Client Advisory on

32nd Amendment to the GST Regulation

Rules for offshore suppliers of tourism inbound products

CTL STRATEGIES

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Introduction

On 21 September 2026, the Maldives Inland Revenue Authority ("MIRA") published the 32nd Amendment to the Goods and Services Tax Regulation[1] (the "Amendment").

The Amendment introduces the detailed rules required to implement the new GST regime for offshore suppliers of Maldives inbound tourism products, which was introduced through the Eighth Amendment to the Goods and Services Tax Act[2] ("Eight Amendment") which is set to take effect from 1 October 2026.

The Amendment now provides the practical framework for applying the regime, including rules on registration, calculation of GST under the margin mechanism, invoicing and price display, return filing, record keeping, adjustments and transitional treatment.

It also provides further guidance on what constitutes a "permanent place of business" and how the place of supply rules apply to offshore businesses registered for Maldives GST.

This Advisory summarises the principal provisions of the Amendment relevant to foreign suppliers of Maldives inbound tourism products.

[1] Regulation Number 2026/R-82
[2] Act Number 10/2026

At a glance

Area	Key change
Registration	Offshore suppliers required to register must submit **MIRA 120 Form**.
GST Calculation	For offshore suppliers selling Maldives inbound tourism products as the principal, GST is calculated on its margin which is the customer consideration less the amount payable to registered supplier(s) of the relevant inbound tourism product.
Input Tax	Input tax cannot be deducted in relation to expenditure relating to offshore inbound tourism products or related agency and booking services under the new regime.
Invoicing and price display	Offshore suppliers are not required to separately disclose the GST amount or GST-exclusive value of the inbound tourism product on specified transaction documents, and the usual GST-inclusive price display requirements also do not apply.
GST returns and payment	Offshore suppliers will use the new **MIRA 211 Tax Return** and must file it through MIRAConnect and make payments via MIRAConnect or MRTGS.
Record keeping	Specific records must be maintained, including supplier and agency agreements, customer and supplier records, booking and itinerary records, and documentation relating to cancellations, refunds and adjustments.

Area	Key change
	Records can be maintained outside the Maldives and in their usual language, subject to MIRA's requirement to submit an official English translation upon request.
Cancellations and adjustments	Where a booking is cancelled, refunded or repriced after GST has already been accounted for, the resulting GST adjustment can be reflected in the return for the period in which the change occurs, even where no credit or debit note is required to be issued.
Transitional rules	Where an invoice or receipt is issued, or consideration is paid before 1 October 2026, the transaction may fall outside the new offshore regime.
Permanent place of business	A place must have sufficient permanence and adequate human and technical resources to constitute a permanent place of business.
Place of supply	An offshore person without a permanent place of business in the Maldives may still be treated as a "non-registered recipient" for the relevant place of supply rules despite being registered for GST under the offshore regime. This can bring multiple levels of an offshore reseller chain within the new regime.

1. Registration of Overseas Suppliers

Submission of MIRA 120

An overseas supplier that is required to register with MIRA must submit the new GST Registration - Overseas Suppliers (MIRA 120) form, together with the information and supporting documents specified in the form.

MIRA has already made the [MIRA 120 registration process] available for businesses supplying inbound tourism products or related agency or booking services.

Where an offshore supplier carries on more than one relevant business activity under the same entity, the Regulation also allows those activities to be registered separately in certain circumstances, including where separate accounts are maintained or the activities are geographically or operationally distinct.

2. GST Calculation

Margin Mechanism

The Regulation confirms how the margin-based mechanism introduced by via the Eighth Amendment is to operate.

The taxable value is calculated by taking the amount received from the customer for the inbound tourism product and deducting the amount payable in respect of that product to a person that is registered, or required to be registered, for GST in the Maldives. The resulting margin is treated as GST inclusive, and GST is extracted from it by applying the following formula:

$$(A - B) \times t / (1 + t)$$

Where:

A = the amount of consideration received in respect of that product;

B = the amount of consideration payable, in respect of that product, to a registered person or a person required to be registered;

t = the rate at which GST is chargeable on inbound tourism products currently at 17%

Example – Holiday package sold by an offshore tour operator

An offshore tour operator, acting as principal, sells a holiday package to a traveller for USD 3,600 (inclusive of GST). The package consists of the following components:

Component	Supplier cost	Attributed selling price
International airfare	USD 1,000	USD 1,200
Resort accommodation	USD 1,600	USD 1,920
Airport/resort transfers	USD 200	USD 240
Excursion	USD 200	USD 240
Total	USD 3,000	USD 3,600

**Both the supplier cost and selling prices are inclusive of GST*

Step 1: Identify the amount of consideration received in respect of that Maldives inbound tourism product

A = USD 1,920 + USD 240 + USD 240 = USD 2,400

* As the international airfare is not an inbound tourism product, the portion of the package consideration attributable to the airfare must be excluded.

Step 2: Identify the amount payable to a registered person (cost)

B = USD 1,600 + USD 200 + USD 200 = USD 2,000

Step 3: Calculate the margin and GST

Margin = A (USD 2,400) – B (USD 2,000) = USD 400

GST payable at the current 17% rate is: <u>USD 400 × 17 / 117 = USD 58.12</u>

3. Input Tax Deduction

Restriction on input deduction

The Amendment expressly provides that input tax cannot be deducted on expenditure incurred in connection with an inbound tourism product or on amounts paid for related agency or booking services.

For offshore suppliers operating under the margin mechanism, this is consistent with the way GST is calculated. The full cost of the underlying inbound tourism product is already considered in determining the taxable margin and therefore does not give rise to a separate input tax deduction. Similarly, GST incurred on agency or booking fees cannot be claimed as input tax.

In practice, this restriction should generally have limited impact on Maldives suppliers that are already registered for GST. Where an offshore supplier supplies an inbound tourism product or related service to a Maldives GST-registered person with a permanent place of business, the offshore place of supply deeming rule would generally not apply and the offshore supplier would therefore not charge GST under this regime. Consequently, there would ordinarily be no input tax arising for the Maldives recipient to claim in respect of that supply.

4. Invoicing and Price Display

Invoices, receipts, credit and debit notes

One of the more practical changes relates to invoices and customer facing prices. An offshore supplier is not required to disclose either the GST charged on the value of the inbound tourism product or the GST exclusive value on its tax invoice, receipt, credit note or debit note.

Price display

The general requirements in the GST Regulation relating to the display of GST inclusive prices are also not applied for these supplies. Offshore suppliers are similarly exempted from the usual requirement to display their GST registration certificate.

These concessions are particularly relevant to the margin regime, as requiring the GST component to be separately displayed could indirectly reveal the supplier's commercial margin to its customer.

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5. Return Submission

Submission of MIRA 211 Tax Return

Offshore suppliers falling within the new regime will be required to submit their GST returns using the new **MIRA 211 Form**.

In addition to the information ordinarily required in a GST return under section 29 of the GST Act - such as the total value of supplies, output tax, adjustments and the net GST payable – the return must also include the additional information specifically required in the MIRA 211 form.

MIRA 211 has not yet been published.

The Regulation also requires these suppliers to file their returns through MIRAConnect and make the relevant payments through MIRAConnect or via MRTGS starting from October 2026.

However, Commissioner General is given the discretion to allow persons who, with reasonable cause, face difficulty filing GST returns or making payments via MIRAConnect as mandated by the Regulation to file or pay by other means.

Businesses should therefore ensure that the necessary registration and system access arrangements are completed before the first reporting obligation arises

6. Record Keeping

Document Maintenance

The Regulation introduces specific record keeping requirements tailored to offshore supplier. These include:

- Agreements entered into with suppliers of inbound tourism products;
- Agreements entered into with providers of booking or agency services relating to inbound tourism products;
- Documents evidencing the consideration received or receivable from customers;
- Documents evidencing the amounts paid or payable to suppliers of inbound tourism products or related booking or agency services;
- Booking confirmations, reservation records, travel itineraries and ticketing records;
- Documents identifying the nature of the tourism product supplied, such as accommodation, food, transportation, excursions or other tourism activities; and
- Documents relating to refunds, cancellations, corrections and other adjustments concerning inbound tourism products.

Period, Language and Timing

Recognising that these businesses are located overseas, the Regulation permits the relevant records to be kept outside the Maldives at the place where the business or its records are ordinarily maintained.

Offshore suppliers may also maintain records in their usual language, although MIRA may require an official Dhivehi or English translation where the records are maintained in another language.

For transaction dates and times, the supplier may use the time zone ordinarily used for its accounting records. However, Maldives time will continue to apply when determining GST return filing and payment deadlines.

7. Cancellations and adjustments

Adjustment period

The Regulation also provides a mechanism for dealing with cancellations, refunds, price reductions and other adjustments after GST has already been accounted for.

Where such an event occurs and the supplier is not required to issue a credit or debit note, the resulting GST adjustment can still be reflected in the GST return for the period in which the subsequent event occurs. This is particularly useful for tour operators, where tax may become due when a payment is received but the booking may subsequently be cancelled or repriced.

One area which may require further clarification is a change occurring to the amount payable to the underlying supplier after GST has already been accounted for. Since that amount directly affects the margin calculation, further guidance from MIRA on whether the same rule will be applied to such subsequent cost adjustments are required.

> **Example:** An offshore tour operator receives payment for a Maldives resort booking and accounts for GST in that tax period. If the booking is later cancelled and the customer is refunded, the corresponding GST adjustment can be made in the GST return for the period in which the cancellation and refund occurs.

8. Transitional Rules

Time of supply

The Regulation introduces an important transitional concession for existing bookings, Where, in relation to a supply falling within the new offshore regime, an invoice or receipt is issued before 1 October 2026, or the consideration is paid before that date, no GST is to be charged on that transaction.

Example - Invoice issued before 1 October 2026

An offshore tour operator sells a January 2027 Maldives holiday package for USD 3,500 and issues the full invoice on 30 September 2026. As the time of supply arises before 1 October 2026, the transaction falls outside the new offshore GST regime.

Example – Part payment received before 1 October 2026

An offshore tour operator sells a Maldives holiday package for USD 3,500 and receives a USD 500 deposit on 30 September 2026, without issuing an invoice for the full amount. The remaining USD 3,000 becomes payable after 1 October 2026.

Based on MIRA's interpretation, the transitional relief would apply only to the USD 500 received before 1 October 2026. The remaining USD 3,000 would fall within the new regime and be subject to GST in accordance with the margin mechanism.

9. Permanent place of business

What constitutes as 'permanent place of business'

The Amendment also provides further clarity on when a supplier will be regarded as having a permanent place of business in the Maldives.

As per the definition provided in the Amendment, the place must have a sufficient degree of permanence and adequate human and technical resources to make the relevant supplies and cannot merely carry out preparatory or auxiliary functions.

Importantly, even where a foreign business has such a place in the Maldives, the offshore regime can still apply where the relevant inbound tourism product or booking or agency service is not supplied through that Maldives place of business.

> **Example:** if an international travel group has a presence in the Maldives but the relevant accommodation inventory is contracted, marketed and sold by its overseas head office rather than through the Maldives operation, the existence of the Maldives office alone does not necessarily take those supplies outside the offshore supplier regime.

Therefore, even if the Maldives office constitutes a permanent place of business, the relevant accommodation sales may still fall within the offshore supplier regime if those supplies are not made through the Maldives office.

10. Place of Supply Rules

Muti-tier supply chains

The Regulation further clarifies that, for the new place of supply rules, an offshore person without a permanent place of business in the Maldives can continue to be treated as a non-registered recipient even after obtaining a Maldivian GST registration. This is important for transactions involving multiple overseas wholesalers or resellers, as one foreign intermediary's GST registration does not by itself remove the next transaction in the offshore supply chain from the new rules.

> **Example:** A Maldives resort sells accommodation to Global Hotels Ltd, an overseas wholesaler, which then resells the room nights to Island Holidays Ltd, an overseas tour operator. Both businesses have no permanent place of business in the Maldives.
>
> Assume Island Holidays Ltd is already registered for Maldives GST under the offshore supplier regime. For the relevant place of supply rules, it is nevertheless treated as a non-registered recipient because it does not have a permanent place of business in the Maldives.
>
> Accordingly, Global Rooms Ltd’s supply of the Maldives accommodation to Island Holidays Ltd can still be treated as a supply made in the Maldives and fall within the offshore inbound tourism products regime.

The Amendment also provides that even where a person has a permanent place of business in the Maldives, an inbound tourism product, or related agency or booking service, supplied from that person's head office, another office, or a permanent place of business outside the Maldives to such a non-registered person will be regarded as a service supplied in the Maldives.

Example: A foreign company operates a tourist resort in the Maldives, but its overseas head office or related entity purchases Maldives resort rooms in bulk and sells it to an overseas tour operator.

If the supply is made from the overseas head office or related entity rather than directly from tourist resort operated in the Maldives, the supply can still fall within the Maldives place of supply rules and the offshore inbound tourism products regime, which would require the head office or the related entity acting as the intermediary in this case to register for GST.

11. Consideration

Agency and booking fees do not reduce the consideration.

The Amendment clarifies that, when determining the consideration received for an inbound tourism product, amounts payable for related agency or booking services cannot be deducted. In other words, the GST calculation must be based on the gross amount charged to the customer, even where an agent deducts its commission before remitting the balance to the principal supplier.

Example:

A Maldives resort, acting as principal, sells a stay to a guest for USD 1,000 through an overseas booking agent. The agent collects payment (of USD 1,000) from the guest and remits only USD 900 to the resort (after deducting its commission of USD100).

For GST purposes, the resort's consideration remains USD 1,000. The USD 100 agency commission cannot be deducted from the amount of consideration merely because the agent remits the payment net of its fee.

This is important for businesses using net-settlement arrangements with travel agents, OTAs or booking platforms, as the net cash received may not be the same as the consideration recognised for GST purposes.

12. Effective Date

The Amendment is effective from 22 September 2026.

How we can help

CTL Strategies advises businesses across all sectors on Maldivian tax matters, including tourist resorts, hotels and vessel operators, asset-intensive businesses, and entities forming part of local and international groups. We bring together corporate lawyers, tax advisors and chartered accountants, giving us a working command of the domestic legal and tax framework across the full range of commercial arrangements our clients undertake in the Maldives.

In relation to the new offshore inbound tourism products regime, we can assist with:

- assessing whether registration is required, including reviewing the activities of each entity within a group and preparing and submitting MIRA 120 registration applications;
- reviewing principal and agency arrangements to determine who is making the relevant supply and how GST applies at each stage of the distribution chain
- assessing permanent place of business and place of supply issues, including structures involving Maldives offices, overseas head offices, wholesalers and multiple offshore resellers
- reviewing the GST impact under the margin mechanism, including identifying qualifying supplier costs, mixed holiday packages and the treatment of agency and booking fee
- reviewing transitional bookings and advance payments to determine the GST treatment of invoices, receipts and payments arising before and after 1 October 2026; and
- assisting with GST return preparation, MIRAConnect compliance and ongoing engagement with MIRA on the application of the new regime.

Get in touch

For a discussion of how the new offshore inbound tourism products regime may affect your business, please contact your principal advisor or:

Madeeh Ahmed

Partner & Senior Tax Advisor

madeeh@ctlstrategies.com

+960 7783337

Zaina Zahir

Tax Advisor

zaina@ctlstrategies.com

+960 7953323

This Advisory has been prepared on the basis of the 32nd Amendment to the Goods and Services Tax Regulation (Regulation Number 2026/R-82) published by MIRA on 22 September 2026.

It reflects our reading of the Amendment and is provided for general information only. It is not legal or tax advice, does not take account of the circumstances of any particular business, and should not be relied upon in making decisions or determining tax positions. Professional advice should be obtained before acting on any matter discussed in this guide. CTL Strategies LLP accepts no liability for any loss arising from reliance placed on this guide.