

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Goods and Services Tax: Eighteenth amendment to the Goods and Services Tax Regulation

Reference No.: TR-2016/G37

Date of issue: Thursday, 18 August 2016

This ruling is issued pursuant to the authority granted under Section 84 of the Tax Administration Act (Law Number 3/2010) as amended by Law Number 14/2011. Unless otherwise stated, all references to the Act are to the Goods and Services Tax Act (Law Number 10/2011) as amended, and all references to the Regulation are to the Goods and Services Tax Regulation (Regulation Number 2011/R-43) as amended. This ruling is legally binding.

Introduction

1. This ruling amends section 35 of the Regulation.

Ruling

2. Amend section 35 of the Regulation as follows:

Financial services

- (a) For the purposes of Section 20(j) of the Act, financial services refer to the following services supplied by a State institution or with the authorization of the relevant State institution:
 - (1) the operation of current accounts, deposit accounts, savings accounts and investment accounts;
 - (2) the exchange of currency, whether by the exchange of bank notes or coin, by crediting or debiting accounts, or otherwise;
 - (3) the issue, payment, collection, or transfer of ownership of a letter of credit or bill of exchange;
 - (4) the issue, allotment, drawing, acceptance, endorsement, renewal or transfer of ownership of a debt, or buying and selling, or providing the service of buying and selling such financial instruments on stock exchanges;
 - (5) the issue, allotment, renewal or transfer of ownership of a share, or buying and selling, or providing the service of buying and selling such financial instruments on stock exchanges;



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- (6) underwriting or sub-underwriting the issue of debt or shares;
 - (7) the provision of loans, advances and credit;
 - (8) the provision, taking or release of a guarantee, indemnity, security, or bond in respect of the performance of obligations under subsections (a)(3) to (a)(7);
 - (9) credit financing of hire purchase arrangements;
 - (10) the provision or transfer of ownership of an insurance contract or the provision of re-insurance in respect of any such contract;
 - (11) the provision, or transfer of ownership, of an interest in a superannuation fund, retirement pension fund or other investment fund, or the management of such fund;
 - (12) the provision or assignment of a futures contract in an arm's length transaction if:
 - (a) the contract does not provide for the delivery of a commodity; or
 - (b) the contract provides for the delivery of a commodity and the supply of the commodity is an exempt supply; or
 - (c) the contract provides for the delivery of money;
 - (13) the provision of a financial option;
 - (14) the payment or collection of any amount of interest, principal, dividend, or any other amount in respect of any debt, share, credit arrangement, contract of insurance, superannuation fund, retirement pension fund, other investment fund, futures contract or hedge fund;
 - (15) agreeing to do, or arranging, any of the activities specified in this Section, other than providing advice or consultancy;
 - (16) the supply of domestic or international money transfer services;
 - (17) the supply of payment, money transfer and other similar services performed from a mobile device via mobile telecommunication networks;
 - (18) the issue and acceptance of prepaid cash cards, including commission and rebates earned by agents of the card issuer.
- (b) For the purposes of Section 20(j) of the Act, the supply of a service specified in subsection (a) in accordance with the principles of Islamic *Sharīah* shall be considered as financial services.
- (c) Notwithstanding subsection (a)(7), for the purposes of Section 20(j) of the Act, the collection of any amount of interest in respect of a loan provided by a registered person who is not authorized by the relevant State institution shall also be considered as financial services.



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Date of Effect

3. This ruling shall have effect from its date of issue.

Yazeed Mohamed
Commissioner General of Taxation

This is the unofficial translation of the original ruling issued in Dhivehi. In the event of conflict between this translation and the Dhivehi version of this ruling, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this ruling and this translation be read concurrently.