



Unofficial translation of the

**FIFTH AMENDMENT TO THE
TAX ADMINISTRATION
REGULATION**

2021/R-127

DISCLAIMER OF LIABILITY

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

FIFTH AMENDMENT TO THE TAX ADMINISTRATION REGULATION

The Tax Administration Regulation (Regulation Number 2013/R-45) shall be amended as follows:

1. Insert a subsection after Section 64-7(o) of the aforementioned Regulation as follows:

64-7. (o-1) "Reportable jurisdiction" refers to any jurisdiction other than the Maldives.

2. Amend Section 69 of the aforementioned Regulation as follows:

**Refund of
amounts paid in
excess**

69. (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 maybe 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).

3. Insert sections after Section 69 of the aforementioned Regulation as follows:

**Payment of
refund money
into a bank
account**

- 69-1. (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.

**Refund
currency**

- 69-2. (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.

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