



*Unofficial translation of the*

## **POLICY ON DISCLOSURE OF NON-COMPLIANT GST REGISTERED PERSONS**

---

*This policy was published in the Government Gazette on Tuesday the 13<sup>th</sup> of March 2012 (20 Rabi-al Akhir 1433).*

### **DISCLAIMER OF LIABILITY**

*The Maldives Inland Revenue Authority shall not accept any liability or responsibility arising out of any reliance whatsoever on the translation contained herein. In the event of conflict between this translation and the Dhivehi version of this policy, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this policy and this translation be read concurrently.*

# TABLE OF CONTENTS

1. Introduction .....	3
2. Objective.....	3
3. Scope .....	3
4. Background.....	3
5. Factors to be verified prior to disclosure .....	4
6. Procedure on disclosure of persons carrying on business in Malé region.....	4
7. Procedure on disclosure of persons carrying on business outside Malé region.....	5
8. Procedure relating to persons filing monthly GST Returns.....	6
9. Steering Committee .....	6
10. Commencement .....	6
11. Definitions.....	6

# POLICY ON DISCLOSURE OF NON-COMPLIANT GST REGISTERED PERSONS

## 1. Introduction

- (a) This Policy formulates the procedure that will be followed by the MIRA in disclosing persons registered with the MIRA under the Goods and Services Tax Act (Law Number 10/2011) who fail to file their GST Return and make payment by the 28<sup>th</sup> of the month following the end of each quarter.
- (b) This Policy is formulated pursuant to Section 16(c) of the Tax Administration Act (Law Number 3/2010).

## 2. Objective

The objective of this Policy is to establish a fair and transparent procedure in the disclosure of non-filers of GST Returns and non-payers of tax required under the Goods and Services Tax Act.

## 3. Scope

The name, address, Taxpayer Identification Number (TIN) and the registered taxable activities of GST registered persons who fail to file their GST Return and make payment shall be disclosed under this Policy. Persons who make the payment but fail to file their GST Return and vice versa, shall not be disclosed under this Policy; such persons shall be dealt with in accordance with the Enforcement Policy of MIRA.

## 4. Background

- (a) Section 28 of the Goods and Services Tax Act stipulates that GST Returns shall be filed either monthly or quarterly.
- (b) Pursuant to Section 76(a) of the Goods and Services Tax Regulation (Regulation Number 2011/R-43), all registered persons shall file GST Returns. Hence, a GST Return shall be filed whether or not any business activity was carried on during a taxable period.
- (c) The period of relief from penalty for unfulfilled obligations required to be performed by registered persons under the Goods and Services Tax Act was extended until 28 February 2012 via announcement number (IUL)220-TEF/01/2012/15 (31 January 2012), pursuant to the powers vested with the MIRA under Section 77 of the Tax Administration Act.

## **5. Factors to be verified prior to disclosure**

- (a) The following factors shall be verified prior to the disclosure of any person under this Policy:
- (1) The person, who has not filed his GST Return and not made the payment, has not been deregistered nor has submitted an application for deregistration.
  - (2) The person, who has not filed his GST Return and not made the payment, is still carrying on the business or holds a valid trade permit.
  - (3) The person, who in MIRA's view has not filed his GST Return and not made the payment, has not filed his GST Return with, or made the payment to, the Secretariat of a Council.
- (b) During the process of verifying the factors specified in Section 5(a) of this Policy, a statement of the non-filer or non-payer shall be obtained in relation to the assertion made by the MIRA. If the assertion made by the MIRA is denied by such person, the MIRA shall confirm the validity of his statement.

## **6. Procedure on disclosure of persons carrying on business in Malé region**

- (a) This section shall apply to persons carrying on business in Malé region.
- (b)
- (1) Subsequent to the verification of factors specified in Section 5 of this Policy, names of non-filers of GST Return and non-payers of tax shall be published on MIRA's website on the 15<sup>th</sup> of the month following the month in which their GST Return for that quarter was due. Such publication shall be of persons who fail to file their GST Return and pay tax by the date prior to the aforementioned date.
  - (2) Persons on the list of names published on MIRA's website under Section 6(b)(1) of this Policy who fail to file their GST Return and pay tax shall be published in the final volume of the Government Gazette for the month following the month in which their GST Return for that quarter was due. Such publication shall be of persons who fail to file their GST Return and pay tax by 09:00 on the date on which documents to be published in that Gazette are required to be sent [to the President's Office].
  - (3) Where a person listed on MIRA's website under Section 6(b)(1) of this Policy files his GST Return or pays tax after its publication, such person shall be removed from that list. Where a person files his GST Return or pays tax before 09:00 on the date on which documents to be published on the Gazette are required to be sent [to the President's Office], such person shall not be disclosed in the Gazette.

(c)

- (1) Notwithstanding Section 6(b)(1) of this Policy, the list of non-filers and non-payers of tax for the quarter comprising October/November/December 2011 shall be published on MIRA's website on 29 March 2012. Such publication shall be of persons who fail to file their GST Return and pay tax by 28 March 2012.
- (2) Notwithstanding Section 6(b)(2) of this Policy, the list of non-filers and non-payers of tax for the quarter comprising October/November/December 2011 shall be published on the 12 April 2012 issue of the Government Gazette. Such publication shall be of persons who fail to file their GST Return and pay tax up to 09:00 on the date on which documents to be published in that Gazette are required to be sent [to the President's Office].

## **7. Procedure on disclosure of persons carrying on business outside Malé region**

(a) This section shall apply to persons carrying on business outside Malé region.

(b)

- (1) Subsequent to the verification of factors specified in Section 5 of this Policy, names of non-filers of GST Return and non-payers of tax shall be published on MIRA's website on the 30<sup>th</sup> of the month following the month in which their GST Return for that quarter was due. Such publication shall be of persons who fail to file their GST Return and pay tax by the date prior to the aforementioned date.
- (2) Persons on the list of names published on MIRA's website under Section 7(b)(1) of this Policy who fail to file their GST Return and pay tax shall be published in the fourth volume of the Government Gazette for the second month following the month in which their GST Return for that quarter was due. Such publication shall be of persons who fail to file their GST Return and pay tax by 09:00 on the date on which documents to be published in that Gazette are required to be sent [to the President's Office].
- (3) Where a person listed on MIRA's website under Section 7(b)(1) of this Policy files his GST Return or pays tax after its publication, such person shall be removed from that list. [Where a person files his GST Return or pays tax before 09:00 on the date on which documents to be published on the Gazette are required to be sent to the President's Office, such person shall not be disclosed in the Gazette].

(c)

- (1) Notwithstanding Section 7(b)(1) of this Policy, the list of non-filers and non-payers of tax for the quarter comprising October/November/December 2011 shall be published on MIRA's website on 12 April 2012. Such publication shall be of persons who fail to file their GST Return and pay tax by 11 April 2012.

(2) Notwithstanding Section 7(b)(2) of this Policy, the list of non-filers and non-payers of tax for the quarter comprising October/November/December 2011 shall be published on the 26 April 2012 issue of the Government Gazette. Such publication shall be of persons who fail to file their GST Return and pay tax up to 09:00 on the date on which documents to be published in that Gazette are required to be sent [to the President's Office].

## **8. Procedure relating to persons filing monthly GST Returns**

For the purpose of this Policy, persons required to file GST Returns under the Goods and Services Tax Act on a monthly basis shall be determined as non-filers or non-payers of tax, where such persons fail to file their GST Return and pay tax in at least 1 (one) month during the respective quarter.

## **9. Steering Committee**

The Steering Committee convened by the Commissioner General of Taxation shall determine the procedures to be followed in executing the provisions of this Policy and the persons who will be responsible for performing those procedures, and shall be responsible for the overall coordination of the performance of the provisions of this Policy.

## **10. Commencement**

This Policy shall come into effect from the date of its publication in the Government Gazette.

## **11. Definitions**

In this Policy, unless otherwise specified:

- (a) "Malé region" refers to Malé, Vilimalé, Hulhumalé, Hulhulé and Thilafushi.
- (b) "Quarter" shall have the same meaning as in MIRA's Tax Ruling number 220-PR/TR/2011/3 (24 November 2011).