

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Reference Number: 220-PR/TR/2011/5
Date: 21 December 2011
To: All GST Registered Persons
Subject: **Change of Rate of Goods and Services Tax on 1 January 2012**

Time of supply when the rate of tax changes

1. Section 17 of the Goods and Services Tax Act shall apply to determine the time of supply when the rate of tax changes in accordance with Sections 15 or 16 of the Act, or otherwise.
2. Where the recipient of a good or service makes full or partial payment, tax shall be accounted for on the full amount of the value of that good or service in accordance with Section 17(a) of the Act, except where Section 17(b) of the Act applies, in which case tax shall be accounted for in accordance with that subsection. As per Section 17(b) of the Act, where payment for the supply of goods and services has been agreed to be made within a stipulated period under an installment agreement, payments made accordingly shall be regarded as separate taxable transactions, and the time of supply of goods and services in relation to any such transaction shall be deemed to be the date on which the installment payment was received, or the date on which the installment payment would otherwise fall due, whichever is earlier.

Cut-off date

3. If a registered person supplies goods and services on a 24-hour basis, the rate of tax applicable to the value of supplies made before 00:00 hours on 1 January 2012 shall be 3.5% (three point five per cent) and the rate of tax applicable to the value of supplies made on or after 00:00 hours on 1 January 2012 shall be 6% (six per cent).



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4. Persons not falling within paragraph 3 of this Ruling shall apply the rate of tax of 6% (six per cent) to the value of supplies made from the time of opening their business on 1 January 2012.

Anti-avoidance rule

5. A registered person shall not conduct any transaction with the intent of avoiding or evading tax, whether by arranging for the supply of a good or service to be made at a particular time, or otherwise.
6. A registered person shall be considered to be avoiding tax if a tax invoice is issued or any advance payment is received with respect to the supply of a good or service that is not consistent with the registered person's practice of issuing invoices and receiving advance payments for such supplies in the absence of a change in the rate of tax.
7. **Registered persons shall submit the following particulars, where applicable, to the MIRA by 29 January 2012**, using the format in *Annex 1* to this Ruling:
 - (a) Details of advance payments received and tax invoices issued between 2 September 2011 and 31 December 2011, relating to goods or services that were or would be physically supplied on or after 1 January 2012.
 - (b) Details of advance payments received and tax invoices issued between 2 September 2010 and 31 December 2010, relating to goods or services that were or would be physically supplied on or after 1 January 2011.

Should you have any queries, please call us at 1415 or email us at tef@mira.gov.mv.

Yazeed Mohamed

Commissioner General of Taxation



Annex 1: Details of Advance Payments Received and Tax Invoices Issued

TIN:

Taxpayer Name:

Details of Advance Payments Received

Period	Total Value of Advance Payments Received in <u>2011</u> for Goods and Services Supplied on or after 1 January <u>2012</u> * <input type="checkbox"/> MVR <input type="checkbox"/> USD	Total Value of Advance Payments Received in <u>2010</u> for Goods and Services Supplied on or after 1 January <u>2011</u> * <input type="checkbox"/> MVR <input type="checkbox"/> USD
2 – 30 September		
October		
November		
December		

Details of Tax Invoices Issued

Period	Total Value of Tax Invoices Issued in <u>2011</u> for Goods and Services Supplied on or after 1 January <u>2012</u> * <input type="checkbox"/> MVR <input type="checkbox"/> USD	Total Value of Tax Invoices Issued in <u>2010</u> for Goods and Services Supplied on or after 1 January <u>2011</u> * <input type="checkbox"/> MVR <input type="checkbox"/> USD
2 – 30 September		
October		
November		
December		

* Amount excluding GST/T-GST