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**MALDIVES INLAND REVENUE AUTHORITY**

Malé, Republic of Maldives

# TAX RULING

Goods and Services Tax: Registration of construction work carried out for Government social housing schemes

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**Reference No.:** TR-2018/G46

**Date of issue:** Thursday, 8 February 2018

*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 explains the requirement for projects that satisfy section 20(o) of the Act to be registered with MIRA and, prescribes the rules for registering the construction work of such projects for Goods and Services Tax.
2. Section 20(o) of the Act states:

**Exempt goods and services**

Flats, land and buildings sold by the Government or by the Government through a third party under social housing schemes in which the Government has the discretion to control the price of the property being sold in accordance with procedures determined by the Government. Where a person has paid GST pursuant to the First Amendment to the Goods and Services Tax Act (Law Number 10/2011) in relation to supplies exempted under this subsection, such GST shall be refunded within 30 (thirty) days from the date of commencement of the Second Amendment to the Goods and Services Tax Act (Law Number 10/2011).

## Ruling

3. The Government authority or the person contracted by the Government to carry out a project that satisfies section 20(o) of the Act, shall notify MIRA of such project prior to the commencement of the project, with an official document, confirming that the project satisfies section 20(o) of the Act, issued by the Government body that has the vested authority.

4. Where a registered person carries out the construction work of a project that has been notified to MIRA under paragraph 3 of this Ruling, such work shall be registered for Goods and Services Tax, as a separate registration, within 30 days from the earlier of the following dates.
  - (a) Date of signing the contract;
  - (b) Date of commencement of construction work.
5. Persons required to register under paragraph 4 of this Ruling shall submit a “GST Registration - Social Housing Projects” (MIRA 116) form together with the information and documents specified therein.
6. Construction work registered under paragraph 4 of this Ruling shall be exempt from Goods and Services Tax.
7. A registered person shall not claim input tax for the goods and services obtained in relation to the construction work registered under paragraph 4 of this Ruling. The TIN received subsequent to the registration of such construction work shall be quoted as the TIN of the recipient of the goods or services, on the tax invoices received in respect of the goods or services obtained in relation to the construction work.
8. Particulars of the tax invoices referred to in paragraph 7 of this Ruling shall be submitted together with the tax return for each taxable period, in a format prescribed by MIRA.
9. Where the construction work carried out by a registered person is for a project, of which only a part is required to be registered under paragraph 4 of this Ruling, the construction work related to such part shall be treated pursuant to the provisions of this ruling.

### **Date of Effect**

10. This ruling shall have effect from the date of its publication in the Government Gazette.

*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.*