

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Business Profit Tax: Thirteenth amendment to the Business Profit Tax Regulation

Reference No.: TR-2017/B60

Date of issue: Thursday, 18 May 2017

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 Business Profit Tax Act (Law Number 5/2011), and all references to the Regulation are to the Business Profit Tax Regulation (Regulation Number 2011/R-35) as amended. This ruling is legally binding.

Introduction

1. This ruling amends section 65 of the Regulation.

Ruling


2. Insert the following subsections after section 65(c) of the Regulation:
 - (d) For the purposes of this section, a payment shall be considered as being payable to a non-resident on the earlier of the following dates:
 - (1) The date on which the payer receives an invoice from the non-resident (physically, electronically, or otherwise).
 - (2) The date on which the payer accrues the payment payable to the non-resident in his books of accounts.
 - (3) The date on which a present obligation arises on the payer towards the non-resident, as a result of a past event.
 - (e) Where the exact date in a particular month on which a payment became payable pursuant to subsection (d) cannot be ascertained, it shall be assumed that the payment became payable on the final day of that month.
 - (f) Where a Person declares in accordance with subsection (d), withholding tax on a payment subject to withholding tax under Section 6(a) of the Act, before the amount payable to the non-resident in relation to the transaction has been confirmed, the Person shall file an amended tax return to reflect the correct liability, upon confirmation of the amount payable. In such cases, the relevant late payment and late filing penalties shall apply.



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Date of Effect

3. This ruling shall have effect from the date of its publication in the Government Gazette.



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.