



Unofficial translation of the

**TWENTY EIGHTH AMENDMENT TO THE
GOODS AND SERVICES TAX
REGULATION**

2020/R-119

This Regulation was made pursuant to the authority granted to the Board of the Maldives Inland Revenue Authority by the Tax Administration Act (Law Number 3/2010) as amended, and was published in the Government Gazette on Tuesday the 15th of December 2020.

DISCLAIMER OF LIABILITY

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

TWENTY EIGHTH AMENDMENT TO THE GOODS AND SERVICES TAX REGULATION

The Goods and Services Tax Regulation (Regulation Number 2011/R-43) shall be amended as follows:

1. Insert a section after Section 22 of the aforementioned Regulation as follows:

**Time of
supply where
consideration
for a supply is
paid in non-
monetary
form**

22-1. (a) Unless otherwise specified in this Regulation, the time of supply of a transaction of which the consideration is paid in non-monetary form shall be the earlier of:

- (1) the time at which an invoice was prepared in relation to the good or service;
- (2) the time at which the full or partial consideration for the good or service was paid.

(b) Where subsection (a) applies to a transaction, each party to the transaction shall be deemed to have provided a good or service to the other, and, the good or service received by each party thereof shall be deemed to be the consideration for the supply made by that party.

(c) Where the consideration for a transaction to which this Section applies is the granting of right to use an immovable property or part thereof, the time of supply of that transaction shall be the earlier of:

- (1) the time at which the person who provided the good or service acquires the right to use the immovable property or part thereof;
- (2) the time at which the person who provided the good or service commences utilization of the immovable property or part thereof;

2. Amend Section 25 (g) of the aforementioned Regulation as follows:

25. (g) Subsection (a) shall apply even where the consideration for a supply made to a related party is paid for in non-monetary form.

3. Insert a section after section 25 of the aforementioned Regulation as follows:

**Value of
supply made
via a related
party**

- 25-1. (a) Where goods and services are supplied indirectly via another person that is related to the supplier of the goods and services, the consideration for the transaction shall be the greater of the amount referred to in subsections 19(a) and (b) of the Act that the person:
- (1) who enjoys the benefits of the goods or services pays any person for that benefit; or
 - (2) that is issued with an invoice for the supply of the goods or services pays for the goods or services.
- (b) The person who enjoys the benefits referred to in subsection (a)(1) need not be a related person of the supplier of the goods and services.

4. Amend Section 46(a)(3) of the aforementioned Regulation as follows:

46. (a) (3) Where subsection (a)(1) applies, any amount of input tax in relation to capital expenditure that remains unclaimed, for any reason, by the end of the 12 (twelve) month duration, and, where subsection (a)(2) applies, any amount of input tax in relation to capital expenditure that remains unclaimed, for any reason, by the end of the 36 (thirty-six) month duration, may be set off against the output tax in subsequent taxable periods. This subsection is subject to subsection (a)(5) of this Section.

5. Repeal subsection 88(b)(1) of the aforementioned Regulation:

88. (b) (1) *[Repealed]*

6. Amend Section 104 of the aforementioned Regulation as follows:

Goods and Services supplied in the Maldives

104. For the purpose of the Act, a good or service shall be deemed to be supplied in the Maldives with reference to the following provisions:

- (a) Goods are deemed to be supplied in the Maldives if the supplier and the recipient is in the Maldives at the time the goods are sold.
- (b) Services are deemed to be supplied in the Maldives if the supplier is in the Maldives at the time the services are performed.
- (c) Notwithstanding subsection (a) and (b), goods and services shall be deemed to be supplied in the Maldives if:
 - (1) the goods are in the Maldives at the time the goods are sold; or
 - (2) the services or part thereof are physically performed by or through a person who is in the Maldives at the time the services are performed.

7. Insert a section after Section 104 of the aforementioned Regulation as follows:

Determining whether the person is in Maldives

- 104-1. (a) (1) For the purposes of the Act, a company or any incorporated body shall be deemed to be in the Maldives if it is incorporated in the Maldives, or, has its head office situated in the Maldives, or, its management and control is in the Maldives.
- (2) For the purposes of the Act, a partnership or any other unincorporated body shall be deemed to be in the Maldives if it is established or formed in the Maldives, or, its management and control is in the Maldives.

- (3) For the purposes of the Act, an individual shall be deemed to be in the Maldives if the individual's permanent place of living is in the Maldives, or, is present in the Maldives or intends to be present in the Maldives for an aggregate of 183 (One Hundred and Eighty-three) days or more in any 12 (Twelve) month period commencing or ending in a Gregorian calendar year.
 - (4) For the purposes of the Act, State offices shall be deemed to be in the Maldives.
 - (b) Notwithstanding that a person is not deemed to be in the Maldives under subsection (a), the supply of goods and services in the following circumstances via a taxable activity of the person carried on in the Maldives, shall be deemed to be goods and services supplied in the Maldives.
 - (1) the goods are in the Maldives at the time the goods are sold; or
 - (2) the services or part thereof are physically performed by or through a person who is in the Maldives at the time the services are performed.
8. This Regulation shall have effect from the date of its publication in the Government Gazette.