

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVES INLAND REVENUE AUTHORITY
Malé, Republic of Maldives

TAX RULING

Business Profit Tax: Services supplied by a director, partner, trustee or member of a body of persons

Reference No.: TR-2012/B8

Date of issue: Tuesday, 8 May 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). This ruling is legally binding.

Introduction

1. This ruling explains the business profit tax treatment of services supplied to a company, partnership, or trust or body of persons, by a member of the Board of Directors of that company, or a partner in that partnership, or a trustee of that trust or a member of that body of persons, respectively.

Ruling

2. Where—
 - (a) a member of the Board of Directors of a company which is registered with the MIRA under the Tax Administration Act (Law Number 3/2010) supplies services to that company; and
 - (b) the services supplied by that director to the company fall within the definition of a “business” in section 43(a); and
 - (c) that director does not carry on any other business,
that director shall not be required to register with the MIRA separately.
3. Notwithstanding paragraph 2 of this ruling, the consideration paid or payable by the company to that director for the services supplied by him shall be considered as “remuneration” as defined in section 43(a) and hence, section 11(d) shall apply accordingly.