

The Maldives is a South Asian country known as the lowest country in the world, with one spot of it being the lowest on the planet. The country's population is over 400,000, and many live in the capital city of Male.

If you're planning to open a new company location in the Maldives, you'll experience numerous benefits and challenges. One of your first tasks after establishing a subsidiary will be setting up your Maldives payroll. You'll need to spend time examining all your options and choosing a payroll that works best for your needs. Globalization Partners offers Maldives payroll outsourcing to help you start working quickly through our established subsidiary. Learn about the benefits of working with us below.

Taxation Regulations for Payroll

The Maldives overhauled taxation policies starting in 2010. The new broad-based tax system includes Business Profit Tax (BPT), Withholding Tax (WHT), Goods and Services Tax (GST), Green Tax, and Bank Profit Tax. One benefit for foreigners is that the country does not have any income taxes for foreigners working in the country, and expatriates only need to pay a 3% remittance tax for money transfers back to their home country.

Maldives Payroll Options

Many companies trying to expand to the Maldives believe they need to use an internal payroll structure, but you can choose from four different Maldives payroll options:

- **Remote:** A remote payroll through your parent company is a great way to pay employees without establishing your own internal payroll. However, you'll have to follow the different laws and tax regulations for each country.
- **Internal:** An internal payroll usually works for large companies that have the resources and money to operate a large payroll. You'll also need an expert who can help you follow the Maldives' labor laws.
- **Outsourcing with a local company:** A Maldives payroll processing company will help you invest in the local economy while also outsourcing your payroll. A local company is not a global PEO, though, and cannot handle compliance.
- **Outsourcing with a global PEO:** Choosing Maldives payroll outsourcing with a global PEO such as Globalization Partners is your final option. We will act as the Employer of Record to outsource your payroll and shoulder all compliance.

Requirements to Set up Your Maldives Payroll

The biggest requirement for setting up your Maldives payroll is establishing a subsidiary first. You're legally required to have an entity in the Maldives before handling any tasks such as managing payroll, hiring, or dispersing benefits. If you don't have the time or expertise to set up your own subsidiary, you should choose to work with Globalization Partners. You can use our Maldives PEO as your own subsidiary and start working in as little as a day.

Entitlement and Termination Terms to Know

Employers can often struggle to learn brand new entitlement and termination terms in a new country such as the Maldives. Before you choose a Maldives payroll option, you should outline essential requirements in an employment contract to stay compliant. For example, you can only dismiss an employee after they show appropriate cause, such as not maintaining work ethics or carrying out their duties. You need to give notice ranging from two weeks to two months, depending on how long someone has worked for your company.

Trust Globalization Partners With Your Expansion

Globalization Partners is the team you can count on to make your expansion quick and easy. Contact us today to learn about Maldives payroll outsourcing.