

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



**MALDIVES INLAND REVENUE AUTHORITY**

Malé, Republic of Maldives

# TAX RULING

## Business Profit Tax: Treatment of dividend income

---

**Reference No.:** TR-2012/B17

**Date of issue:** Wednesday, 15 August 2012

*This ruling is issued pursuant to the authority granted under Section 84 of the Tax Administration Act (Law Number 3/2010) as amended by Law Number 14/2011. Unless otherwise stated, all legislative references are to the Business Profit Tax Act (Law Number 5/2011) and the Business Profit Tax Regulation (Regulation Number 2011/R-35 as amended by Regulation Number 2011/R-47 and Tax Ruling number TR-2012/B6 and TR-2012/B11). This ruling is legally binding.*

### Introduction

1. This ruling explains the treatment of dividend income derived by a Person within the charge to business profit tax, in calculating that Person's taxable profits.
2. Section 10 of the Act states that:  
“...  
(d) Notwithstanding Section 10(a), deductions may be made in accordance with regulations made by the MIRA, in computing the taxable profits of any tax year in respect of the following expenditure and allowances:  
...  
(9) any other deduction prescribed by regulations made pursuant to this Act.”

### Ruling

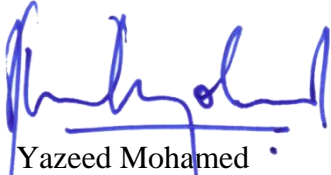
3. Dividends derived by a Person within the charge to tax under the Act shall constitute taxable income of that Person.
4. Dividends paid by a resident company, which are derived by a Person within the charge to tax under the Act, shall be deductible under Section 10(d)(9) of the Act, by the Person that derived the dividends.



- 2 -

### **Date of Effect**

5. This ruling shall have effect for the tax year 2011 and thereafter.



Yazeed Mohamed  
Commissioner General of Taxation

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