MALDIVES
INLAND REVENUE
AUTHORITY

Income Tax Return (MIRA 604) instructions for persons deriving only remuneration

Version: 23.3

Contents

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Introduction

1. This guide applies to you only if:
    - you are an individual; and
    - your total income for the tax year was remuneration only; and
    - your remuneration for the tax year was not more than MVR 20 million.
2. If you derived any other income in the tax year, please refer to the relevant guide.
3. For more information on what constitutes remuneration, you may refer to our Income Tax Guide: Non-monetary Benefits Provided to Employees.
4. You must file an income tax return (MIRA 604) for the tax year [unless your remuneration was derived solely from one employer]:
    - if your total remuneration for the tax year or previous tax year was more than MVR 2 million. [This figure must be reduced proportionately if the accounting period is shorter than 1 year]; or
    - if your taxable income for the tax year or previous tax year was more than MVR 720,000. [This figure must be reduced if the accounting period is shorter than 1 year].
5. Even if you are not required to file an income tax return, you can choose to file an income tax return.
6. Your annual income tax return and payment is due by 30 June of the following year.
7. If you are using the fillable version of this form, respective figures will be calculated automatically.

Parts of the Income Tax Return (MIRA 604) that are relevant to you

You are required to fill the following parts of the Income Tax Return to the extent applicable to you.

Section / Part	Page
Taxpayer information box	1
Computation of income tax payable	1
Declaration	1
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Statement of donations to state institutions and approved charitable organization	13

How to fill the Income Tax Return

Before you start populating the figures, you must fill in the following information in the box on the first page of your return. Please note that it is compulsory for you to fill in all the information specified in the box. Your return will not be accepted if any field in the box is left blank. If a field is not applicable to you (for example, your address has no apartment number or level), put a dash (-) in the respective box.

- TIN (Taxpayer Identification Number): In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you. Your return will only be accepted with the correct TIN.
- Taxpayer Name: In this box, enter the name of the taxpayer as shown on the Notification of Income Tax Registration issued to you. If the taxpayer name does not match the TIN, the return will be rejected.
- Taxpayer Type (Tick the applicable boxes): Check the box "Individual".
- If you are a company within a group of companies, provide the number of companies in the group subject to income tax (exclusive of you): This is not applicable to you.
- Residency status (Tick the applicable box): For tax purpose, if you are a resident in Maldives check the box "Resident", if you are a temporary resident, check the box "Temporary resident" and if you are a non-resident, check the box "Non-resident".
- Taxpayer's Contact Details: Enter here your telephone or mobile number and the email address. Whenever we send emails to you, we will be using email address you have provide here in the most recent return you have submitted to MIRA.

- Taxpayer's Mailing Address: Write here your mailing address. Whenever we send hard copies of letters and other documents to you, we will be using the mailing address you have provided here in the most recent return you have submitted to MIRA.
- Accounting Period: This is the start date and end date of the accounting period covered by your return.
- Auditor Registration Number: This box is not applicable to you.
- Industry Code: This box is not applicable to you.

You can now proceed to complete the remainder of your return. You must complete pages 2, 3, 9 and 13 to the extent applicable before completing the rest of page 1.

Document Checklist

You are required to submit explanation and supporting documents if you are claiming a foreign tax credit.

You are not required to submit any other documents.

Income Tax Assessment

Item I: What is the basis of preparing your accounts?

This item is not applicable to you.

Item II: What is your presentation currency?

This is the currency in which your return must be prepared.

Before 2nd Interim of tax year 2024:

- If your functional currency (i.e. the currency of your primary economic environment) is MVR, you must prepare your Income Tax Returns in MVR and you have to pay income tax in MVR.
- If your functional currency is USD, you must prepare your Income Tax Returns in USD and you have the option of paying income tax in either MVR or USD.
- If your functional currency is neither MVR nor USD, you must prepare your Income Tax Returns in MVR or USD and you have the option of paying income tax in either MVR or USD.

Starting from 2nd Interim of tax year 2024:

- If your functional currency is MVR, you must prepare your Income Tax Returns in MVR and you have the option of paying income tax in either MVR or USD.
- If your functional currency is not MVR, you must prepare your Income Tax Returns in USD and you must pay income tax in USD.

Item III: Type of audit opinion

Tick (e).

Item IV: Record keeping

State here how you keep records of your income.

(a) Computerized: Tick here if you are having a fully computerized record keeping system.
(b) Semi-computerized: Tick here if you are using computers only to some extent to maintain your records.
(c) Manual: Tick here if you keep your records manually.

Item V: Number of employees at the end of the accounting period

This item is not applicable to you.

Item VI: Thin capitalization rule

Tick (d).

Item VII: Are you a non-resident shipping or aircraft operator in international transportation, and, is your income for the year solely derived from carrying passengers, livestock, mail, parcels, merchandise or goods (income specified in Section 11(r) of the Income Tax Act)

This item is not applicable to you.

Item VIII: Details of other companies within the group

This item is not applicable to you.

Item IX: Details of financial interest in any shares outside the Maldives

Provide details of all private limited companies and public limited companies in which you hold more than 5% of the voting rights.

- In the first column, write the name and address of the entity in which you hold the interest.
- In the second column, write the country in which the company was incorporated.
- In the third column, write the initial cost of investment in the company by you. Also write the currency of the cost of the investment in the fourth column.

In the fifth column, write the percentage of your investment in the company

Item X: Details of immovable property

Immovable property refers to buildings, warehouses, factories, land, runways, bridges, roads, uninhabited islands, lagoons, reefs, reef knolls, permanent structures and any other such property.

If you are a resident in the Maldives, list all immovable property in and outside the Maldives. If you are a non-resident with a permanent establishment in the Maldives, list all immovable property that relate to your operations in the Maldives.

- In the first column, write the address of the immovable property (omitting the country).
- In the second column, write the country in which the immovable property is located.
- In the third column, write the total cost of the investment in the immovable property.

- In the fourth column, write the currency of the cost of the investment.

You may use additional sheets if necessary.

Item XI: Details of bank accounts

If you are a resident in the Maldives, provide details of both local and foreign bank accounts, including accounts held jointly.

If you are a non-resident conducting business through a permanent establishment in the Maldives, provide details of bank accounts which are used in your operations in the Maldives only.

- In the first column, write the name of the bank account.
- In the second column, write the bank account number.
- In the third column, write the currency of the bank account.
- In the fourth column, write the name and address of the bank where the account is held.

SECTION A

Fill in Items 1 to 8 and Item 23 on page 3 of the return. In addition to this, complete applicable items on page 4 of the return. You may also claim deductions for zakat al-mal and donations paid during the tax year.

TAXABLE INCOME FROM REMUNERATION

Item 1: Remuneration

In this box, enter the total remuneration before pension deduction you received during the tax year. Remuneration includes salary, wages, allowances and benefits derived by you as an employee or director or partner as consideration for services rendered by you, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment. Except for non-monetary benefits and allowances specified in the Section 12 of the Income Tax Act (ITA), all the other allowances and benefits, whether or not paid in a monetary form, must be included in the remuneration.

Item 2: Pension contributions made as an employee to MRPS

In this box, enter the total amount of pension contributions made as an employee to MRPS in the year. This information may be retrieved from MPAO online portal.

Item 3: Special clothing required for work (see section 32(b)(3) of the Act)

In this box, enter the amount of total cost incurred for special clothing required for work, which are specifically designed to be worn at work and not suitable to be worn outside of work.

Item 4: Cost of trainings, costs directly related to employment and costs contributing to employment promotions (see section 32(b)(5) of the Act)

In this box, enter the sum of costs you incurred for:

- Trainings that are directly related to your employment
- Trainings that are directly related to the performance of your employment
- Trainings that directly contributed to your employment promotion opportunities.

Cost of trainings does not include the cost of your education whether or not it is directly relevant to your employment.

Item 5: Necessary expenses for the performance of employment duties *(Applicable until 20 July 2021)*

In this box, enter the total amount of expenses incurred which is necessary for the performance of your duties in the performance of your employment. This does not include cost of commuting to and from your residence and place of work and cost of clothing worn to work.

You can only deduct expenses for the performance of employment duties that were incurred until 20 July 2021. Such expenses that were incurred after 20 July 2021 cannot be deducted.

Item 6: Total deductions before zakat-al-mal and donations

This is sum of boxes 2 to 5.

Item 7: Deductions allowed before zakat-al-mal and donations

In this box, enter the amount in Box 1 or Box 6, whichever is lower. Deductions with respect to remuneration will be allowed up to the amount of remuneration received for the year.

Item 8: Taxable income from remuneration before zakat al-mal and donations

To compute the figure, subtract Box 7 from Box 1.

Item 23: In this box, enter the figure in Item 8

Note: If you are using the fillable version of the form, this figure will be calculated automatically

Now go to page 4 of the return.

Item 24: Total Zakat al-mal paid

Enter the amount of Zakat al-mal paid by you, to a relevant Government institution during the year. You must possess a receipt that specifies the amount paid as zakat al-mal.

Item 25: Donations made to State institutions and approved charitable organizations

To calculate this figure, first you have to fill in the Statement of Donations to State Institutions and Charitable Organizations on page 13 of the return. In here, enter the total amount in Column 4 of the aforementioned statement. If you are using the fillable version, this figure will be transferred automatically.

How to complete the Statement of Donations is explained on page 15 of this guide.

Complete the table below (Items 26 to 50) to deduct zakat al-mal and donation paid. If you are using the fillable version, ALL these Items will be filled automatically. Otherwise, follow the steps below.

Since you earned only remuneration in the tax year, you will be filling in boxes that are relevant to you.

Item 26: Enter the taxable income from remuneration before zakat al-mal and donations in Box 26. This is the figure in Item 8.

Items 27 and 28: Leave Items 27 to 28 blank and go to Item 29.

Items 29: Enter zakat al-mal amount allocated. This figure is lower of Box 24 and Box 26.

Items 30 and 31: Leave Items 30 to 31 blank and go to Item 32.

Items 32: Subtract Box 29 from Box 26 and enter the figure here.

Items 33 and 34: Leave Items 33 to 34 blank and go to Item 35.

Items 35: This is the figure in Item 32. This is your taxable income before donation.

Now you may deduct donation by completing rest of the table.

Item 36: 5% of taxable income before donations

Multiply the amount in Box 35 by 0.05, and enter the figure here.

Item 37: Donations deductible

Enter the amount which is the lower of Box 25 and Box 36. This is the maximum amount you can deduct as donation.

Item 38: Enter the figure in Item 37.

Items 39 and 40: Leave Items 39 to 40 blank and go to Item 41.

Item 41: Subtract Box 38 from Box 32 and enter the figure here.

Items 42 and 43: Leave Items 42 to 43 blank and go to Item 44.

Items 44: This is the figure in Item 41.

Items 45 and 46: .Leave Items 45 to 46 blank and go to Item 47.

Item 47: Transfer the amount in Box 41 to here.

Items 48 and 49: Leave the Items blank and go to Item 50.

Items 50: This is the figure in Item 47. This is your taxable income for the year.

Amount in Box 50 must be transferred to Box 174 (Page 9). If you are using the fillable version, this figure will be transferred automatically.

After completing this section, please go to Section C to complete the computation of tax liability.

SECTION C:

Computation of tax liability

Go to Part 2 (Tax liability computation for individuals) of this section (i.e. from Boxes 174 to 185).

If you are using fillable version of the form, ALL these items will be filled automatically.

Item 174 – Taxable income for the year

Total taxable income as computed in Section A of the tax return must be entered here. This is the amount in Box 50.

NOTE 4 – Calculation of size of tax brackets

Use the formulas given on the return to calculate the size of tax brackets in item A, B, C and D. If your accounting period is from 1 January to 31 December, the number of days in the accounting period is 365 days.

Divide the taxable income in Box 174 using the formulas given on the, filling each tax bracket starting from the bracket taxed at 0%, in that order.

Amounts entered for each tax bracket must not exceed the size of the bracket available.

Example 1

Ali had not been registered with MIRA during the BPT regime, and his total income for the tax year 2020 consisted only of remuneration. He started deriving remuneration from 1 April 2020. Hence, his accounting period ended in the tax year 2020 would be from 1 April 2020 - 31 December 2020.

Since his accounting period was shorter than a full year (365 days), size of the tax brackets needs to be reduced accordingly.

If an accounting period starts on the first day of a month, below formula must be used to calculate the size of the tax brackets.

$$\frac{n}{12} \times m$$

Where, $n =$ number of months in the accounting period

m = full amount of the respective annual tax bracket

A. Size of tax bracket available at 0% $= \frac{9}{12} \times 720{,}000 = 540{,}000.00$

B. Size of tax bracket available at 5.5% $= \frac{9}{12} \times 480{,}000 = 360{,}000.00$

C. Size of tax bracket available at 8% $= \frac{9}{12} \times 600{,}000 = 450{,}000.00$

D. Size of tax bracket available at 12% $= \frac{9}{12} \times 600{,}000 = 450{,}000.00$

Assuming his taxable income for the year (amount in Box 174) is MVR 4,900,000, below is how he will divide his taxable income to available tax brackets.

Box		Taxable Income (Rounded off to two decimals)	Box	Tax Liability (Rounded off to two decimals)
175	Amount subject to tax at 0%	540000.00	176	0
177	Amount subject to tax at 5.5%	360000.00	178	19800.00
179	Amount subject to tax at 8%	450000.00	180	36000.00
181	Amount subject to tax at 12%	450000.00	182	54000.00
183	Amount subject to tax at 15%	3100000.00	184	465000.00
185	**Total tax liability for the year** *(Sum of Boxes 178, 180, 182 and 184. Go to Box 186 if you are a non-resident deriving income under Section 11(r) of the Act)*			574800.00

Transfer to A

Amount subject to tax at15% is calculated as below

Item 183 = 4,900,000.00 – (540,000+360,000+450,000+450,000)

= 3,100,000.00

Example 2

Fathimath had not been registered with MIRA during the BPT regime, and her total income for the tax year 2020 consisted only of remuneration. She started deriving remuneration from 12 June 2020. Hence, her accounting period ended in the tax year 2020 would be from 12 June 2020-31 December 2020.

Since her accounting period was shorter than a full year (365 days), size of the tax brackets needs to be reduced accordingly.

If an accounting period starts on a date other than the first day of a month, below formula must be used to calculate the size of the tax brackets.

$$\frac{p}{q} \times r + \frac{n-1}{12} \times m$$

Where, p = Number of days from the start of that accounting period till the end of that month (in which the accounting period starts)

q = Total number of days in the month in which the accounting period starts

r = Full amount of the respective monthly tax bracket

n = Number of months in the accounting period

m = Full amount of the respective annual tax bracket

For "n" (Number of months in the accounting period), it is crucial that you write the number of months including the month your accounting year starts. In this case, it would be 7 (June to December).

A. Size of tax bracket available at 0% $= \frac{19}{30} \times 60{,}000 + \frac{7-1}{12} \times 720{,}000 = 398{,}000.00$

B. Size of tax bracket available at 5.5% $= \frac{19}{30} \times 40{,}000 + \frac{7-1}{12} \times 480{,}000 = 265{,}333.33$

C. Size of tax bracket available at 8% $= \frac{19}{30} \times 50{,}000 + \frac{7-1}{12} \times 600{,}000 = 331{,}666.67$

D. Size of tax bracket available at 12% $= \frac{19}{30} \times 50{,}000 + \frac{7-1}{12} \times 600{,}000 = 331{,}666.67$

Assuming her taxable income for the year (amount in Box 174) is MVR 4,900,000, below is how she will divide her taxable income to available tax brackets.

Box	Item	Taxable Income (Rounded off to two decimals)	Box	Tax Liability (Rounded off to two decimals)
175	Amount subject to tax at 0%	398000.00	176	0
177	Amount subject to tax at 5.5%	265333.33	178	14593.33
179	Amount subject to tax at 8%	331666.67	180	26533.33
181	Amount subject to tax at 12%	331666.67	182	39800.00
183	Amount subject to tax at 15%	3573333.33	184	536000.00
185	**Total tax liability for the year** *(Sum of Boxes 178, 180, 182 and 184. Go to Box 186 if you are a non-resident deriving income under Section 11(r) of the Act)*			616926.66

Transfer to A

Amount subject to tax at15% is calculated as below
Item 183 = 4,900,000.00 – (398,000.00+265,333.33+331,666.67+331,666.67)
= 3,573,333.00

Item 185 – Tax liability for the year

This is sum of Boxes 176, 178, 180, 182 and 184.

Now, go to Item A on page 1.

COMPUTATION OF INCOME TAX PAYABLE

Item A – Total tax liability

This amount is your total income tax liability for the tax year.

Enter the figure in Box 185.

If you are using the fillable version, this figure will be transferred to here automatically.

Item B – Foreign tax credit

If you are a non-resident, enter zero here.

Enter the amount of credit that you want to claim for the tax year as a foreign tax credit. For more information on foreign tax credit, please refer the section 72 of Income Tax Act and chapter 15 of the Income Tax Regulation.

If you enter an amount in this Item, you must attach explanation and supporting documents.

Item C – Tax payable (excluding tax payable on income specified in section 11(r) of the Act)

To compute this figure, subtract your foreign tax credit (Item B) from your total tax liability (Item A).

Item D – Tax payable for income specified in section 11(r) of the Act

This item is not applicable to you.

Item E – Total tax payable for the year

This is same as the figure in Item C.

Item F – EWT deducted by your payer

Persons earning remuneration can deduct the amount employee withholding tax (EWT) deducted by the payer. Enter the sum of EWT deducted by your payer(s) during the tax year. This can be retrieved from your salary slips or from MIRAconnect.

Item G - NWT deducted by your payer

This item is not applicable to you.

Item H – First interim payment

Enter the amount of income tax that you have paid as your first interim payment for the tax year. If not, enter ZERO here.

Item I – Second interim payment

Enter the amount of tax that you have paid as your second interim payment for the tax year. If not, enter ZERO here.

Item J – Income tax paid in excess to date

Enter the amount of income tax payments, if any, made to MIRA other than through EWT mechanism.

Item K – BPT paid in excess to date

Enter zero if this is your first tax year.

If this is not your first tax year, you can enter the amount paid in excess as BPT to date.

Item L – Final payment

This is the amount you must pay as your final payment. To compute this figure, deduct amounts in Items F, G, H, I, J and K from Item E.

Item M – Amount being paid

This is the amount of tax that you are required to pay with this return.

Declaration

This declaration must be completed by ALL taxpayers.

If you are filing your return "offline", you may sign the return.

For office use only

This section is for our use. Do not write anything in this green box.

STATEMENT OF DONATIONS TO STATE INSTITUTIONS AND APPROVED CHARITABLE ORGANIZATIONS

- Column 1: Date of donation: This is the date on which you made the donation.
- Column 2: Name of donee: This is the name of the body, association or public institution approved by CG to which you made the donation.
- Column 3: Details of donation: In this column write "Cash", if the donation was made in money. If the donation was made in kind, write the details of the assets which you donated, including the date of acquisition of the asset and the type of asset.
- Column 4: Amount of donation: If the donation was made in money, enter the amount of your donation. If the donation was made in kind, enter the cost of the asset you have donated.

If there is no enough space in the Statement of Donations, you may use additional sheets. Enter the total amount of donations on the additional sheets in Row 15, Column 4.

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