



Unofficial translation of the

**TWENTY SIXTH AMENDMENT TO THE
GOODS AND SERVICES TAX
REGULATION**

2020/R-49

This Regulation was made pursuant to the authority granted to the Board of the Maldives Inland Revenue Authority by the Tax Administration Act (Law Number 3/2010) as amended, and was published in the Government Gazette on Friday the 26th of June 2020.

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.

TWENTY SIXTH 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. Amend Section 41 (a) the aforementioned Regulation as follows:

Goods and services exported from the Maldives 41. (a) For the purpose of Section 22(b) of the Act, goods and services exported from the Maldives refers to goods exported or re-exported under a registration with the Maldives Customs Service to export or re-export, goods supplied by duty free shops, and services exported by a registered person.

2. Repeal Section 59 of the aforementioned Regulation:

59. *[Repealed].*

3. Amend Section 60 (a) the aforementioned Regulation as follows:

60. (a) Where a registered person has written off a bad debt in accordance with Section 58 of this Regulation, the registered person may make a deduction as input tax under Section 36(c)(1) of the Act of that portion of the amount of tax charged in relation to that supply as the amount written off as a bad debt bears to the total consideration for the supply.

4. Amend Section 88 (c) the aforementioned Regulation as follows:

88. (c) If a person is deregistered under Section 55 of the Act, or is removed from the register under Section 58 of the Act, the GST Registration Certificate issued to the person under Section 10 of this Regulation shall become void and where such person conducts business online, the logo issued to the person shall also become void.

5. Amend Section 107 the aforementioned Regulation as follows:

- Value of charter**
107. (a) For the purpose of Section 15(c) of the Act, value of charter refers to the total value paid in money or otherwise, in consideration for the charter of a tourist vessel, by the charterer of such tourist vessel.
- (b) For the purpose of Section 15(c) of the Act, charter refers to the leasing of a tourist vessel:
- (1) for a particular voyage or voyages not exceeding a period of 15 (fifteen) days; or
- (2) for the lessee's own consumption.
- (c) Where the lease of a tourist vessel does not satisfy the conditions in subsection (b), the holder of the operating license of that vessel shall account for GST on goods and services supplied by that vessel, irrespective of the terms of the agreement between the lessor and the lessee.
- (d) For the purpose of determining whether the 15-day period referred to in subsection (b)(1) has been exceeded, the number of days in all leases entered into within any 60-day period, with the lessee or persons related to the lessee shall be aggregated together.

6. Insert a Section after Section 113-1 the aforementioned Regulation as follows:

- Use, transfer and sale of goods imported to Maldives**
- 113-2. (a) Where a registered individual imports goods for own use and subsequently sells or transfers the goods to another person, the registered individual shall account for GST on that transaction.
- (b) Where a registered individual imports goods for a purpose other than own use, and subsequently sells or transfers the goods to another person, or utilize the goods for the individual's own use, the registered individual shall account for GST on that transaction.
- (c) Where a registered person other than an individual imports goods, and, sells or transfers the goods to

another person, the registered person shall account for GST on that transaction.

- (d) Tax Ruling number TR-2016/G36 (Transfer of imported goods) shall be repealed from the date of effect of the Twenty Sixth amendment to the Goods and Services Tax Regulation (Regulation Number 2020/R-49).

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