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Charging GST on agency commission

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An agent is a person who acts for or represents another person (the principal) by supplying the principal's goods and services to a third party or by obtaining goods and services for the principal from a third party. Agency commission is the fee or commission levied by an agent for the service provided to the principal. Upon meeting the GST registration requirement, the agent is liable to register for GST with MIRA and charge GST on the price of agency service provided to the principal.

A GST registered principal who provides goods or services through an agent is obliged to charge GST from customers and pay it to MIRA. The tax invoice relating to the transaction should also be issued by the principal and if the customer is registered for GST, he or she can claim input tax for this transaction. GST cannot be charged on the goods and services provided via an agent if the principal is not registered for GST, and in such

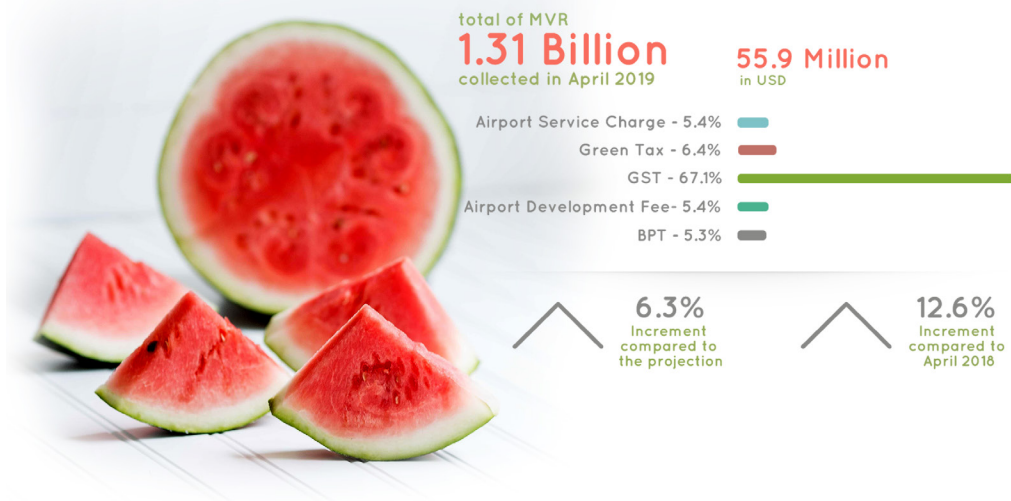
cases whether or not the agent is GST registered is irrelevant. However, if the agent is registered for GST, the agent must charge GST on the agency service provided by him/her to the principal. Where a GST registered person provides a good or service to an agent who acts on behalf of a principal, this will be regarded as a good or service provided to the principal and the principal can only claim the input tax in relation to the transaction.

The information above explains the general rules on the GST treatment where a principal-agent relationship exists. Even though this is the general norm, if both the agent and principal are GST registered parties, the agent may charge GST on the transaction considering that the good or service is provided by the agent. In cases as such, the principal must charge GST from agent for that particular transaction.



MIRA collects MVR 1.51 billion as revenue in March 2019

Hassan Humaiz
Assistant Tax Officer, Planning



In April 2019, MIRA had collected MVR 1.31 billion. This amount is 12.6% more than the amount received for the same month last year and 6.3% more than the amount forecasted for April 2019.

The main reason for the upturn in revenue collected compared to the same period last year is the payment of dues from previous deadlines by taxpayers. Taxes due to be received in earlier periods for TGST, GGST, BPT, and Tourism Land Rent were received in April 2019.

The greatest share of the revenue collected for April 2019 was from GST with MVR 875.69 million or 67.1% of the total revenue. The second largest contributor was Green Tax (MVR 83.6 million or 6.4%). Other significant contributors include Airport Development Fee (MVR 70.65 million or 5.4%), Airport Service Charge (MVR 70.13 million or 5.4%), BPT (MVR 69.72 million or 5.3%) and other taxes and fees (MVR 135.88 or 10.4%).

Out of the revenue collected in April 2019, a total of USD 55.9 million was collected.

Civil court orders to pay overdue land rent and penalties linked to R. Ethigandu Jehi Hura

Khadheeja Nashaya Naeem
Deputy Manager, Marketing

The Civil Court has issued an order to pay outstanding rent and fines under the land lease agreement signed between Ministry of Fisheries and Agriculture and Mr. Hussain Affan Ahmed, M. Golden Perl, on 2 May 2019.

Civil court's verdict orders Mr. Hussain Affan Ahmed to pay a total of MVR 805,785.70 as outstanding rent and fines, within 6 months together with any accumulating fines.

Deadline REMINDERS

With the MIRA Maldives mobile application, it is quick and easy to view upcoming tax deadlines and set reminders for such deadlines

