRA in respect of developers and investors permitted to operate in a zone and in respect of whose permits have been revoked, for every calendar quarter, by the 15th day of the month following the end of the quarter.

CHAPTER 4: MISCELLANEOUS PROVISIONS

11. Confidentiality

- (a) For the purposes of the Act, any information submitted to MIRA under this Regulation by a person operating within a zone shall be deemed confidential, and MIRA shall not under any circumstances disclose any such information to another person.

- (b) Notwithstanding subsection (a), the disclosure of such information by MIRA to the government ministry vested with the mandate of the finance function of the State, for the purpose of determining the scale of economic activities undertaken within special economic zones and assessing the “tax expenditure” due to incentives accorded to developers and investors under the Act, limited to the extent necessary thereto, shall not be considered a contravention of the confidentiality requirement set forth in subsection (a).
- (c) The recipient of the information disclosed by MIRA under subsection (b) shall maintain the confidentiality of such information and shall not disclose the same to any other person.

12. Definitions

- (a) In this Regulation, unless otherwise specified:
 - (1) “Commissioner General” refers to the person appointed by the President as the Commissioner General of Taxation of MIRA under Section 8 of the Tax Administration Act (Law number 3/2010).
 - (2) “MIRA” refers to the Maldives Inland Revenue Authority established under the Tax Administration Act (Law Number 3/2010).
 - (3) “Act” refers to the Special Economic Zones Act (Law number 24/2014).
- (b) For the purposes of this Act, the singular shall include the plural, and the plural shall include the singular.

13. Commencement of the Regulation

This Regulation shall have effect from the date of its publication in the Government Gazette of the Maldives.