



Unofficial translation of the

**REGULATION ON COLLECTING
PLASTIC BAG FEE BY PERSONS
REGISTERED FOR GST**

2023/R-76

DISCLAIMER OF LIABILITY

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REGULATION ON COLLECTING PLASTIC BAG FEE BY PERSONS REGISTERED FOR GST

CHAPTER ONE: INTRODUCTION

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| Introduction and citation | 1. | (a) | This Regulation is made pursuant to the authority granted to the Maldives Inland Revenue Authority by Section 35(b) of the Waste Management Act (Law Number 24/2022). |
| | | (b) | This Regulation shall be cited as the “Regulation on Collecting Plastic Bag Fee by Persons Registered for GST”. |
| Objective | 2. | | The objective of this Regulation is to set out the rules to be followed by persons registered with MIRA for GST in collecting plastic bag fee under Chapter 8 of the Waste Management Act (Law Number 24/2022), and to set out the regulations to enforce the Chapter 8 of Waste Management Act (Law Number 24/2022) on the applicable persons. |

CHAPTER TWO: COMPUTATION AND COLLECTION OF PLASTIC BAG FEE

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| Commencement of collection of plastic bag fee | 3. | | Collection of plastic bag fee shall be commenced at 00:00 hrs on 18 April 2023. |
| The tax point of plastic bag fee | 4. | (a) | The tax point of plastic bag fee in respect of plastic bags sold at point of sale shall be the GST time of supply of the plastic bag under Section 17 of the Goods and Services Tax Act (Law number 10/2011) and Chapter 2 of the Goods and Services Tax Regulation (Regulation number 2011/R-43). |
| | | (b) | In the circumstances other than that specified in subsection (a), the tax point of plastic bag fee in respect of plastic bags provided at point of sale shall be the GST time of supply of the goods or services supplied together with the plastic bag, under Section 17 of the Goods and Services Tax Act (Law number 10/2011) and Chapter 2 of the Goods and Services Tax Regulation (Regulation number 2011/R-43). |

- (c) Subsection (b) shall apply even when a plastic bag is provided in supplying a good specified in Section 3 of the Goods and Services Tax Act (Law number 10/2011), and when a plastic bag is provided in supplying an exempt good or service specified in Section 20 of the Goods and Services Tax Act (Law number 10/2011), and in the application of subsection (b), the GST time of supply of such good or service shall be deemed to be the GST time of supply of the good or service had it been a GST taxable supply.

Computation of plastic bag fee

5. (a) The sum of MVR 2 (Two Rufiyaa) shall be collected by businesses as plastic bag fee for each plastic bag sold or provided free of charge to its customers at the point of sale.
- (b) The person who is registered for GST with MIRA as the operator of the business shall be responsible for collecting the plastic bag fee specified in subsection(a) from the customers.
- (c) Plastic bag fee shall also be collected on plastic bags sold or provided free of charge in supplying a good or service which is exempt from GST under Section 20 of the Goods and Services Tax Act (Law number 10/2011), and in supplying a good or service which is zero-rated under Section 22 of that Act.

CHAPTER THREE: DECLARING PLASTIC BAG FEE INFROMATION IN THE RETURN AND MAKING PAYMENT

Declaring plastic bag fee information in the GST return

6. (a) The amount collected as plastic bag fee shall be declared in the GST return in Maldivian Rufiyaa.
- (b) The person who is registered for GST with MIRA as the operator of the business shall be responsible to pay to MIRA the amount of plastic bag fee collected as pursuant to the law and this Regulation.

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| Amending information of plastic bag fee declared in the GST return | 7. | <p>(a) Any changes to the information of plastic bag fee declared in the GST return may only be made by amending the respective GST return in which the information was declared.</p> <p>(b) Subsection (a) shall be subject to Section 63 of the Goods and Services Tax Act (Law number 10/2011) and Section 83 of the Goods and Services Tax Regulation (Regulation number 2011/R-43).</p> |
| Payment currency | 8. | Plastic bag fee shall be paid to MIRA in Maldivian Rufiyaa. |
| Supply of plastic bags by persons who have not registered for GST when required to do so | 9. | Even where a person who is required to apply to register for GST under Section 51 of the Goods and Services Tax Act (Law number 10/2011), failing to have done so, sells or provides plastic bags, plastic bag fee shall be collected on such plastic bags and paid to MIRA, pursuant to Section 32(a) of the Waste Management Act (Law Number 24/2022). |

CHAPTER FOUR: MISCELLANEOUS PROVISIONS

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| Penalties for failure to submit plastic bag fee information | 10. | The civil penalty for failure to submit information on plastic bag fee to MIRA by declaring the information in the person's GST return pursuant to Section 37(a) of the Waste Management Act (Law Number 24/2022), shall be a fine of 0.5% (zero point five percent) of the amount of plastic bag fee payable for the relevant period and a fine of an amount not exceeding MVR 50/- (Fifty Rufiyaa) for each day of delay, pursuant to Section 65 of the Tax Administration Act (Law number 3/2010). |
| Penalty for failure to pay plastic bag fee | 11. | The civil penalty for failure to pay to MIRA, by required deadline, the amount of plastic fee, as required under Section 35(c) of the Waste Management Act (Law Number 24/2022), shall be a fine of 0.05% (zero-point zero five percent) per day of the outstanding amount from the due date for payment, pursuant to Section 66 of the Tax Administration Act (Law number 3/2010). |

Payment of plastic bag fee charged in violation of the Act to MIRA	12.	Where plastic bag fee is charged on a bag that is not subject to the fee, or where plastic bag fee charged is more than the amount chargeable, such amount shall be included in the person's GST return and paid to MIRA as plastic bag fee, unless the amount is refunded to the customer.
Provider of waste management services	13.	For the purpose of Section 32(b)(3) of the Waste Management Act (Law Number 24/2022), a person providing waste management service shall be a person who is in the provision of waste management services pursuant to Section 25(a) of the Waste Management Act (Law Number 24/2022).
Obligation to keep proper records	14.	<p>(a) Documents and records shall be maintained in accordance with Section 27 of the Tax Administration Act (Law number 3/2010) and Section 14 of the Tax Administration Regulation (Regulation number 2013/R-45) to the extent that such documents and records are sufficient to ascertain that the amount of plastic fee collected by the GST registered business activity from customers is computed in accordance with the Waste Management Act (Law number 24/2022) and this Regulation.</p> <p>(b) In addition to the documentation and record keeping requirements specified in subsection (a), the following records and documents shall be maintained:</p> <ul style="list-style-type: none"> (1) Details of plastic bags purchased; (2) Details of plastic bags received free of charge; (3) Details of plastic bags sold; (4) Details of plastic bags supplied free of charge; (5) Details of plastic bags damaged; (6) Details of plastic bags returned by customers.
Returning plastic bags	15.	Notwithstanding that a customer returns a plastic bag on account of returning of goods supplied, or otherwise, the plastic bag fee pertaining to that plastic bag shall be payable to MIRA.

- Plastic bags used for carrying goods** 16. For the purpose of the Waste Management Act (Law number 24/2022) and this Regulation, a plastic bag used by the manufacturer of a good for the packaging necessary for the sale of such a good shall not be taken to mean as a plastic bag used for carrying goods.
- Definitions** 17. Unless otherwise specified in this Regulation, the following terms and phrases shall have the following meanings.
- (a) “Person registered for GST with MIRA” refers to persons registered under the Goods and Services Tax Act (Law number 10/2011).
- (b) “Provided” with respect to plastic bags refers to supplying plastic bags in a manner that does not constitute a sale.
- Regulation to be read together with other Acts** 18. This Act shall be read together with the Waste Management Act (Law Number 24/2022), the Goods and Services Tax Act (Law number 10/2011) and the Tax Administration Act (Law number 3/2010), and any word or expression not defined in this Regulation shall, unless the context clearly requires otherwise, have the same meaning as that is defined in those Acts.
- Commencement of Regulation** 19. This Regulation shall take effect from the date of its publication in the Government Gazette.