

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Registration of “deemed partnerships” under the Tax Administration Act

Reference No.: TR-2016/A9

Date of issue: Thursday, 1 December 2016

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 references to the Act are to the Tax Administration Act (Law Number 3/2010) as amended, and all references to the Regulation are to the Tax Administration Regulation (Regulation Number 2013/R-45) as amended. This ruling is legally binding.

Introduction

1. This ruling explains the requirement for “deemed partnerships” to register with MIRA under the Tax Administration Act.
2. Section 21(e) of the Act states:
Any person (not being a company) commencing business in the Maldives after the commencement of this Act shall provide notice to the MIRA of that fact within 2 months from the date of commencement of such business by that person.
3. Section 3(a) of the Regulation states:
For the purpose of completing the Taxpayer Register required to be maintained by the MIRA under Section 23 of the [Tax Administration] Act, persons conducting business in the Maldives shall submit a “Taxpayer Registration” (MIRA 101) form within 60 (sixty) days from the commencement of that business, together with the information and documents specified therein, to the MIRA.
4. Section 77(c) of the Regulation states:
“Business” shall have the same meaning as in Section 43(a) of the Business Profit Tax Act (Law Number 5/2011).
5. Section 5(a) of the Business Profit Tax Act (Law Number 5/2011) states:
The following provisions shall apply in relation to a partnership in a tax year, whether or not it is registered under the Partnership Act (Act Number 9/96):
...



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6. Section 43(a) of the Business Profit Tax Act (Law Number 5/2011) states:
“Business” includes
- (1) any profession or vocation and every trade, commerce or manufacture or every adventure in the nature of trade, agriculture, horticulture, forestry and timber growing, aqua-culture, fishing, fish farming, poultry or cattle raising or any other activity carried on with a view to making profits,
 - (2) the granting of the right to occupy immovable property for valuable consideration;
- but does not include any employment;
7. Section 79(a) of the Business Profit Tax Regulation (Regulation Number 2011/R-35) states:
“Partnership” means a partnership as defined in Section 2(b) of the Partnership Act (Law Number 9/96) and two or more Persons who share the gross receipts from a commercial activity, whether or not using a separate name and whether or not the Persons have joint or common rights in any property that produces the receipts.

Ruling

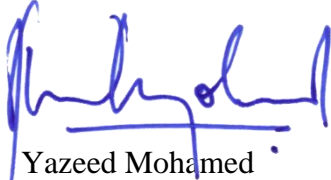
8. Partnerships, other than those registered with the Registrar of Business under the Partnership Act (Law Number 13/2011) and the Business Registration Act (Law Number 18/2014), which satisfy all of the following conditions shall not be required to register with MIRA under the Act and the Regulation:
- (a) None of the business activities carried on by the partnership require a permit or license issued by a Government Authority or State Institution; and
 - (b) The partnership does not give any consideration to any person for work performed by that person for that partnership; and
 - (c) The average monthly gross revenue earned by the partnership from all business activities carried on by that partnership during any 12-month period does not exceed MVR 20,000 (Twenty Thousand Rufiyaa).
9. Notwithstanding paragraph 8 of this ruling, partnerships who satisfy the conditions in that paragraph:
- (a) may register with MIRA voluntarily.
 - (b) must keep records in accordance with the Act and the Regulation.



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Date of Effect

10. This ruling shall have effect from its date of issue.



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.