

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVES INLAND REVENUE AUTHORITY
Malé, Republic of Maldives

TAX RULING

Goods and Services Tax: Commencement of collection of tax

Reference No.: TR-2012/G4

Date of issue: Sunday, 13 May 2012

This ruling is issued pursuant to the authority granted under section 84 of the Tax Administration Act (Law Number 3/2010) as amended by Law Number 14/2011. Unless otherwise stated, all legislative references are to the Goods and Services Tax Regulation (Regulation Number 2011/R-43) as amended by Tax Ruling Number 220-PR/TR/2011/8. This ruling is legally binding.

Introduction

1. This ruling amends sections 12 and 13.

Ruling

2. Amend section 12(a) as follows:
 - (a) Persons required to register with the MIRA under Section 51 of the Act and persons applying for voluntary registration under Section 53 of the Act shall charge tax in accordance with the Act and this Regulation from the date specified in the GST Registration Certificate issued under Section 10(a) of this Regulation.
3. Amend section 12(b) as follows:
 - (b) Where the MIRA believes that the objective of a transaction conducted by a person required to register with the MIRA under Section 51 of the Act or by a person applying for voluntary registration under Section 53 of the Act prior to the date specified in the GST Registration Certificate is the avoidance of tax, the MIRA may, at its discretion, require that person to account for tax on that transaction, calculated by using the formula in Section 13(c) of this Regulation.
4. Amend section 12(c) as follows:
 - (c) For the purpose of Section 51(f) of the Act, "date of commencement of business" means the date on which a person is granted the permit by the relevant Government authority to conduct business or, where such a permit is not required, the date of commencement of business.



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5. Amend section 12(d) as follows:
 - (d) For the purpose of Section 51(g) of the Act, “date of commencement of the import activity” means the date on which a person is granted the permit by the relevant Government authority to import goods.
6. Repeal sections 12(e).
7. Amend section 13(a) as follows:
 - (a) It shall be an offence for any person to charge tax, if such person is not registered with the MIRA in accordance with the Act and this Regulation, or before the date specified in the GST Registration Certificate (where such person is registered), or after such person’s deregistration.
8. Amend section 13(b) as follows:
 - (b) If a person required to register with the MIRA under Section 51 of the Act fails to apply for registration within the period specified in the Act, such person shall submit a tax return and pay tax to the MIRA on the value of goods and services supplied from the date following the date required to apply for registration, assuming that the applicable amount of tax has been included in the consideration received for such supplies.
9. Amend section 13(c) as follows:
 - (c) Where a person required to register with the MIRA under Section 51 of the Act or a person required to charge tax as a result of voluntary registration under Section 53 of the Act has failed to charge tax on a transaction when required to do so under the Act and this Regulation (whether or not such person is a registered person), the amount of tax payable by such person to the MIRA in respect of that supply shall be an amount calculated using the following formula:

$$\text{Amount of consideration received for the supply} \times \frac{t}{1+t}$$


where t is the tax rate specified in Section 15 or Section 16 of the Act that applies to the supply.



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Date of Effect

10. This ruling shall take effect from its date of issue.



Yazeed Mohamed
Commissioner General of Taxation

This is the unofficial translation of the original ruling issued in Dhivehi. In the event of conflict between this translation and the Dhivehi version of this ruling, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this ruling and this translation be read concurrently.