



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

CAPITAL MARKET DEVELOPMENT AUTHORITY
MALE', REPUBLIC OF MALDIVES

DIRECTIVE

Reference : (DIR)179/PRIV/2020/2
To : Securities Issuers and licensees
Copy :
Date : 27 February 2020
Subject : **Non-residential withholding tax on dividends:**

Pursuant to section 55; clause (c), (1), of the Income Tax Act (no. 25/2019), where at the time of (dividend) payment, it cannot be determined whether or not the person who receives the payment is resident in the Maldives, it shall be deemed that the person is not a resident in the Maldives and hence, listed companies are required to deduct withholding tax accordingly.

Hence, for the purpose of the above mentioned act, we request all to bring necessary changes to the subscriptions forms, account opening forms and Know Your Client (KYC) forms making it compulsory to the applicant to provide his/her residency status. Furthermore, we advise to include a disclaimer stating that any changes to the residency status shall be declared by the shareholder to the company immediately. We also advise companies to include updated residency status in the shareholders registry as per information received from investors and market intermediaries.

Furthermore, the Authority advises to make arrangements for creating awareness among shareholders regarding timely update of residency status. We also advise companies to include this in the AGM notices as a timely reminder to the shareholders prior to any dividend payout.



Fathimath Abdulla Kamaaluddeen

Fathimath Abdulla Kamaaluddeen
Acting Chief Executive Officer