

## What is a tax return?

A tax return is a statement that you must submit to the MIRA every year, which shows how you calculated your taxable profits and your amount of tax payable for the year.

## When do I have to file my tax return?

You must file your tax return each year on *later* of the following dates:

- before the end of 6 months from the end of your accounting period, or
- on or before 30 April of the following tax year.

## When must I pay BPT and how much?

BPT must be paid for a tax year as follows;

1. **First Interim payment:** on or before 31 July.
2. **Second Interim payment:** on or before the following 31 January.  
The amount of the first and the second interim payments for a tax year are each equal to one-half of your assessed tax for the last tax year. For your first tax year, you must make a realistic estimate of your first and second interim payments. The first interim and second interim payment for the tax year ending on 31 December 2011 is due on 31 January 2012.
3. **Final payment:** on or before the due date for filing your tax return. The amount of your final payment is the assessed tax for a tax year less the total of your interim tax payments

## What records do I have to keep?

You must keep clear and accurate records of all your business transactions to enable us to verify the accuracy of your calculation of your taxable profits. Records must be kept either in Dhivehi or English for 6 years from the year to which they relate.

## Business Profit Tax (BPT) starts on 18 July 2011

## What is Business Profit Tax (BPT)?

BPT is a tax payable under the Business Profit Tax Act (Law no. 5/2011) on the taxable profits of all the businesses carried on in the Maldives.



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# Business Profit Tax (BPT)

## Who is subject to BPT?

All persons carrying on business in the Maldives whose annual taxable profit exceeds MVR 500,000 are subject to BPT. This includes resident and non-resident companies, partnerships, cooperatives and individuals. Certain payments made to non-residents of the Maldives are also subject to withholding tax.

## Who needs to register for BPT?

Any person carrying on business in the Maldives needs to register for BPT. They include; resident and non-resident company, partnership, cooperative and individuals, and 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, apartment rental or any other activity carried on with a view to making profits.

## How do I register for BPT?

You can register your business using the Business Registration Form (MIRA101), which can be downloaded from [www.mira.gov.mv](http://www.mira.gov.mv). It is also available at the Taxpayer Service Center of Maldives Inland Revenue Authority (MIRA).

## What is my accounting period?

If you prepare accounts each year, your accounting period is the 12-month period covered by the accounts. If your accounting period ends on 31 December, it is the same as the tax year. If it ends on a different date, your taxable profits for a tax year are your profits of the accounting period whose balance date falls in that tax year.

The accounting period for an individual must be the same as the Tax Year.

## What is a tax year?

A tax year is the period from 1 January to 31 December of every year. However, the first tax year will be from 18 July 2011 to 31 December 2011.

## How is my taxable profit determined?

Taxable profit is the full amount of all your profits for a tax year. In the first year of BPT, taxable profits are calculated only from 18 July 2011 to 31 December 2011 (or to the end of your accounting period if it is before 31 December). For a company that is not resident in the Maldives, taxable profits are the full amount of profits derived by a permanent establishment in the Maldives and any rent, royalties and management fees received from the Maldives.

## What are the rates of BPT?

Companies, Partnerships, Individuals & Other legal bodies	15% on taxable profits of a year exceeding MVR 500,000
Company profits exclusively from sources outside the Maldives.  The company should be: a) incorporated in Maldives and not resident abroad, and b) not making any profits in the Maldives	5% on taxable profits of a year exceeding MVR 500,000
Withholding Tax	10% of the payments made or payable to non-residents of Maldives

## What is withholding tax?

Withholding tax is a tax charged on certain payments made to non-residents of the Maldives. It is deducted by the taxpayer from the gross amount to be paid to the non-resident. The taxpayer pays the withholding tax to MIRA by the 15 of the month following the payment. For example: payments made to a non-resident as rent, royalties, fees for the management or technical service or usage of computer software.