

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Goods and Services Tax: Places established on tourist establishments

Reference No.: TR-2016/G33

Date of issue: Monday, 2 May 2016

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 references to the Act are to the Goods and Services Tax Act (Law Number 10/2011) as amended, and all references to the Regulation are to the Goods and Services Tax Regulation (Regulation Number 2011/R-43) as amended. This ruling is legally binding.

Introduction

1. This ruling specifies the criteria for determining whether a place is established on a tourist establishment and therefore is required to be registered for tourism sector GST under section 15(a)(2) of the Act.
2. Section 15 of the Act states:
 - (a) The following goods and services shall be considered as the tourism goods and services:
 - (1) Goods sold and services supplied by tourist resorts, tourist hotels, guest houses, picnic islands, tourist vessels and yacht marinas authorized by the Tourism Ministry;
 - (2) Goods sold and services supplied by diving schools, shops, spas, water sports facilities and other such places established on the establishments specified in subsection (a)(1), excluding shops operating exclusively for the employees of such establishments;

...

Ruling

3. Supplies of goods or services made by a diving school, shop, spa, water sports facility or a similar place established on a tourist resort or within the territory of a tourist resort as determined by the Ministry of Tourism shall fall within section 15(a)(2) of the Act.

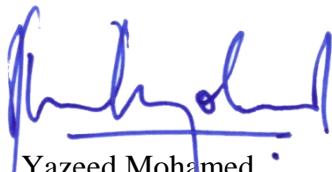


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4. Supplies of goods or services made by a diving school, shop, spa, water sports facility or a similar place established at a tourist hotel or tourist guesthouse which is located on land leased by the Government, a City Council, an Atoll Council or an Island Council for the purpose of developing and operating a tourist hotel or a tourist guesthouse shall fall within section 15(a)(2) of the Act.
5. Supplies of goods or services made from a place situated within the premises of a tourist hotel or tourist guesthouse which does not fall within paragraph 4 of this ruling shall fall within section 15(a)(2) of the Act if the operating license issued by the Ministry of Tourism to that hotel or guesthouse specifies that such place is part of that hotel or guesthouse.
6. Supplies of goods or services by made a person or a group of persons:
 - (a) whose place of business is not established on or at a tourist establishment; and
 - (b) makes a temporary visit or visits to the tourist establishment to supply goods or services to the operator of that establishment or to its guests; and
 - (c) leaves the tourist establishment after supplying the goods or services,shall not fall within section 15(a)(2) of the Act.
7. This Ruling shall not apply to shops operating exclusively for the employees of tourist resorts, tourist hotels, guesthouses, picnic islands, tourist vessels and yacht marinas, as defined in Tax Ruling TR-2014/G22 (Domestic air transportation services supplied to Maldivian citizens and supplies to employees at tourist establishments).

Date of Effect

8. This ruling shall have 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.