

Instructions on Completing MIRA 201

- When you submit your return, please ensure we give you a voucher for it. If you complete your return on a computer using Adobe® Reader®, the program will generate a barcode that automatically captures the data on your return. Without this barcode, you will need to wait until we have keyed the data into our system before we can give you a voucher, and this may take us some time.
- Please round off all figures on your return to the nearest whole number.
- Items 13 and 14 must be keyed in with a minus sign (-) in front if the adjustment is in your favour.
- Please submit supporting documents for Items 13 and 14 along with your return.

Taxable Period

This is the start date and the end date of the taxable period covered by your T-GST Return.

For example, if you are filing your T-GST Return for January 2011, your “from” date would be 01012011 and your “to” date would be 31012011. Please do not use any dots, slashes, hyphens or any other separators when filling in the dates.

The “from” date for businesses that are granted operating licenses after 1st January 2011 would be the date on which you received your operating license, and the “to” date would be the last day of that calendar month. For example, if you received your operating license on 19th February 2011, your “from” date would be 19022011 and your “to” date would be 28022011.

Your T-GST Return should cover all transactions whose “time of supply” falls within the taxable period specified in the Return. Time of supply is the date you received a payment or the date you issued the tax invoice – whichever came first. This means:

- If you receive any payment (for which a tax invoice has not been issued at any time before), you must pay T-GST in respect of that payment during the taxable period you received the payment;
- If you issue a tax invoice (for which no payment has been received at any time before), then you must pay T-GST based on the value shown on the invoice during the taxable period you issued the tax invoice.

Total value of supplies during the period (Item 1)

This is the total value of all supplies whose time of supply falls within the taxable period covered by the T-GST Return, irrespective of whether the service is subject to T-GST or not.

You must include all figures under “DEDUCTIONS” (Items 2 to 7) in this item. You must also include in this item the actual value of all complimentary services supplied during the taxable period (Item 16c). However, you must not include your output T-GST here.

Unlike your financial reporting system, the physical supply or performance of a service is not relevant to the reporting of sales for T-GST purposes, so the total value of supplies on your tax return will often be different from sales recognized in your financial accounts.

Supplies to Maldivians, resident permit holders and employees, exclusive of complimentary services (Item 2)

This is the value of services supplied to Maldivians, resident permit holders and employees during the taxable period covered by the T-GST Return. You must include this figure in your total sales figure (Item 1). If you provide any complimentary services to Maldivians, resident permit holders and employees do not include them here – such services should be included in Item 3.

“Resident permit holders” are holders of visas other than tourist visas. Currently this group would include holders of diplomatic visas, student visas, business visas, dependent visas, work visas (often referred to as “work permit”), resident visas and special visas.

“Employees” would include your employees, employees of the group of companies to which your company belongs, and employees of any other place operated by your company. For the purpose of T-GST, directors of a company are also considered as employees. The T-GST Act defines “group of companies” as the parent company and any subsidiary companies controlled by the parent company with a shareholding of not less than 51% of shares.

Note that it is the employees of the **registered person** who are exempt from T-GST. Section 6(a) of the T-GST Regulation stipulates that tourist resorts, tourist hotels, guest houses, picnic islands, tourist vessels and diving schools shall register under the name of the person granted with the license to operate such place by the Ministry of Tourism, Arts and Culture. If the lessee of a tourist resort is different from the person holding the operating license, it is the latter who should register, and employees of the former would not be exempt from T-GST unless they fall within the definition of another exempt category.

Complimentary services to Maldivians, resident permit holders and employees (Item 3)

This is the value of complimentary services supplied to Maldivians, resident permit holders and employees during the period covered by the T-GST Return. You must include this figure in your total sales figure (Item 1). For the purpose of T-GST, complimentary services must be valued in accordance with Section 35 of the T-GST Regulation, quoted below.

For the purpose of determining the value of the complimentary services registered persons shall raise a notional tax invoice based on the following:

- (a) If a room has been supplied on a complimentary basis, then the Average Daily Rate (ADR).*
- (b) If a service other than a room has been supplied, then the price at which you usually supply that service.*

Tourism tax (Item 4)

This is the amount of tourism tax (often referred to as “bed tax”) included in the value of supplies whose time of supply falls within the taxable period covered by the T-GST Return. You must include this figure in your total sales figure (Item 1). If the amount of bed tax is unknown when submitting the return, include the full amount of the sale, but include the deduction for bed tax as an adjustment in the return for the period when you know how much bed tax should have been deducted.

This is NOT the amount of bed tax on your “bed tax sheet” – the amount of bed tax on your bed tax sheet and the amount of bed tax included on your T-GST Return will rarely be the same since the basis for calculating T-GST and the basis for calculating bed tax are different. Calculation of bed tax for the purpose of T-GST is based on time of supply, whereas calculation of bed tax under the Tourism Act is based on the actual occupation of beds.

Compensation charged to tourists, and other fines (Item 5)

This is the amount of compensation charged to tourists due to a loss suffered by you or any other fine. For example, you may charge a nominal fee for a lost room key, or fine a tourist for violation of your snorkelling rules or for damaging your property. Compensation received under such circumstances is not subject to T-GST as per Section 43(a) (6) of the T-GST Regulation. You must include this figure in your total sales figure (Item 1).

Service charge (Item 6)

This is the amount of service charge pertaining to transactions whose time of supply falls within the taxable period covered by the T-GST Return. You must include this figure in your total sales figure (Item 1).

Value of supplies out of scope of T-GST Act (Item 7)

This is the value of services supplied during the taxable period covered by the T-GST Return that are not subject to tax under the T-GST Act. For example, a sea transport service provider delivering fruits to a resort, or a resort receiving rent for property leased to a third party will not be subject to T-GST. You must include this figure in your total sales figure (Item 1).

Taxable sales (Item 8)

This is a calculated field, derived as follows:

$$\text{Taxable sales} = \text{Item 1} - (\text{Item 2} + \text{Item 3} + \text{Item 4} + \text{Item 5} + \text{Item 6} + \text{Item 7})$$

Taxable sales are a significant figure in the enforcement of T-GST. It is used, for instance, for the purpose of granting permission to change your taxable period and your basis for tax calculation and for the purpose of calculating the amount of complimentary services that will be exempt from T-GST.

Complimentary services to tourists (Item 9)

This is the value of complimentary services supplied to tourists during the period covered by the T-GST Return. For the purpose of T-GST, complimentary services must be valued in accordance with Section 35 of the T-GST Regulation, quoted below.

For the purpose of determining the value of the complimentary services registered persons shall raise a notional tax invoice based on the following:

- (a) If a room has been supplied on a complimentary basis, then the Average Daily Rate (ADR).*
- (b) If a service other than a room has been supplied, then the price at which you usually supply that service.*

The value of complimentary services to tourists that you can deduct during your first taxable period for a given calendar year would be the lower of:

- the actual value of your complimentary services to tourists for the taxable period (Item 16c), and

- 1.5% of taxable sales (Item 8)

The value of complimentary services to tourists that you can deduct during subsequent taxable periods of the year would be the lower of:

- 1.5% of cumulative taxable sales for the year including current period (Item 16a) less cumulative complimentary services to tourists claimed during the year excluding current period (Item 16b), and
- Cumulative actual complimentary services to tourists for the year including current period (Item 16d) less cumulative complimentary services to tourists claimed during the year excluding current period (Item 16b)

Sales subject to output T-GST (Item 10)

This is a calculated field, derived as follows:

$$\text{Sales subject to output T-GST} = \text{Item 8} - \text{Item 9}$$

Output T-GST for the period (Item 11)

This is a calculated field, derived as follows:

$$\text{Output T-GST for the period} = \text{Item 10} \times 3.5\%$$

Input T-GST (Item 12)

This is the value of T-GST paid by you to other registered persons for transactions whose time of supply falls within the taxable period covered by the T-GST Return.

Correction of errors (Item 13)

This is the amount of T-GST that needs to be adjusted upon discovery of an overstatement or understatement of tax liability in an earlier return. You may correct the error yourself provided the following conditions are met.

- Six months has not elapsed since the date on which the T-GST Return which relates to the error had fallen due.
- The error discovered does not exceed 2.5% of tax payable in the taxable period which relates to the error.

Where the above conditions do not apply, rather than self-correcting the error, you must apply to the Commissioner General and correct it in accordance with the instructions provided by MIRA.

If the adjustment is in your favour, you must key in this figure with a minus sign (-) in front. You are required to submit supporting documents for this item along with your T-GST Return.

Other adjustments (Item 14)

This item would include all other adjustments to your T-GST. For example, if you had a T-GST refund during the previous taxable period (negative value for Item 15), you must include it under this item of your return for the current period.

If the adjustment is in your favour, you must key in this figure with a minus sign (-) in front. You are required to submit supporting documents for this item along with your T-GST Return.