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MALDIVES INLAND REVENUE AUTHORITY
Malé, Republic of Maldives

C I R C U L A R

Reference Number: 220-AA/CIR/2011/11
Date: 29 March 2011
To: All T-GST Registered Persons
Subject: **Clarification on T-GST Treatment of Bank Charges and Credit Card Commissions**

It has come to our attention that a number of taxpayers are including bank charges and credit card commissions under "Deductions" (Items 2 to 7) on their T-GST Returns.

You are reminded that, pursuant to Section 6(a) of the Tourism Goods and Services Tax Act, for the purpose of calculating tax payable on the total value of a service, the amount charged on an invoice issued in respect of such service shall be considered as the value of such service. Thus, you are not allowed to deduct from your total sales any deductions except those specified in Section 43 of the Tourism Goods and Services Tax Regulation.

Taxpayers who have incorrectly treated bank charges and credit card commissions on their T-GST Returns are hereby instructed to correct the error by adding the amount of such deductions claimed in January and February to Item 13 (Correction of errors) on their T-GST Return for March 2011.

Should you have any queries, please email us at audit@mira.gov.mv.

Thank you,

Yazeed Mohamed
Commissioner General of Taxation