

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Remittance Tax: First amendment to the Remittance Tax Regulation

Reference No.: TR-2017/R2

Date of issue: Monday, 16 January 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 Employment Act (Law Number 2/2008) as amended, and all references to the Regulation are to the Remittance Tax Regulation (Regulation Number 2016/R-86). This ruling is legally binding.

Introduction

1. This ruling amends section 7 of the Regulation and introduces an anti-avoidance provision.

Ruling

2. Insert the following after section 7(a)(2) of the Regulation:
 - (3) Withdrawing cash outside the Maldives, using a prepaid cash card issued by a bank in the Maldives.
3. Insert the following section after section 9 of the Regulation, renumber subsequent sections, and correct relevant cross-references in the Regulation:

10. Measures to avoid payment of Remittance Tax

 - (a) Remittances referred to in Section 7(a)(1) of this Regulation, which are made by the holder of a “dependent visa” that is issued to the dependent of a foreigner employed in the Maldives, shall be subject to Remittance Tax in accordance with the Act and this Regulation.
 - (b) Remittances referred to in Section 7(a)(1) of this Regulation, which are made by a Maldivian citizen on behalf of a foreigner employed in the Maldives, shall be subject to Remittance Tax in accordance with the Act and this Regulation.
 - (c) Where an employer transfers money to a foreign bank account of a foreigner employed in the Maldives because a local bank account has not been opened, or because the local bank account of the foreigner has been closed following the



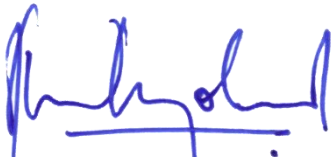
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termination of his employment, the transfer shall be subject to Remittance Tax in accordance with the Act and this Regulation.

- (d) Where a foreigner employed in the Maldives, or the holder of a “dependent visa” that is issued to the dependent of a foreigner employed in the Maldives, or a Maldivian citizen, attempts to take out of the Maldives, cash belonging to another foreigner employed in the Maldives, it shall be considered as a measure to avoid payment of Remittance Tax under Section 92(b) of the Act.

Date of Effect

4. 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.