



Unofficial translation of the

**THIRTIETH AMENDMENT TO
THE GOODS AND SERVICES TAX
REGULATION**

2023/R-160

DISCLAIMER OF LIABILITY

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

THIRTIETH AMENDMENT TO THE GOODS AND SERVICES TAX REGULATION

The Goods and Services Tax Regulation (Regulation Number 2011/R-43) shall be amended as follows:

1. Insert a subsection after Section 5(d) of the aforementioned Regulation as follows:

- 5. (e) For the purposes of the Act and this Regulation, a charter license issued by the Ministry of Tourism to a foreign tourist vessel, in the name of the agent appointed to handle all matters relating to such vessel, shall be deemed to be an operating permit issued to such agent by the Ministry of Tourism.

2. Amend Section 13(d) of the aforementioned Regulation as follows:

- 13. (d) Where GST is charged by a person not authorized to do so under the Act and this Regulation, or if GST is charged by a registered person on a non-taxable good or service, or if GST is over charged, and such amount has not been refunded to the recipient of the good or service before the end of the taxable period in which the amount was thus charged, such amount shall be accounted for in the GST Return for that respective period and paid to MIRA.

3. Insert a subsection after Section 13(d) of the aforementioned Regulation as follows:

- 13. (e) Where the amount paid to MIRA in accordance with subsection (d) is refunded to the recipient of the good or service, such amount may be recovered from MIRA by issuing a credit note in accordance with the Act and this Regulation, and including that transaction in the GST Return.

4. Amend Section 23(c) of the aforementioned Regulation as follows:

23. (c) Even if a tax invoice or receipt is not issued within the period specified in subsection (a) or subsection (b), for the purpose of determining the time of supply under Section 17 of the Act, it shall be deemed that a tax invoice or receipt is issued on the date of expiration of that period.

5. Amend Section 41(h) of the aforementioned Regulation as follows:

41. (h) For the purpose of this Section:
- (1) A “non-resident person” shall have the same meaning as defined in Section 79(II) of the Income Tax Act (Law number 25/2019); and
 - (2) Where a person has an employee or any other representative who is present in the Maldives in connection with the performance of the service, that person shall be deemed to be in the Maldives.

6. Amend Section 104(c)(2) of the aforementioned Regulation as follows:

104. (c) (2) the services or part thereof are physically performed by or through a person who is in the Maldives at the time the services are performed; or

7. Insert subsections after Section 104(c)(2) of the aforementioned Regulation as follows:

104. (c) (3) the goods or services or part thereof are supplied by or through the taxable activity carried on in the Maldives by the person; or
- (4) an employee or any other representative of the supplier of goods or services is in the Maldives in connection with the performance of the service.

8. Insert a subsection after Section 104-1(a)(3) of the aforementioned Regulation as follows:

104-1. (a) (3-1) Notwithstanding subsection (a)(3), for the purposes of the Act, a person shall be deemed to be in the Maldives if the person is an individual who is physically present in the Maldives at the time the good or service is supplied.

9. Repeal Section 104-1 (b) of the aforementioned Regulation.

104-1. (b) *[Repealed]*.

10. Insert a Section after Section 105 of the aforementioned Regulation as follows:

**Business
conducted
continuously or
permanently**

105-1. (a) For the purpose of Section 13(a) of the Act, a business conducted continuously or permanently for the supply of a good or service shall include the following:

- (1) Supply of a good or service by a person who is registered or required to be registered under the Business Registration Act (Law number 18/2014);
- (2) Supply of a good or service by a company registered under the Companies Act of the Republic of Maldives (Law number 10/96);
- (3) Supply of a good or service by a partnership registered under the Partnership Act (Law number 13/2011);
- (4) Supply of a good or service by a cooperative society registered under the Cooperative Society Act (Law number 3/2007);
- (5) Supply of a good or service through a permanent establishment as defined in Section 79 (gg) of the Income Tax Act (Law number 25/2019);

- (6) Supply of a good or service by a partnership as defined in Section 79(yy)(2) of the Income Tax Act (Law number 25/2019);
 - (7) Supply of a good or service by, a place or vessel operating under an operating permit issued by the Ministry of Tourism, or a place or vessel that is required to hold an operating permit issued by the Ministry of Tourism for its operation, or a vessel cruising and harboring in Maldivian waters under a charter license issued by the Ministry of Tourism, or a vessel that is required to hold a charter license issued by Ministry of Tourism for cruising and harboring in Maldivian waters.
- (b) Notwithstanding subsection (a), where either of the following circumstances is met, it shall be deemed that a business is conducted continuously or permanently for the supply of good or service.
- (1) Supply of a good or service in the Maldives for a period of 90 (ninety) days or more during a 12 (twelve) month period.
 - (2) It is estimated that the supply of a good or service in the Maldives shall last for a period of 90 (ninety) days or more during a 12 (twelve) month period.
- (c) Notwithstanding subsection (a) and (b), a supply of a good or service by a foreign tourist vessel which meets all of the following criteria shall not be deemed to be a business conducted continuously or permanently for the purpose of Section 13(a) of the Act.
- (1) Holds the permit issued by the Ministry of Tourism for the foreign tourist vessel to cruise and harbour in Maldivian waters;
 - (2) The vessel neither holds nor is required to hold a charter license from the Ministry of Tourism;

- (3) The vessel does not allow embarkation or accommodation of new passengers during the period specified in the permit referred to in subsection (c)(1);
- (4) The vessel has not spent more than 180 (One Hundred and Eighty) days in the Maldives Exclusive Economic Zone (EEZ) in the 12-month period following the issuance of the permit specified in subsection (c)(1).

11. Insert a Subsection after Subsection 107(d) of the aforementioned Regulation as follows:

- 107. (e) Notwithstanding the charter license issued by the Ministry of Tourism specifying its validation period, for the purposes of Section 15(c) of the Act, charter and the value of charter, as regards foreign tourist vessels entering the Maldives shall be defined and determined as per the provisions of this Section.

12. This Regulation shall have effect from the date of its publication in the Government Gazette.