When should Tax Returns be filed and the T-GST payments made? (Articles 14 & 18 of Act)

The Tax Returns should be filed and the T-GST payment should be made on or before the 28th day of the subsequent month following the end of the taxable period.

For example, the Tax Return and Tax payment for the period of January 2011 should be filed and paid on or before 28th February 2011. Tax Return and Tax payment for the period of February 2011 should be filed and paid on or before 28th March 2011.

Furthermore, if the deadline falls on a weekend or a Government holiday, then the first day, thereafter, when the Government re-opens for business.

What is the role of the tourist establishment?

The tourist establishments and the service providers mentioned in this Act would be acting as “collectors” of the tax for Maldives Inland Revenue Authority. The full burden of tax, in its entirety, is eventually borne by the tourist.

When will the T-GST be implemented? (Article 55)

T-GST will be implemented starting from 01 January 2011.

How can I find out more about T-GST?

- Tax Administration Act (3/2010)
- Tourism Goods and Services Tax Act (19/2010)
- Tourism Goods and Services Tax Regulation
- Announcements, press releases of MIRA
- Phone: 332 2261
- Website: www.mira.gov.mv
Tourism Goods and Services Tax (T-GST)

What is T-GST?
T-GST is a tax charged under the Tourism Goods and Services Tax Act (19/2010) on the value of goods and services supplied by tourist establishments and the service providers mentioned in this Act, to tourists in the Maldives.

Who is considered a tourist? (Article 57 of Act)
Non-Maldivian nationals who enter the Maldives and who is not in possession of a ‘Resident Permit’. A ‘Resident Permit’ is a permit issued by the relevant authorities to individuals to reside in the Maldives.

Who needs to register for T-GST? (Article 37 of Act)
The following service providers must be registered for T-GST:
- Tourist resorts, tourist hotels, picnic islands, guest houses and tourist vessels. (“tourist establishment”)
- Diving schools, shops, spas, water sport facilities and other such facilities located on tourist establishments.
- Travel agencies.
- Providers of domestic air and sea transportation services to tourists.

What is the rate of T-GST? (Article 7 of Act)
T-GST is levied at 3.5% on the value of the taxable goods and services.

How do I register for T-GST? (Article 38 of Act)
By submitting the ‘T-GST Registration Form’ (MIRA 102) in the case where you have already registered as a taxpayer via the ‘Taxpayer Registration Form’ (MIRA 101)

In all other cases, you need to submit both the “Taxpayer Registration Form” (MIRA 101) and the “T-GST Registration Form” (MIRA 102) together.

Where do I submit the registration form?
Completed original forms should be submitted to; Maldives Inland Revenue Authority, T-Building, Ameenee Magu, Male’ 20379.

Is service charge included in the taxable amount? (Section 33 of Regulation)
No. Service Charge can be deducted from the total value of service in calculating the taxable amount. Hence tax is not applicable on any service charge. Taxable amount is the amount on which tax is payable.

How is the value of a service determined? (Section 17 of Regulation)
The amount charged on an invoice issued in respect of the service will be considered as the value of service.

How do I determine the taxable period a particular sale falls into? (Article 4 of Act)
Tax is chargeable on the supply of services at a definite time, called the ‘Time of Supply’ and the supply must be accounted for by reference to that point in time. The earlier of the time at which either the invoice was issued or the payment was received in respect of the supply would be considered the time of supply.

Are souvenir shops on inhabited islands subjected to T-GST? (Articles 2 & 7 of Act)
No, only shops located on tourist establishments catering to tourists are subjected to T-GST.

How frequently can T-GST payments be made? (Article 8 of Act)
The default taxable period is once every month. However with the approval of the Commissioner General, the taxable period can be changed to once in every two months or once in every six months, if the monthly taxable sales is less than US$10,000 per month.

What is the currency for the T-GST payment? (Section 53 of Regulation)
United States Dollars or any other foreign currency determined by the Commissioner General in consultation with the Maldives Monetary Authority and other relevant authorities of the State.