

ANNOUNCEMENT

No: ATM/PR/2020/46A

Date: 30th August 2020

WITHHOLDING TAX (WHT) ON DIVIDEND PAYMENTS

In pursuant to the Income Tax Act (Law No. 25/2019) which came into effect on 01 January 2020, it requires the Company to deduct 10% from any dividends paid to “Non-Resident” shareholders as defined in the Act. Section 55(c)(1) of the Act further states that if at the time of dividend payment, it cannot be determined whether or not the shareholder who receives the payment is resident in the Maldives (as defined in the Act), it shall be deemed that the shareholder is not a resident in the Maldives; and requires the Company to deduct a non-resident withholding tax of 10% from any dividend paid to such shareholders.

For the purposes of the Income Tax Act (Law No.25/2019):

‘Resident’ means:

- in the case of an individual, any person: (i) whose permanent place of living is in the Maldives; or (ii) who is present in the Maldives or intends to be present in the Maldives for an aggregate of 183 (One Hundred and Eighty-Three) days or more in any 12 (Twelve) month period commencing or ending during a tax year; or (iii) who is an employOee or official of the Government of the Maldives and is posted overseas during a tax year;
- in the case of a company, a company: (i) that is incorporated in the Maldives; or (ii) that has its head office in the Maldives; or (iii) the control and management of which is in the Maldives.

‘Temporary Resident’ means:

- Individual resident in the Maldives under sec. 79 (kk)(1) of Income Tax Act who satisfy the following conditions: (1) a person permitted to stay in the Maldives under the Maldives Immigration Act (Law number 1/2007); and (2) a person who is not married to a Maldivian.

‘Non-Resident’ means:

- A person who is neither a “resident” nor “a person temporarily resident in the Maldives”, as defined in sec. 79 (II) of Income Tax Act.

As such, any dividends paid for the year 2020 and thereafter, the Company will deduct 10% WHT based on the information declared by the shareholder. Shareholders may update their residency status either;

- Updating the profile data in their infinity account with Maldives Securities Depository
- Submitting a duly completed “Shareholder Information Form” to Amana Takaful Maldives office or via emailing to investor.relations@takaful.mv
- Submitting the details online via <https://forms.gle/24fg7Pgnz3op98nB6>

All the shareholders are encouraged to update the residency status with the company