

Unofficial translation of the
GREEN TAX REGULATION

2015/R-181

This document consolidates the following:

Regulation/Tax Ruling Number	Description	Date of Issue	Summary of Amendments
2015/R-181	Green Tax Regulation	12 Oct 2015	-
TR-2016/E1	First amendment to the Green Tax Regulation	18 Aug 2016	<ul style="list-style-type: none"> • Amended sections 2 (Objective), 3 (Registration for Green Tax), 4 (Registration of existing tourist establishments), 5 (TIN), 6 (Green Tax Registration Certificate), 7 (Deregistration), 8 (Tax computation), 9 (Checking in and checking out), 10 (Green tax return), 12 (Amending Tax returns), 13 (Submission of Information Sheet), 14 (Payment of Green Tax), 18 (Record keeping), and 22 (Definitions).

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.

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GREEN TAX REGULATION

1. Introduction and citation

- (a) This Regulation was made pursuant to the authority granted to the Maldives Inland Revenue Authority under Section 36(b) of the Maldives Tourism Act (Law Number 2/99).
- (b) This Regulation shall be cited as the “Green Tax Regulation”.

2. Objective

The objective of this Regulation is to establish policies and procedures with regard to the imposition of Green Tax pursuant to Section 35(g) and (h) of the Act, to establish the procedures for submitting information required for the collection of Green Tax to MIRA and to establish other relevant procedures.

CHAPTER 1: REGISTRATION

3. Registration for Green Tax

- (a) A tourist resort, tourist hotel, tourist vessel or a tourist guesthouse shall be registered for Green Tax from the date of issue of the operating license granted to that resort, hotel, vessel or guesthouse by the Ministry of Tourism. Such registration shall be made in the name of the person granted with the operating license, and each resort, hotel, vessel and guesthouse shall be registered separately.
- (b) Notwithstanding subsection (a), foreign tourist vessels shall be registered with MIRA in the name of the local agent of that vessel, appointed in accordance with Section 24(b) of the Act.
- (c) Even if a tourist resort, tourist hotel or a tourist vessel required to register with the Ministry of Tourism is operated without registering with that Ministry, the establishment shall be liable to submit the Green Tax return and pay Green Tax in accordance with the Act and this Regulation from the date of commencement of this Regulation or, where the establishment commences operation after the commencement of this Regulation, the date the establishment commenced operation.
- (d) Even if a tourist guesthouse required to register with the Ministry of Tourism is operated without registering with that Ministry, the establishment shall be liable to submit the Green Tax return and pay Green Tax in accordance with the Act and this Regulation from 1 October 2016 or, where the establishment commences operation after 1 October 2016, the date the establishment commenced operation.

4. Registration of existing resorts, hotels, vessels and guesthouses

- (a) Tourist resorts, tourist hotels and tourist vessels registered with MIRA under the Goods and Services Tax Act (Law Number 10/2011) as of 31 October 2015 shall not be required to apply for registration. MIRA shall register such resorts, hotels and vessels for Green Tax and communicate registration details to the respective operating license holders.
- (b) Tourist guesthouses registered with MIRA under the Goods and Services Tax Act (Law Number 10/2011) as of 30 September 2016 shall not be required to apply for registration. MIRA shall register such guesthouses for Green Tax and communicate registration details to the respective operating license holders.

5. TIN

All tourist resorts, tourist hotels, tourist vessels and tourist guesthouses registered under this Regulation shall be allocated a Taxpayer Identification Number (TIN).

6. Green Tax Registration Certificate

- (a) Each tourist resort, tourist hotel, tourist vessel and tourist guesthouse registered under this Regulation shall be provided with a Green Tax Registration Certificate.
- (b) All registered establishments shall display the Green Tax Registration Certificate provided by MIRA in a conspicuous place at the business premises to indicate that the establishment is registered for Green Tax.

7. Deregistration

A deregistration application shall be made by the operating license holder to MIRA in writing, within 15 (fifteen) days from the cancellation or transfer of the operating license of the tourist resort, tourist hotel, tourist vessel or tourist guesthouse.

CHAPTER 2: COMPUTATION OF GREEN TAX

8. Tax computation

For the purposes of Section 35(g) and (h) of the Act, the amount of Green Tax payable shall be computed on the following basis:

- (a) Green Tax shall be charged from the time the tourist checks in to the tourist resort, tourist hotel, tourist vessel or tourist guesthouse.

- (b) Green Tax shall be charged by tourist resorts, tourist hotels and tourist vessels at the rate of 6 (six) United States Dollars for each 24 (twenty four) hours of stay by the tourist at the establishment from the time specified in subsection (a). Green Tax shall be charged by tourist guesthouses at the rate of 3 (three) United States Dollars for each 24 (twenty four) hours of stay by the tourist at the establishment from the time specified in subsection (a). However, the tourist shall be liable to pay Green Tax for the 24 hour block during which he checks out, only if he stayed at the establishment for at least 12 (twelve) hours within that 24 hour block.
- (c) Where a tourist does not check out by the end of a given month, Green Tax payable in respect of his stay for that month shall be computed based on the duration he stayed at the establishment during the 24 hour block in which 23:59 hrs of the last day of that month occurred. In this regard, Green Tax for that 24 hour block shall be payable in that month only if the tourist stayed at the establishment for at least 12 (twelve) hours from the commencement of that 24 hour block until 23:59 hrs of the last day of that month. Under other circumstances, Green Tax for that 24 hour block shall be payable in the subsequent month.
- (d) Subsection (c) shall not apply to foreign tourist vessels as Green Tax payable by foreign tourist vessels are not computed on a monthly basis.
- (e) Guests who stay at tourist establishments for free or on a complimentary basis shall also be required to pay Green Tax.

9. Checking in and checking out

- (a) For the purposes of this Regulation, any person shall be considered to have checked in to a tourist resort, tourist hotel, tourist vessel or a tourist guesthouse when the person is recorded in the systems or documents of the establishment as a person staying at that establishment. The person shall be considered to have checked out when the person is recorded in the systems or documents as having checked out of that establishment.
- (b) Any person who stays in a room which has been approved by the Ministry of Tourism to accommodate tourists shall be recorded as a person who has checked in to the establishment.
- (c) Notwithstanding subsection (a), for the purposes of this Regulation, in the case of a foreign tourist vessel, the time of check in shall be deemed to be the vessel's "customs inward clearance time", and the time of check out shall be deemed to be the vessel's "estimated time of departure".

- (d) Notwithstanding subsections (a) and (c), for the purposes of this Regulation, a person who stays at a tourist resort, tourist hotel or a tourist vessel at 00:00 hrs of 1 November 2015 shall be considered to have checked in to the establishment at 00:00 hrs of 1 November 2015.
- (e) Notwithstanding subsections (a) and (c), for the purposes of this Regulation, a person who stays at a tourist guesthouse at 00:00 hrs of 1 October 2016 shall be considered to have checked in to the establishment at 00:00 hrs of 1 October 2016.
- (f) Where a person who checks out of a tourist resort, tourist hotel, tourist vessel or a tourist guesthouse subsequently checks in to that establishment within 12 hours of check out, such person shall not be deemed to have checked out. The amount of Green Tax payable by such person shall also be computed assuming that the person had not checked out of the establishment.

CHAPTER 3: TAX RETURN

10. Green Tax return

- (a) Tourist resorts, tourist hotels, tourist vessels and tourist guesthouses shall compute their Green Tax liability, and file tax returns with MIRA, in accordance with the Act and this Regulation.
- (b) Tourist resorts, tourist hotels, tourist vessels and tourist guesthouses shall file a tax return for each calendar month on or before the 28th day of the subsequent month, using MIRA 501 (Green Tax Return) form.
- (c) Tourist resorts, tourist hotels, tourist vessels and tourist guesthouses are required to file a Green Tax return with MIRA in accordance with subsection (b), even if the tourist resort, tourist hotel or tourist vessel is not in operation or if guests do not stay in the establishment, for as long as the establishment is not deregistered from Green Tax.
- (d) Notwithstanding subsection (b), foreign tourist vessels shall file a return for the duration of stay of the vessel, prior to its departure from Maldives, using MIRA 502 (Green Tax Return: Foreign Tourist Vessels) form. For the purposes of the Act and this Regulation, the deadline for submitting MIRA502 for foreign tourist vessels shall be the date “customs outward clearance” is received.
- (e) Where the time a foreign tourist vessel departs from Maldives is different from the “estimate time of departure” referred to in section 9(c) of this Regulation, and where the amount Green Tax payable by that vessel will be different had it been computed assuming that the check out time of the tourists on that vessel is the actual time departure, the vessel is required to submit an amended Green Tax return within 24 (twenty four) hours of departure from Maldives, and pay any additional tax.

11. Mandatory online filing of Green Tax return and payment of tax

- (a) The Green Tax return required to be filed pursuant to Section 10 of this Regulation and the Information Sheet required to be submitted pursuant to Section 13 of this Regulation shall be submitted to MIRA via MIRA's online portal. All amounts payable in relation to Green Tax shall also be made through the portal.
- (b) Notwithstanding subsection (a), the Commissioner General of Taxation shall have the discretion to accept Green Tax returns filed and payments made otherwise, upon request of the taxpayer. Under such circumstances, tax returns filed with MIRA by the registered person shall be signed by a person registered with MIRA through the MIRA101 (Taxpayer Registration) form as a person authorized to sign tax returns on behalf of the registered person.

12. Amending tax returns

- (a) A tourist resort, tourist hotel, tourist vessel or a tourist guesthouse may amend a Green Tax return submitted in accordance with Section 10 of this Regulation by filing an amended Green Tax return within 12 (twelve) months from the due date for filing that return.
- (b) Where a person files an amended Green Tax return pursuant to subsection (a), he shall submit an explanation for the amendment and supporting documents, together with the amended return.
- (c) Where the tax liability declared on an amended Green Tax return filed by a person in accordance with subsection (b) is lower than the tax liability declared on the most recent Green Tax return filed by that person for that period, the amended return shall be subject to a review before it is accepted.
- (d) Where the tax liability declared on an amended Green Tax return filed by a person in accordance with subsection (b) is equal to or higher than the tax liability declared on the most recent Green Tax return filed by that person for that period, the amended return shall be accepted without a review.
- (c) Where subsection (c) applies:
 - (1) the operating license holder of the establishment which filed the amended Green Tax return shall be notified in writing that the return has been put on hold pending a review.
 - (2) he person shall not be eligible to claim the credit arising from the amended return until MIRA accepts the amendment following the review.
- (d) The outcome of the review referred to in subsection (c) shall be notified to the operating license holder of the establishment in writing.

13. Submission of Information Sheet

- (a) Every tourist resort, tourist hotel, tourist vessel and tourist guesthouse shall submit an Information Sheet to MIRA together with the Green Tax Return, in a format prescribed by MIRA. The Information Sheet shall contain information about all the guests who stayed at the establishment during the period.
- (b) The Information Sheet shall be prepared on the following basis:
 - (1) Guests shall be listed in numerical order of the guest registration number.
 - (2) It shall include details of all guests who checked in before 23:59 hrs on the last day of the month.
 - (3) Guests who do not check out by the end of the month shall be entered first in the subsequent month's Information Sheet under the same registration number.
 - (4) Guest registration number shall be reset to 1 (one) at the beginning of every calendar year. Guest registration numbers from November 2015 onwards shall be a continuation of the guest registration numbers used prior to the commencement of this Regulation.
 - (5) Notwithstanding subsection (b)(4), guest registration numbers used by tourist guesthouses from 1 October 2016 onwards shall be a continuation of the guest registration numbers used until 30 September 2016.

CHAPTER 4: PAYMENT OF TAX

14. Payment of Green Tax

- (a) Tourist resorts, tourist hotels, tourist vessels and tourist guesthouses shall pay the amount of Green Tax payable for each month, to MIRA on or before the 28th day of the subsequent month.
- (b) Notwithstanding subsection (a), foreign tourist vessels shall pay the amount of Green Tax payable for the duration of stay of the vessel, prior to its departure from Maldives.
- (c) The local agent of the foreign tourist vessel shall be liable for collecting the tax from the tourists and paying it to MIRA. Any additional taxes and penalties in respect of that vessel shall also be borne by the local agent.

(d) Where a tourist vessel has been chartered, the operator of the vessel shall be liable for collecting Green Tax from the guests staying on the vessel. For the purposes of this Regulation, a tourist vessel shall be deemed to be chartered in the circumstances referred to in the Goods and Services Tax Regulation (Regulation Number 2011/R-43).

15. Currency for payment of Green Tax

Green Tax shall be paid to MIRA in United States Dollars.

CHAPTER 5: MISCELLANEOUS PROVISIONS

16. Not charging GST on Green Tax

Where an amount of Green Tax is included in a tax invoice or a receipt issued for the purposes of the Goods and Services Tax Act (Law Number 10/2011), the GST for that transaction shall be computed excluding the amount of Green Tax included in that transaction. The amount of Green Tax included in a transaction shall be the amount of Green Tax stated clearly on a tax invoice or receipt issued for that transaction, computed in accordance with the Act and this Regulation

17. Payment of Green Tax charged in violation of the Act to MIRA

Where a person not allowed to charge Green Tax in accordance with the Act and this Regulation does charge Green Tax, or where Green Tax is charged to a person who is not required to pay Green Tax, or where the Green Tax charged is more than the amount chargeable, unless such amount is refunded to the person who paid it, the Commissioner General of Taxation shall have the discretion to collect such amount as tax payable to MIRA.

18. Record keeping

In addition to the records required to be maintained in accordance with the Tax Administration Act (Law Number 3/2010) and the Tax Administration Regulation (Regulation Number 2013/R-45), tourist resorts, tourist hotels, tourist vessels and tourist guesthouses shall be required to maintain the following records:

- (a) Guest register
- (b) Guest registration cards

19. Fines

Where an establishment required to register for Green Tax does not register with MIRA, or where an establishment liable to submit a Green Tax return does not submit it or submits it late, or does not pay by the deadline to pay Green Tax or pays it late, the establishment shall be fined pursuant to the Tax Administration Act (Law Number 3/2010) and the Tax Administration Regulation (Regulation Number 2013/R-45).

20. This Regulation to be read together with taxation laws

This Regulation shall be read together with the Maldives Tourism Act (Law Number 2/99) and the Tax Administration Act (Law Number 3/2010) and regulations made pursuant to those Acts. Any word or expression not defined in this Regulation, unless the context otherwise requires, shall have the same meaning such word or expression has in those Acts.

21. Commencement of the Regulation

The commencement date of this Regulation shall be 1 November 2015.

22. Definitions

(a) In this Regulation, unless otherwise specified:

“Act” refers to the Maldives Tourism Act (Law Number 2/99).

“Foreign tourist vessel” refers to vessels referred to in Section 24 of the Act.

Person who “operates” a tourist resort, tourist hotel, tourist vessel or a tourist guesthouse refers to the person to whom the operating license is issued by the Ministry of Tourism.

“24 hour block” refers to each 24 hours counted continuously from the time of check in.

“Tourist” refers to all persons other than Maldivian citizens who enter the Maldives and do not hold a “resident permit”. A “resident permit” is a permit issued by the relevant authority in accordance with the regulations, permitting an individual to stay in the Maldives other than as a tourist.

“Green Tax” refers to the tax imposed pursuant to Section 35(g) and (h) of the Act.

“MIRA” refers to the Maldives Inland Revenue Authority established pursuant to the Tax Administration Act (Law Number 3/2010).

(b) For the purpose of this Regulation, singular includes plural and plural includes singular.