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MALDIVES  
INLAND REVENUE  
AUTHORITY

# Guide to Plastic Bag Fee

MIRA P851

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Taxpayers can rely on this guide for the MIRA’s interpretation of the relevant tax laws and regulations regarding the collection of Plastic bag fee by persons registered by GST. If you do not understand anything in this guide or have queries related to your particular circumstances, call the MIRA hotline at 1415, use the live chat function on the MIRA website, message MIRA Viber number 9821415 or send an email to [1415@mira.gov.mv](mailto:1415@mira.gov.mv).

## 1. Introduction

This guide will provide important information that a GST registered persons should know regarding the plastic bag fee.

## 2. What is plastic bag fee?

Plastic bag fee is a fee collected under the Waste Management Act by businesses operated in the Maldives on plastic bags provided free of charge or sold at the point of sale.

## 3. When should businesses start charging plastic bag fee?

Plastic bag fee will be collected from 00:00 hours of 18 April 2023 onwards.

## 4. Who is required to pay plastic bag fee to MIRA?

Plastic bag fee collected by GST registered businesses must be paid to MIRA.

## 5. Does a person required to register for GST but who have not yet registered have to pay the plastic bag fee collected by them to MIRA?

Even if the person is not registered for GST, the person who is required to register for GST must pay the plastic bag fee collected by them to MIRA.

## 6. Do I have to register with MIRA for plastic bag fee?

There is no need to register with MIRA for the plastic bag fee. However, GST registered persons and persons required to register for GST must pay the plastic bag fee collected by them to MIRA.

## 7. What is Plastic bag?

“Plastic bag” that are subject to plastic bag fee are bags made of plastic which are used for carrying goods.

## 8. Am I required to collect plastic bag fee from plastic bags made from degradable (self-decomposing) plastic?

Plastic bags made from degradable (self-decomposing) plastic are also subject to plastic bag fee.

## 9. What are the plastic bags that are not subject to plastic bag fee?

- plastic bags sold or provided free of charge by duty-free shops
- plastic bags used to carry unpackaged deep sea fish, reef fish, bait fish or fish used as bait, sea food and parts of such fish
- “bin liners” sold or supplied free of charge specifically for the purpose of waste disposal, by either a person who provides waste management services or another relevant authority
- plastic bags used by the manufacturer of a good for the packaging necessary for the sales of such goods

## 10. What is the rate for plastic bag fee?

Plastic bag fee is charged at the rate of MVR 2 per plastic bag provided free of charge or sold at the point of sale.

## 11. What is the purpose of determining the “time of supply of plastic bag fee”?

Time of supply of plastic bag fee determines the taxable period in which the GST registered person accounts for the plastic bag fee collected by the person in the GST return and the deadline for the payment of the plastic bag fee.

## 12. What is the time of supply if a plastic bag is sold?

If a plastic bag fee is sold, GST must be charged from that transaction and MVR 2 must be charged as plastic bag fee. In this case, the time of supply of the plastic bag fee is the time of supply of the plastic bag for GST purpose. In other words, plastic bag fee information must be included in the GST return in which the person reports the GST charged for the plastic bag.

### 13. What is the time of supply if a plastic bag is provided free?

Even if a plastic bag is provided free, MVR 2 must be charged as plastic bag fee. In this case, the time of supply of the plastic bag fee is the time of supply of the goods sold for GST purpose. In other words, plastic bag fee information must be included in the GST return in which the person reports the GST charged for the goods sold.

### 14. Is plastic bag fee collected from plastic bags sold or provided free of charge in supplying GST exempt goods or zero-rated goods?

Plastic bag fee must be collected from plastic bags sold or provided free of charge in supplying GST exempt goods or zero-rated goods.

### 15. What is the time of supply of the plastic bag fee if a plastic bag is sold or provided free of charge in supplying goods not subject to GST?

The time of supply of the plastic bag fee collected when a plastic bag is sold or provided free of charge in supplying goods not subject to GST, is the time of supply for GST purpose had it been a GST taxable supply.

### 16. Who is responsible for collecting plastic bag fee?

It is the responsibility of the person operating the business activity to collect plastic bag fee from their customers.

### 17. Is plastic bag fee subject to GST?

GST should not be charged on the amount of plastic bag fee collected from customers.

### 18. Should I charge plastic bag fee when selling plastic bag bundle?

Whether a plastic bag bundle is sold or provided free of charge, plastic bag fee must be charged at the rate of MVR 2 from each plastic bag in the bundle. In addition, if the seller is a GST registered person, GST also should be charged from the plastic bag bundle sold.

## 19. Is plastic bag fee included in the calculation of revenue for the purpose of calculating the GST registration threshold?

Plastic bag fee is not included in the calculation of revenue for the purpose of calculating the GST registration threshold.

## 20. Is plastic bag fee considered as an income for the purpose of income tax?

Person not registered for GST must include plastic bag fee as an income. However, for GST registered person, plastic bag fee will not be considered as an income.

## 21. How to submit plastic bag fee information to MIRA?

GST registered persons are required to include in their GST returns the information of plastic bag fee collected. Persons not registered for GST are not required to submit their plastic bag fee information to MIRA.

## 22. How to amend the plastic bag fee information declared in the GST return?

Any change to the information of plastic bag fee declared in the GST return must be amended by amending the respective GST return in which the information was declared. If the deadline to amend the GST return is passed, then the plastic bag fee information included in the respective return cannot be amended.

## 23. Can plastic bag fee be collected in any currency other than Maldivian Rufiyaa?

Plastic bag fee must be collected in Maldivian Rufiyaa only.

## 24. In what currency must plastic bag fee be paid to MIRA?

Plastic bag fee must be included in the GST return and paid to MIRA in Maldivian Rufiyaa.

## 25. In which currency should the persons registered for GST in the tourism sector include plastic bag fee in their GST return?

Persons operating in the tourism sector also must include their plastic bag fee in the GST return and pay to MIRA in Maldivian Rufiyaa.

## 26. How to treat the amount of plastic bag fee charged on a bag that is not subject to plastic bag fee or where plastic bag fee is charged more than the amount chargeable?

Plastic bag fee must not be charged from a bag not subject to plastic bag fee nor should it be charged more than the determined rate. If such a situation arises, the amount must be refunded to the customer. If the amount is not refunded to the customer, the amount must be included in the GST return of the respective taxable period. Even if the amount is paid to MIRA, the amount must be refunded to the customer.

## 27. What are the documents that need to be maintained for purpose of plastic bag fee?

Documents and records must be maintained to the extent that such documents are sufficient to ascertain that the amount of plastic bag fee collected from customer is in accordance with the Acts and regulations.

- Details of plastic bags bought
- Plastic bags received free of charge
- Details of plastic bags sold
- Details of plastic bags provided free of charge
- Details of discarded plastic bags
- Details of plastic bags returned by customers

## 28. If the customer returns the plastic bag sold or provided free of charge to them, should the business provide them with refund for plastic bag fee?

For any reason, if the customer returns a plastic bag after use, the plastic bag fee pertaining to that plastic bag must not be refunded to the customer. However, the amount must be paid to MIRA.

## 29. Should the plastic bag fee details be included in the tax invoice or receipt?

The tax invoice or receipt issued to the customer must clearly and distinctively state the amount of the plastic bag fee charged to the customer. However, plastic bag fee must not be included in calculating the GST.

## 30. What is the penalty for not submitting the plastic bag fee information?

It is an offence for GST registered person not to submit the plastic bag fee information to MIRA. The civil penalty for the offence is a fine 0.5% of the amount of plastic bag fee payable for the relevant period and a fine of an amount not exceeding MVR 50 for each day of delay.

## 31. What is the penalty for not paying the plastic bag?

It is an offence for GST registered person not to pay the plastic bag fee to MIRA. The civil penalty for the offence is a fine 0.05% per day of the outstanding amount from the due date for payment.

## 32. Is plastic bag fee charged from “juice petty” bag?

Plastic bag fee is not charged from “juice petty” bag since “juice petty” bag is not used to carry goods.

## 33. Is plastic bag fee charged from Ziploc bags?

Plastic bag fee is not charged from Ziploc bags since Ziploc bags are not used to carry goods.

## 34. Are plastic bags used to pack bread, buns and such items subject to plastic bag fee?

No. Plastic bags used by the manufacturer of goods for the packaging necessary for the sales of such goods are not subject to plastic bag fee.

### 35. Are plastic bag fee charged for plastic bags sold or provided when selling fresh fish?

Plastic bags used to carry unpackaged fresh deep sea fish, reef fish, bait fish or fish used as bait, seafood and parts of such fish are exempt from plastic bag fee.

### 36. Are plastic bags sold or provided when selling frozen fish subject to plastic bag fee?

Since frozen fish is not included in the definition of “fish”, plastic bag sold or provided when selling frozen fish is subject to plastic bag fee.

### 37. Are plastic bags sold or provided when selling chilled fish subject to plastic bag fee?

If the fish is kept chilled to maintain its freshness, it will be considered fresh fish. Plastic bag used to carry such fish are exempt from plastic bag fee.

### 38. Are plastic bags provided in the sale of pet fish subject to plastic bag fee?

Plastic bag fee is charged from the plastic bag in which a pet fish is put when buying the pet fish.

### 39. If chickens are sold in a plastic bag, is it subject to plastic bag fee?

If chickens are sold in a plastic bag (i.e. apart from its packaging), plastic bag fee must be charged from that plastic bag.

### 40. If unpacked chicken(s) are sold in a plastic bag, is it subject to plastic bag fee?

If unpacked chicken(s) are sold in a plastic bag, plastic bag fee must be charged from that plastic bag.

#### 41. Is plastic bag fee charged for plastic bags sold or provided free of charge by a business in a promotional event?

A plastic bag fee is charged for plastic bags used to put the goods sold or provided free of charge by a business in a promotional event.

#### 42. Is plastic bag fee charged from bin liners?

“bin liners” sold or supplied free of charge specifically for waste disposal, by either a person who provides waste management services or another relevant authority is exempt from plastic bag fee.

#### 43. Is plastic bag fee charged from the plastic bag if leaves, masmirus and such items are sold after packing in a plastic bag?

Plastic bags used by the manufacturer of the goods for the packaging necessary for the sales of such goods are not subject to plastic bag fee.

#### 44. Is plastic bag fee charged from plastic bags provided for a complementary or free good?

Plastic bag fee is charged from the plastic bag provided for a complementary or free good.

#### 45. Is plastic bag fee charged from plastic bags provided by restaurants/café with take away or delivery?

Plastic bag fee is charged from the plastic bag provided by restaurants/café with take away or delivery.

#### 46. Is plastic bag fee charged from plastic bag sold or provided when selling rice, flour and sugar?

Plastic bag fee is charged from the plastic bags sold or provided when selling rice, flour and sugar.

## 47. Is plastic bag fee charged if the rice, flour and sugar are sold after packing in a plastic bag?

Plastic bag used by the manufacturer of rice, flour and sugar for the packaging necessary for the sales of such goods are not subject to plastic bag fee. If rice, flour and sugar is packed in a plastic bag by anyone other than the manufacturer, then such plastic bags are subject to plastic bag fee.



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