

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

C I R C U L A R

Reference Number: 220-PR/CIR/2012/19

Date: 01 October 2012

To: GST Registered Person

Subject: **Expiry of the relief given on charging GST on agreements entered into prior to the ratification of GST Act**

Under the Goods and Services Tax Regulation (Regulation Number 2011/R-43), it has been arranged in the transitional arrangements that certain transactions carried out by persons doing businesses when the Goods and Services Tax Act (Law Number 10/2011) came into effect shall not be subject to GST. In this regard, goods and services supplied under agreements entered into prior to the ratification of the Act were exempted from GST as follows.

1. As per Section 100(a) of the Goods and Services Tax Regulation, where a person registered with the MIRA other than under the Tourism Goods and Services Tax Act (Law Number 19/2010) signs an agreement prior to the ratification of the Act for the supply of goods or services, and the agreement was entered into under the supplier's normal commercial practices, and work on the delivery of the goods and services so mentioned in the agreement has begun prior to the ratification of the Act, tax shall not be chargeable on that supply if the tax invoice is issued or part or whole of the payment is received for that supply within one year from the date of commencement of the Act.



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2. As per Section 100(b) of the Goods and Services Tax Regulation, where a person registered under the Tourism Goods and Services Tax Act supplies goods or services under an agreement entered into under normal commercial practices, and as per such agreement, tax for such supply is calculated without including a service charge in the total value of that supply, and work on the delivery of the goods and services so mentioned in the agreement has begun prior to the ratification of the Act, no tax shall be charged on the service charge levied under the agreement, within one year from the date of commencement of the Act.

Since the Goods and Services Act commenced on 2 October 2011, the relief granted under Section 100(a) and (b) of the GST Regulation will expire on 1 October 2012.

Therefore, with effect from 2 October 2012, tax shall be charged on transactions made under the agreements stated in the aforementioned clauses.

Yazeed Mohamed
Commissioner General of Taxation