



MALDIVES  
INLAND REVENUE  
AUTHORITY

# Annual Report

2019



[www.mira.gov.mv](http://www.mira.gov.mv)



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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# 1. Introduction

MIRA has successfully completed facilitative nine years of taxation in the Maldives. Despite being a young tax administration, MIRA has reached remarkable milestones. In addition to the efforts to build a modern and effective tax system, MIRA carried out numerous activities during the year to strengthen the country's tax system. This includes programs to increase the awareness of taxpayers and work done to enhance services provided to taxpayers.

There has been remarkable growth in revenue collection by MIRA over the years. During the year 2019, MVR 16.81 billion was collected as revenue, which is an increase of 2.8% compared the year 2018, and 3.2% more than the estimated revenue collection for 2019. The increase in tourist arrivals, resulting in the growth in the tourism industry and overall economic performance of the country led to this increment of tax revenue collected in the year 2019.

In the effort to provide accessible and convenient services to customers, several activities were carried out during the year which included the introduction of online work visa fee payment services. In addition to that, MIRA's Enforcement Policy was revised to facilitate taxpayers who are not able to settle their dues and more lenient repayment options were granted.

In 2019, MIRA successfully completed the period outlined in its first Strategic Plan. This plan guided MIRA's activities from 2015 to 2019. During this year, a new Strategic Plan was developed after evaluating the achievement of priorities in the previous Strategic Plan which reflects the consequent broadening of MIRA's vision and efforts. This new strategic plan outlines the strategic priorities of MIRA between 2020 and 2024 under 6 programs.

9 years ago, MIRA started its work as the main revenue collector of the government amid many challenges. MIRA's journey to the milestone of establishing a modern tax system in the Maldives was successful largely due to the leadership and guidance of former Commissioner General of Taxation, Mr. Yazeed Mohamed, and Deputy Commissioner General of Taxation, Mr. Hassan Zareer. Their tenure ended and MIRA's journey forward with a new management began on 31 October 2019. Mr. Fathuhullah Jameel was appointed as the Commissioner General of Taxation and Ms. Asma Shafeeu was appointed as the Deputy Commissioner General of Taxation on this day. In addition, new members were appointed to the MIRA's Board of Directors.

To further strengthen the administrative framework of the tax system, the Second Amendment to the Tax Administration Act was made in 2019. In addition to this, under the efforts to establish a fully-fledged tax system in the Maldives, Income Tax Bill was ratified by the President on 17th December 2019, and taxation under this Act commenced on 1 January 2020.

This report details the activities carried out by MIRA in enhancing the tax system of Maldives, administrative performance of MIRA, and MIRA's annual revenue collection of the year 2019.





**Ahmed Saruvash Adam**  
Chairperson

## 2. Chairperson's Message

The Maldives Inland Revenue Authority (MIRA) faced 2019 with the public and taxpayers voicing their desire to bring about changes to the tax system. Over the 9 years since its inception in 2010 as an independent institution with significant discretionary powers, MIRA has carried out exemplary work in establishing the modern tax system in the Maldives. However, the need for reformation was imperative in providing non-discriminatory services to the public and taxpayers. In light of this, and amidst public calls to improve, major reforms were brought to MIRA and the tax system in 2019.

This reformed tax system reinforced confidence in MIRA by enabling the effective implementation of tax policies and fulfilling the legislative requirement of a wholly inclusive income tax regime in Maldives. This was possible by integrating further efficiencies into the system, such as the changes to the constitution of the

board of MIRA and the easing of the appeal process; the introduction of the Income Tax Act; and revisions to existing policies implemented by MIRA. These reforms not only bolstered trust in MIRA and taxpayer relations, but also improved working environment and staff retention in MIRA.

The reformation also provided MIRA the opportunity to revise its priorities. The formulation of a new strategic plan in 2019, following the expiration of the first strategic plan, and the change in leadership also provided MIRA a fresh perspective in evaluating its priorities. Consequently, this also changed MIRA's tune in communicating with taxpayers and its administration. Taking all of this into account, the highest priority of MIRA shall be increasing taxpayer compliance and raising awareness on tax Acts and Regulations. For the management of MIRA to achieve this, the board of MIRA shall continue to provide the necessary support and advice.

The main pioneers behind this change has been the



management and the team of MIRA. As such, I would like to take this opportunity to congratulate and express thanks to the new Commissioner General of Taxation, Fathuhulla Jameel and the Deputy Commissioner General of Taxation, Asma Shafeeu. I would also like to extend this gratitude to the previous Commissioner General of Taxation, Yazeed Mohamed and the Deputy Commissioner General of Taxation, Hassan Zareer for their effort in making the tax system what it is today. And many thanks to all employees of MIRA for their commitment and diligent work. I encourage all parties to remain steadfast in maintaining the work carried-out to establish a trusted tax system.

2019 marked a year of change and a year which laid the groundwork for more reforms. My hope is that the Maldives tax system will reap the benefits of these changes and that we foster compliance over time. I also hope that we are granted with renewed strength to further our progress towards establishing a respected and taxpayer friendly tax system. And finally, my hope is for MIRA to be regarded highly across the nation and for new opportunities to provide even better services.

May Allah grant us strength to achieve such an advancement!





**Fathuhulla Jameel**

Commissioner General of Taxation

### 3. Commissioner General's Message

As MIRA progresses into the 10th year of its journey into implementing a modern tax system in the Maldives, much activities have been carried out and many milestones have been achieved. Successful implementation of a modern tax system in the Maldives, at a level that is recognized on a global level, within such a short period of time, was only possible due to the hard work of competent employees and well-grounded principles that shaped MIRA into an authority that worked towards fulfilling its mandate. I take this opportunity to recognize and thank the notable work carried out by former Commissioner General of Taxation, Yazeed Mohamed and Deputy Commissioner General of Taxation Hassan Zareer, who were at MIRA's helm until my appointment on 31st October 2019. I also extend my sincere gratitude to all members who had served on MIRA's Board of Directors.

A self-assessment tax system can only be sustained by placing trust in taxpayers and facilitating them in fulfilling their obligations. As the revenue for government from tax will be augmented by the increase in diversity of the economy and increase in economic activities, the tax system should not be an obstacle for the businesses. Instead, the tax system should be a business – friendly system that facilitates more business activities. It should also be an efficient and convenient system for all law-abiding taxpayers. Therefore, the foundation MIRA's of efforts has been now changed to facilitate a user-friendly system for law-abiding taxpayers, to easing administrative procedure and to consider the risk levels of taxpayers in monitoring taxpayers. Furthermore, we have initiated the works of facilitating all the tax related procedures within a "Compliance Risk Management Framework", as practiced in established tax systems around the world. We are currently making the changes to the administrative framework of MIRA required to fully implement this mechanism. With this change, in the near future, the services provided to taxpayers will be broadened and more resources will be introduced

to aid the taxpayers in fulfilling their obligations.

While facilitating convenient ways for taxpayers is one of MIRA's biggest priorities, we are also making plans to ensure effective monitoring and assessment mechanism are implemented. As such, we have commenced programs to develop the technical capability of MIRA's auditors with programs such as 'Tax Inspectors Without Borders', who is assisting MIRA to develop capacity in transfer pricing audits, and other projects to develop "Industry Audit Experts" in key sectors in the economy. As MIRA faces 10th year of its journey, the biggest challenge to tackle is the implementation of the Income Tax Act. Ratified on 17th December 2019, taxation under the Act commenced on 1st January 2020. Having to prepare and publish the required regulations, and bringing necessary changes to the tax regime within a short period of time was a challenging task. In addition, introduction of taxation on remuneration for the first time in Maldives from 1 April 2020, designing and implementation of this new regime, and educating the public and businesses on the new system is something

that cannot be achieved without great effort and dedication.

Bringing significant changes to the tax system, introducing Employee Withholding Tax in the Maldives, further strengthening the tax regime, modernizing services provided to taxpayers, strengthening the relationship between MIRA and taxpayers, all within a short period of time, are significant challenges that MIRA is gearing up for in the new year. We will face these challenges and move forward with the hard work of MIRA's staff and steadfast guidance of the Board, confident that with God's will, we will successfully overcome these challenges.

I would like to thank other government agencies for their continuous support to MIRA in fulfilling our responsibilities. I would also like to extend my gratitude to all the taxpayers and the general public of Maldives for their faith and trust in MIRA. I wish MIRA, and the Maldives, an even more prosperous future.



# Management

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## 4. Management

### 4.1 Board of Directors

The Board of Directors of MIRA are appointed with the approval of the People's Majlis, to determine the administrative policies of MIRA pursuant to the Act.

#### 4.1.1 Members of the Board

Prior to the Second Amendment to the Tax Administration Act on 12th September 2019, the Board of Directors is comprised of the following persons:

**Mr. Yazeed Mohamed**

Chairperson and Commissioner General of Taxation

**Mr. Hassan Zareer**

Deputy Chairperson and Deputy Commissioner General of Taxation

**Mr. Hassan Waheed**

Board Member

**Mr. Ahmed Faiz Mohamed**

Board Member

**Ms. Aishath Asha Ali**

Board Member

**Mr. Faseeh Zahir**

Board Member

**Ms. Leena Zahir Hussain**

Board Member

Pursuant to the Second Amendment to the Tax Administration Act, changes were brought to the Board of Directors. At the end of 2019, the Board of Directors comprised of the following persons:

**Mr. Ahmed Saruvash Adam**

Chairperson

**Ms. Leena Zahir Hussain**

Deputy Chairperson

**Mr. Fathuhullah Jameel**

Commissioner General

**Mr. Ahmed Faiz Mohamed**

Board Member

**Ms. Aishath Asha Ali**

Board Member

**Mr. Faseeh Zahir**

Board Member

**Uz. Makhzoom Saleem**

Board Member

At the end of 2019, Mr. Ahmed Saruvash Adam, the Chief Financial Budget Executive of Fiscal Affairs Department, Ministry of Finance, was the Chairperson of MIRA's Board of Directors. Ms. Leena Zahir Hussain was appointed as the Deputy Chairperson. Uz. Makhzoom Saleem was appointed as a Board Member on 24th November 2019. Ms. Aishath Hasna Mohamed, the Assistant Fiscal Executive of Tax Policy Unit of Ministry of Finance was assigned as the secretary of the Board.

#### 4.1.2 Meetings and attendance

The Board met 14 times during the year. By the end of 12th September 2019, 8 Board meetings were held and the attendance of the members of the Board at these meetings is as follows.

Name	Attendance
Mr. Yazeed Mohamed	100%
Mr. Hassan Zareer	100%
Mr. Ahmed Faiz Mohamed	75%
Mr. Hassan Waheed	87.5%
Ms. Aishath Asha Ali	100%
Uz. Faseeh Zahir	87.5%
Ms. Leena Zahir Hussain	75%

After Second Amendment to the Tax Administration Act, 6 Board meetings were held in 2019 and the attendance of the members of the Board at these meetings is as follows.

Name	Meetings Held	Attended	Attendance
Ahmed Saruvash Adam	6	5	83%
Leena Zahir Hussain	6	4	67%
Fathuhullah Jameel	5	4	80%
Aishath Asha Ali	6	4	67%
Faseeh Zahir	6	3	50%
Ahmed Faiz Mohamed	6	5	83%
Makhzoom Saleem	4	4	100%
Yazeed Mohamed	1	0	0%

#### 4.1.3 Activities of the Board

Advice on the following issues proposed by the Commissioner General of Taxation was given to him, after deliberations made at meetings held by the Board of Directors, by the end of 12th September 2019.

1. Finalized the research report on Financial Statements of MIRA's Staff for the years 2014, 2015, 2016, 2017, and 2018
2. Discussed and finalized changes to Action Plan 2019 of MIRA
3. Discussed and finalized changes to the administrative framework of MIRA
4. Discussed and finalized changes to Staff Regulation
5. Reviewed tax related regulations and policies, and finalized changes to be made to them
6. Discussed regarding tax rulings issued to amend tax regulations
7. Amended the Enforcement Policy of MIRA to decrease the burden on small and medium businesses

Following the Second Amendment to the Tax Administration Act, advice on the following issues proposed by the Commissioner General of Taxation was given to him, after deliberations made at meetings held by the newly formed Board of Directors.

1. Finalized the changes to the administrative framework and Bond Policy of MIRA
2. Elected the Deputy Chairperson of MIRA's Board of Directors
3. Discussed the amendments proposed to the Enforcement Policy
4. Discussed on the Income Tax Regulation
5. Discussed on the procedure to be followed in sharing the information with other government agencies
6. Passed the decision by Board to authorize the Commissioner General of Taxation to appoint a lawyer or a representative

MIRA Board of Directors



Ahmed Saruvash Adam  
Chairperson



Faseeh Zahir  
Board Member



Leena Zahir Hussain  
Deputy Chairperson



Ahmed Faiz Mohamed  
Board Member



Fathuhullah Jameel  
Commissioner General



Makhzoom Saleem  
Board Member

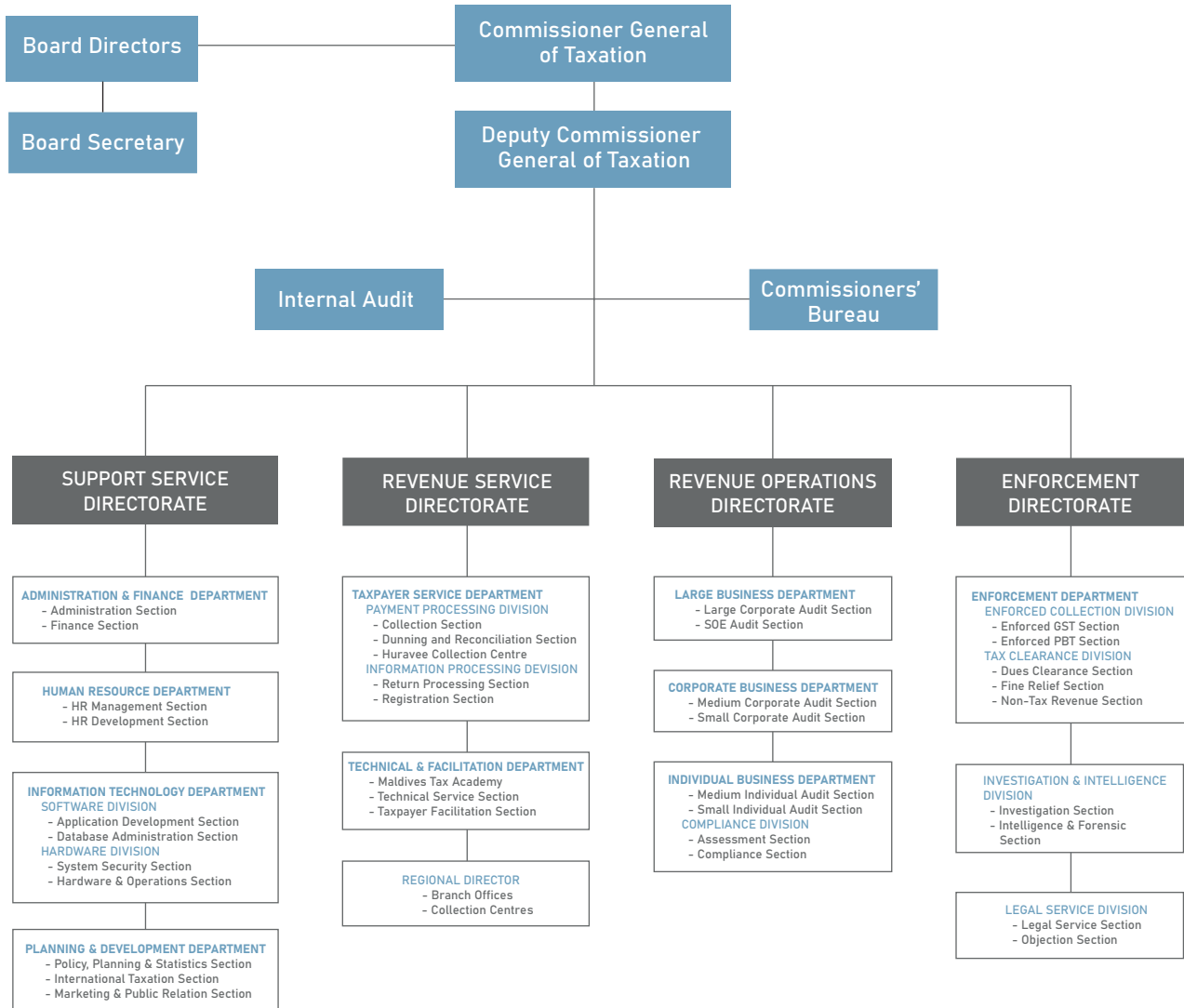


Aishath Asha Ali  
Board Member

## 4.2 Organizational Structure

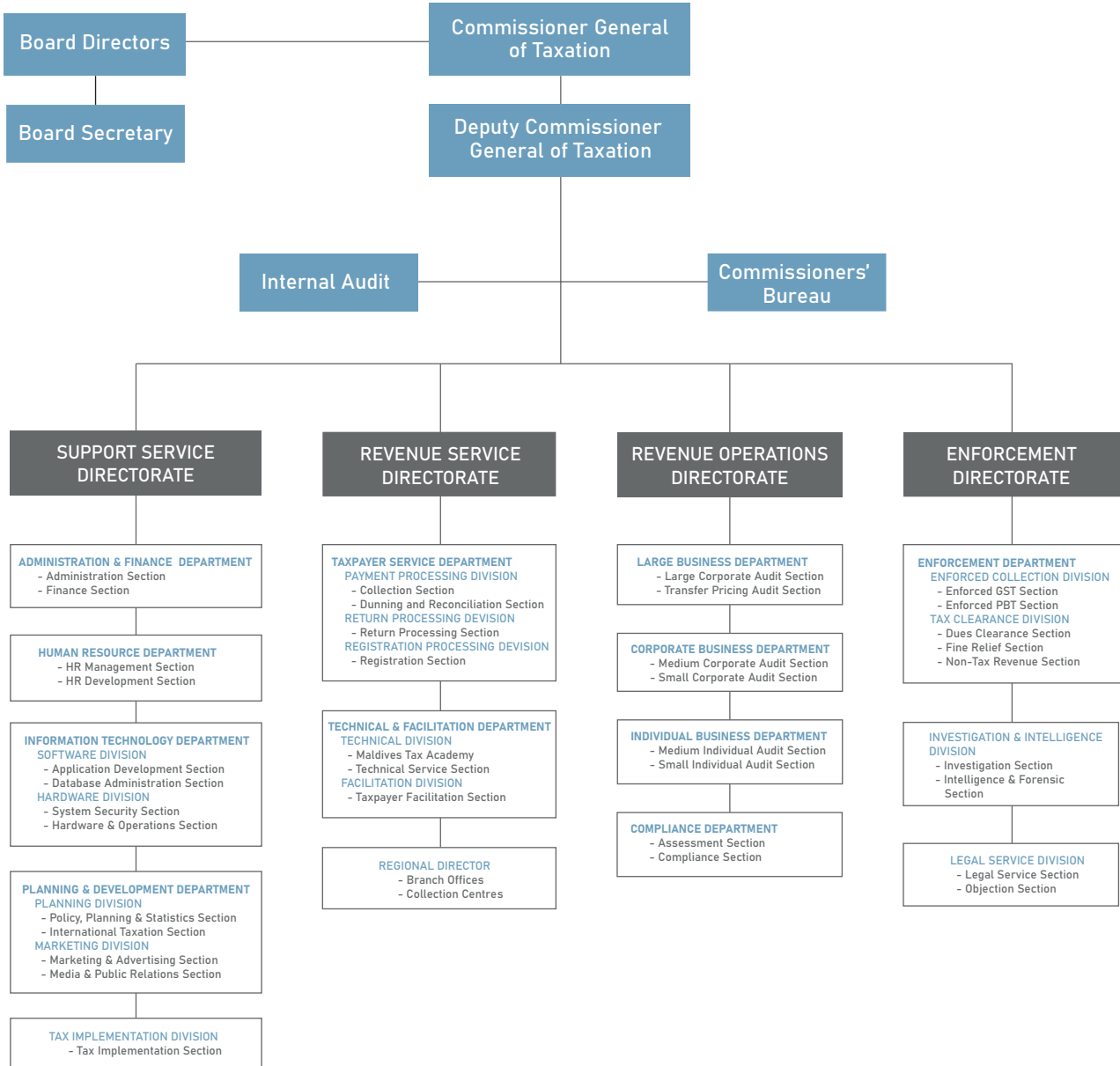
### 4.2.1 Organizational Chart

Organizational structure at the beginning of 2019



- Directorate
- Department, Division, Section

Organizational structure was revised as below on November 2019.



Directorate  
 Department, Division, Section

## 4.2.2 Directorates

MIRA's organizational structure is based on 4 directorates, namely: Support Service Directorate, Revenue Service Directorate, Revenue Operations Directorate and Enforcement Directorate.

### Support Service Directorate

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#### Administration and Finance Department

The main functions of this department include handling the administrative and financial operations of MIRA, and overseeing the work environment of office premises.

#### Human Resource Department

This department oversees all matters relating to staff, including staff development and training, and financial disclosures of staff.

#### Information Technology Department

The mandate of this department includes developing software applications necessary for MIRA, repairing and maintaining network, system security and hardware management and maintaining database.

#### Planning and Development Department

The core functions of this department include planning and organizing tasks necessary to implement tax laws, regulations and policies, establishing close relations with other tax administrations and international tax related organizations, and analyzing and maintaining revenue statistics of MIRA. This department also handles all work related to tax treaties and Tax Information Exchange Agreements. Moreover, this department oversees the marketing and promotion of the tax system and MIRA's services.

#### Tax Implementation Division

The main responsibilities of this division include making necessary arrangements to implement the newly introduced tax laws and the amendments brought to the tax laws, developing Tax Implementation Project plan and monitoring post implementation process.

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### Revenue Service Directorate

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#### Taxpayer Service Department

The main responsibilities of this department include receiving tax returns and payments, and undertaking dunning and reconciliation processes. Furthermore, identifying and registering persons required registering under tax laws, processing of tax returns, and taxpayer account maintenance is done by this department.

#### Technical and Facilitation Department

Preparing information needed to provide technical advice on formulating tax policies, and formulating legal and technical documents such as regulations and tax rulings of MIRA are the core responsibilities of this department. Moreover, conducting tax awareness sessions to taxpayers, general public and professionals and issuing licenses for auditors are also done by this department. This department also handles MIRA's hotline 1415 and the support email 1415@mira.gov.mv.

#### Regional Offices

The functions of this department include overseeing the work of regional branches and collection centers of MIRA. This includes conducting tax awareness sessions in the atolls, collecting payments and returns, and undertaking compliance activities.

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## Revenue Operations Directorate

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### Large Business Department

The core functions of this department include conducting tax audits of persons classified as large taxpayers, ascertaining whether the tax computation is in accordance with the laws and regulations, ensuring that taxes, fees, and other payments are paid on time, providing assistance, and resolving the issues faced by large taxpayers during registration. Further to this, ensuring that tax returns are filed, carrying out account maintenances, and coordinating with relevant sections and division to resolve any technical issues faced by large taxpayers fall under the mandate of this department.

### Corporate Business Department

This department oversees audits and related tasks of companies not classified as large taxpayers. The main functions of this department include ascertaining whether tax computation of the taxpayers is in accordance with the tax laws and regulations, and conducting tax assessments of persons not filing returns.

### Individual Business Department

The main responsibilities of this department include carrying out audits and tasks related to individuals not classified as large taxpayers. The department ascertains whether the tax computation of the taxpayers is in accordance with laws and regulations, and conduct tax assessments of persons not filing tax returns.

### Compliance Department

The responsibilities of this department include verifying whether all businesses in Male' and atolls are in compliance with the tax laws and regulations, identifying those who don't comply with filing and payment obligations, and taking necessary actions against such persons. In addition to that, this department also formulates and review the tax assessments of taxpayers.

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## Enforcement Directorate

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### Enforcement Department

This department undertakes all necessary means to recover tax and other monies collected by MIRA from persons in default, taking necessary actions against persons in default or those who fail to submit returns, ensuring all receivables are recovered and issuing tax clearance.

### Investigation and Intelligence Division

Conducting investigations under tax laws, gathering intelligence information for the audits and investigations conducted by MIRA, and risk profiling audit candidates are the responsibilities of this division.

### Legal Service Division

The main functions of this division include reviewing objections made by taxpayers in relation to decisions of MIRA, representing MIRA at the Courts and Tribunals in cases related to tax and any other legal issues related to MIRA, and undertake all other legal related works.

### Internal Audit

The mandate of this division includes planning, organizing and monitoring internal audit work related to MIRA, carrying out work related to corruption prevention, evaluating internal controls, providing assistance in formulating Standard Operating Procedures (SOPs), ensuring that the SOPs and all tasks undertaken by MIRA are in accordance with laws, regulations and policies and report any non-compliance. In addition, this division is responsible for undertaking quality assurance review to improve the taxpayer audits and ensuring whether tasks undertaken by MIRA are in accordance with SOPs and manuals.

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## 4.3 Committees

In addition to the work done by the departments, committees have been formed to carry out special tasks, to make decisions in consultation with the staff and to advise the Commissioner General in various matters. At the end of 2019, the committees in place were:

1. Human Resource Committee
2. Human Resource Interview Panel
3. Investigation Committee
4. Technical Committee
5. Appeal and Objection Committee
6. Bid Evaluation Committee
7. Audit Committee
8. Fine Relief Committee
9. Steering Committee for the disclosure of GST registered persons in default
10. Review Committee under the Right to Information Act
11. Licensing Committee
12. "Technical Support to Legal Team" Committee
13. Committee for the Prevention of Sexual Harassment
14. Committee to review complaints regarding the integrity of employees
15. Complaints Review Committee
16. Risk Management Steering Committee
17. "Ran Laari" Award Committee



## 4.4 Senior Management

The following staff made up the Senior Management of MIRA at the beginning of 2019.

### Commissioners

Yazeed Mohamed Hassan Zareer	Commissioner General of Taxation Deputy Commissioner General of Taxation
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### Assistant Commissioner General

Fathimath Ameeza Ahmed Shareef Ahmed Ali	Assistant Commissioner General, Enforcement Assistant Commissioner General, Revenue Service Assistant Commissioner General, Revenue Operations
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### Senior Executives

Asma Shafeeu Fathimath Shifaza Mohamed Najiz Ahmed Shafneez Moosa Haleem Mohamed Siraj Muneer Mohamed Ali Waheed	Director General, Planning and Development Director General, Human Resource Director General, Information Technology Director General, Administration and Finance Director General, Individual Business Director General, Corporate Business Director General, Technical and Facilitation
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### Senior Staff

Ibrahim Faisal Ali Naseer Ibrahim Nahshal Mohamed Ahmed Zakariyya Riyasha Ali Adha Amir Mohamed Jinah Ibrahim Ikram Ibrahim Aminath Zumra Aishath Nazeera Moosa Mohamed Azhan Yoosuf Shiraz Mariyam Nahula Abdul Gayyoom Aishath Suha Abdul Matheen Abdul Sattar	Senior Director, Internal Audit Director, Tax Clearance Director, Software Director, Compliance Director, Enforced Collection Deputy Director, Large Business Deputy Director, Hardware Deputy Director, Corporate Business Deputy Director, Planning and Development Deputy Director, Information Processing Deputy Director, Legal Service Deputy Director, Maldives Tax Academy Deputy Director, Investigation and Intelligence Deputy Director, Payment Processing Deputy Director, Regional
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Management of MIRA underwent significant changes during 2019. On 31st October 2019, new Commissioner General of Taxation, Deputy Commissioner General of Taxation and Board members were appointed by the President with the approval of the People's Majlis. Fathuhulla Jameel, who previously served as the Director General, Revenue Services and Director General, Audit and Investigation was appointed as Commissioner General of Taxation. Asma Shafeeu, then Director General of Planning and Development, was appointed as the Deputy Commissioner General of Taxation.



The following staff made up the Senior Management of MIRA at the end of 2019.

## Commissioners



**Fathuhullah Jameel**  
Commissioner General of Taxation



**Asma Shafeeu**  
Deputy Commissioner General of Taxation

Assistant Commissioner Generals



**Fathimath Ameeza**  
Assistant Commissioner General, Enforcement



**Ahmed Shareef**  
Assistant Commissioner General, Revenue Service



**Mohamed Siraj Muneer**  
Assistant Commissioner General, Revenue Operations

## Senior Executives



**Fathimath Shifaza**  
Director General,  
Human Resource



**Moosa Haleem**  
Director General,  
Corporate Business



**Mohamed Najiz**  
Director General,  
Information Technology



**Mohamed Ali Waheed**  
Director General,  
Technical and Facilitation



**Ahmed Shafneez**  
Director General,  
Administration and Finance



**Ibrahim Rasheed**  
Deputy Director General,  
Compliance

## Senior Staff



**Ibrahim Faisal**  
Senior Director,  
Internal Audit



**Mohamed Jinah Ibrahim**  
Director,  
Hardware



**Nahshal Mohamed**  
Senior Director,  
Software



**Yoosuf Shiraz**  
Director,  
Technical



**Ali Naseer Ibrahim**  
Director,  
Tax Clearance



**Ahmed Zakariyya**  
Director,  
Compliance



**Adha Amir**  
Director,  
Individual Business



**Aminath Zumra**  
Director,  
Planning and Development

## Senior Staff



**Riyasha Ali**  
Director,  
Enforced Collection



**Aishath Nazeera Moosa**  
Deputy Director,  
Information Processing



**Mohamed Azhan**  
Deputy Director,  
Legal Service



**Aishath Suha**  
Deputy Director,  
Payment Processing



**Shahid Moosa**  
Deputy Director,  
Facilitation



**Abdul Matheen Abdul Sattar**  
Deputy Director,  
Regional



**Ali Muaaz**  
Deputy Director,  
Large Business



**Ikram Ibrahim**  
Deputy Director,  
Corporate Business

Senior Staff



**Mariyam Nahula Abdul Gayyoom**  
Deputy Director,  
Investigations and Intelligence

Appointment of the Commissioner General of Taxation and the Deputy Commssioner General of Taxation.



## 4.5 Human Resources Management and Development

### 4.5.1 Employees

Being the tax administrator and one of the leading macro-economic organizations in the country, MIRA aims to perform MIRA's legal mandate effectively. To achieve this objective, recruitment of technical staff and staff capacity development was given priority during this year.

# 2019

The number of staff increased by

## 6%

Staff Education level:

## 14.14%

held Master's Degree or equivalent level qualification

## 41.41%

held Bachelor's Degree or equivalent level qualification



## 279

staff were working At the beginning of the year



## 50

staff were hired during the year



## 27

staff resigned, due to various reasons



## 05

staff were granted no-pay leave



## 297

staff were working At the end of the year



## 52.53%

female staff



## 47.47%

male staff

## 4.5.2 Staff Training

In order to sustainably administer the tax system, importance of a well-trained staff body was noted and various training programs were organized throughout the year. Training opportunities were facilitated overseas and several trainings were conducted at MIRA with the help of technical experts.



**72** staff took part in **27** training programs held overseas



**05** induction programs were conducted for the newly joined



**11** programs were conducted on increasing work efficiency and productivity



At the end of the 2019 **18** staff were studying for ACCA under MIRA sponsorship



**25** staff took part in **13** conferences held overseas



**06** staff represented MIRA at **04** locally held conferences

## Local Training Programs

Name of the training	Duration	Conducted by	No. of Emp
Essentials of Internal Audit	13-14 April 2019	Focus Education Centre	1
Creative Thinking Skills	19-29 April 2019	Auditor General's Office	1
Power your Organization through Microsoft Teams	19-20 May 2019	TechOne Global Maldives	2
Microsoft Tips and Tricks (Batch 14)	7 August 2019	Maxcom	5
Intelligence Analysis Course	25 August - 2 September 2019	Maldives Police Service	2
Training on Personal Leadership	16 September 2019	Auditor General's Office	2
Teledrama Workshop	6-12 October 2019	Maldives Media Institute	1
Anti-Corruption Training for Public Officials	9 October 2019	Anti-Corruption Commission	2
3rd National Dialogue on Fostering Sustainable Youth Entrepreneurship	13 - 14 November 2019	UNDP	1
Training on Islamic Capital Market	25-27 November 2019	Islamic Research and Training of Islamic Development Bank	1
Youth Leadership Camp 2019	14-15 December 2019	Ministry of Islamic Affairs	2

## Overseas Trainings

Name of the training	Duration	Place	No. of Emp
IMF SARTTAC Taxpayer Registration	21-25 January 2019	New Delhi, India	7
Compliance Risk Management	11 - 15 February 2019	New Delhi, India	5
Managing HPE 3PAR StoreServ I: Management and local replication	25 - 27 February 2019	Kuala Lumpur, Malaysia	2
Cisco Nexus Training	3-7 March 2019	Colombo, Sri Lanka	2
OECD - WCO Transfer Pricing and Customs Valuation	4-8 March 2019	Yangzhou, China	1
IMF SARTTAC Organizational Structure and Management Course	11-15 March 2019	New Delhi, India	6
OECD - Tax Policy Analysis and Revenue Statistics	11-15 March 2019	Seoul, South Korea	2
IRBM - OECD : Transfer Pricing Documentation And CbCR	15-19 March 2019	Kuala Lumpur, Malaysia	2
OECD - Transfer Pricing Guidelines	15-19 April 2019	Seoul, South Korea	2

Name of the training	Duration	Place	No. of Emp
IRBM – IBFD : Taxation Of The National Resources	22-26 April 2019	Kuala Lumpur, Malaysia	2
OECD – Exchange of Information as a Tool to Combat Offshore Tax Evasion	10-14 June 2019	Yangzhou, China	2
OECD – Tax Treaties and BEPS	17-21 June 2019	Yangzhou, China	2
Asia Pacific Training Event on Handling Mutual Agreement Procedure (MAP) Cases	17-21 June 2019	Bangkok, Thailand	1
Risk Based Audit Techniques	24-28 June 2019	New Delhi, India	4
OECD – Doing Business and Taxpayer Services	15-19 July 2019	Yangzhou, China	2
Securing Network with Cisco Firepower Threat Defense (FTD)	5-9 August 2019	Colombo, Sri Lanka	1
IMF SARTTAC Collections and Arrears Management	19-23 August 2019	New Delhi, India	6
General Tax Administration Course	19-30 August 2019	Kuala Lumpur, Malaysia	1
BW Enterprise Data Warehousing	9-13 September 2019	Kuala Lumpur, Malaysia	2
SAP BW Modelling & Implementation	16-20 September 2019	Kuala Lumpur, Malaysia	2
IMF SARTTAC Taxpayer Registration	16-20 September 2019	New Delhi, India	6
OECD – VAT Guidelines on Digital Economy	16-20 September 2019	Yangzhou, China	2
IRBM – IBFD : Taxation Of The Digital Economy	23-27 September 2019	Kuala Lumpur, Malaysia	2
IRBM-OECD: Tax Administration: SME, A Systems Approach To Enhance Compliance In The Informal Sector	14-18 October 2019	Kuala Lumpur, Malaysia	2
OECD – Toolkit on Addressing Comparable Data for Transfer Pricing Analysis	21-26 October 2019	Seoul, South Korea	2
OECD – Exchange of Information as a Tool to Combat Offshore Tax Evasion	18-22 November 2019	Seoul, South Korea	2
IRBM – OECD : Train The Trainers On BEPS And Transfer Pricing	18-22 November 2019	Kuala Lumpur, Malaysia	2

## Conferences & Seminars

Name of the training	Duration	Place	No. of Emp
Capacity Building Week – Advisory Group meeting	18 – 19 February 2019	Paris, France	2
Do algorithms have politics? Artificial Intelligence in Society and Governance	17 February 19	Male', Maldives	2
Oracle Open World Conference	26 – 27 March 2019	Singapore	2
Fifth meeting of the OECD Global Forum on VAT	20 – 22 March 2019	Melbourne, Australia	2
14th Annual Asia Tax Forum 2019	8-9 May 2019	Singapore	3
7th Meeting of the Inclusive Framework on BEPS	27-29 May 2019	Paris, France	2
Workshop on Minimum Wage	8 July 2019	Male', Maldives	2
49th SGATAR Meeting	23-25 October 2019	Yogyakarta, Indonesia	2
Tourism Conference 2019	3 October 2019	Male', Maldives	1
"The Road to 2030-Digital Disruption" Summit	8 October 2019	Crossroads, Maldives	1
Regional Meeting on Tax Digitalization for Asian and Pacific	19-20 November 2019	Manila, Philippines	2
12th Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes	26-27 November 2019	Paris, France	1
16th ATAIC Annual Technical Conference	15-18 December 2019	Nouakchott Mauritania	3



## 4.6 Technical Assistance Received

Similar to other years, MIRA received technical assistance in various areas to develop MIRA's services and capacity. The details of such assistance are below.

Assistance from	Area of Assistance
<b>OECD's Tax Inspectors without Borders (TIWB)</b>	Transfer pricing expert Ms. Silvia Karelava worked with the transfer pricing audit teams on relevant audit cases, guiding the auditors and providing expertise on the audit aspects of transfer pricing issues.
<b>Central Board of Direct Taxes (CBDT)</b>	Audit expert Mr. OP Yadav and Transfer Pricing expert Mr. RK Gupta from of India trained staff of MIRA for a period of 3 months. During this period, the experts assisted MIRA's auditors on matters related to audit techniques, transfer pricing and risk profiling techniques.
<b>International Monetary Fund (IMF)</b>	IMF consultant Ms. Barbara Hebert visited MIRA to provide assistance in developing the strategic plan for 2020-2024. During the mission, expert reviewed the draft strategic report and provided recommendations to the management.
<b>South Asia Regional Training and Technical Assistance Center (SARTTAC)</b>	Work of the risk committee established with the help of IMF was carried out during 2019 as well, with the help of IMF expert Mr. Gary Andrews. The expert advised the Risk Committee on the procedure and guidelines to carry out the works of the committee effectively and conducted meetings with the risk officers to evaluate the progress of the work. Training was also conducted for staff assigned as Risk Officers.
<b>Asian Development Bank (ADB)</b>	ADB provide assistance in developing and strengthening SAP CRM and SAP BI/BO system which was first provided under "Domestic Resource Mobilization Trust Fund" in 2018.



## 4.7 Administrative Expenditure



Total expenditure: MVR **87.32** million

a decrease of **9%**

\* Main reason for the decrease in budget was due to the decrease in capital expenses



**5.6%** capital expenses

**52%** decreased compared to 2018



**94.4%** recurrent expenditure

**05%** decreased compared to 2018

\* Capital expenses totaled **4.89 million** during 2019. Employee disbursements such as salaries, allowances, and pensions make up the bulk of recurrent expenditure. **80.6%** of recurrent expenses amount to employee disbursements in 2019, which is an increase of **3.3%**, compared to 2018.



for every MVR **100** collected, MIRA spent **52** laari

for every Rufiyaa spent MVR **192.51** was received as revenue





5

## Revenue

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# 5. Revenue

## 5.1 Total collection



Total collection 2019

MVR

**16.81** Billion



**2.8%**

Increment Compared to 2018



**3.2%**

Increment Compared to the projection for 2019

MVR

**12.99**

Collected as tax revenue

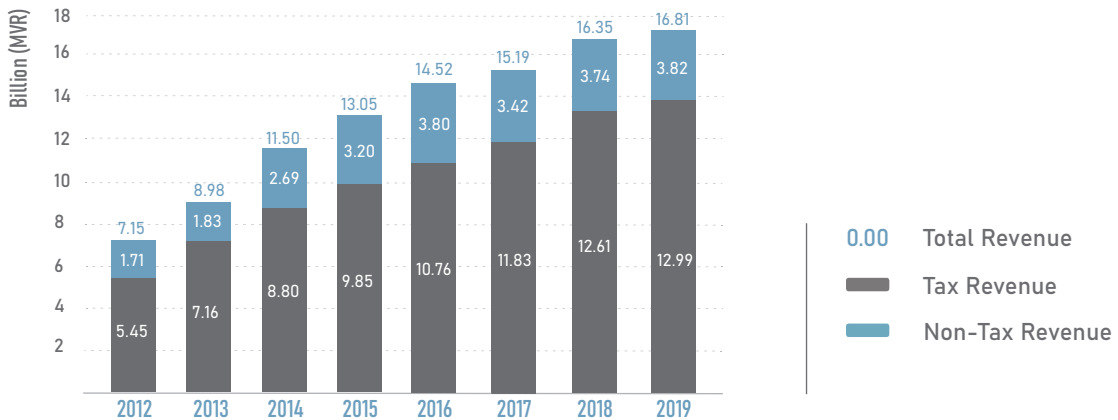
Billion

MVR

**3.82**

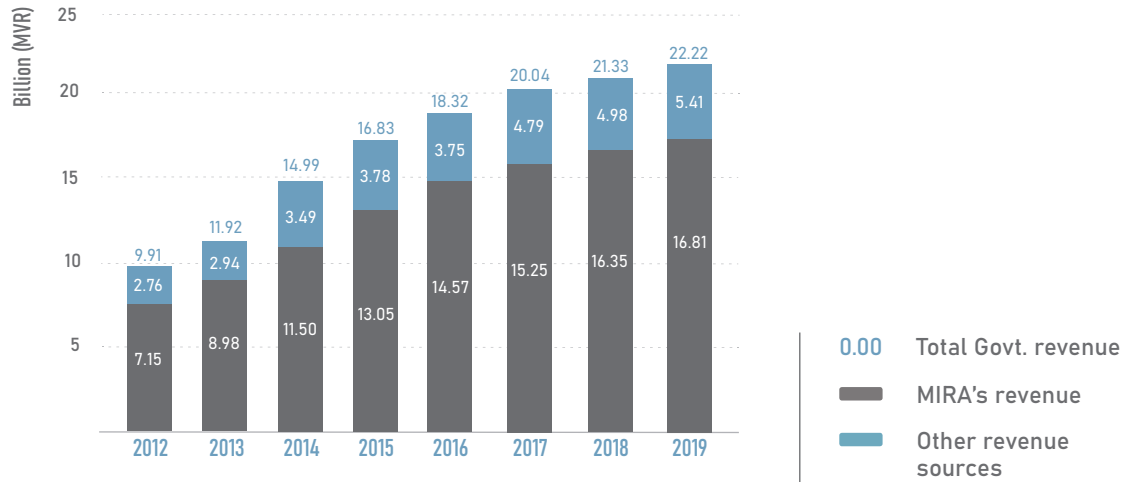
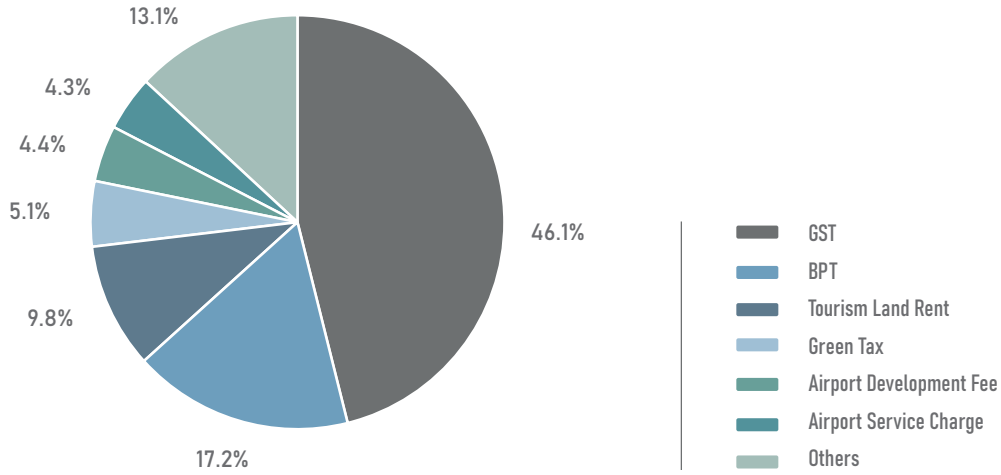
Collected as non-tax revenue

Billion



The increment in revenue for 2019 is attributed to the increment in TGST, BPT, Tourism Land Rent, Green Tax, Airport Service Charge, Airport Development Fee and Lease Period Extension Fee.

Top Revenue Contributors for the year 2019



\* MIRA collected **75.7%** of the Government's Revenue in 2019, as tax revenues, royalties, business permits, property income and other fees.

## 5.2 USD Collection



Total USD collection 2019

USD

653.67 Million

Equivalent to

MVR

10.03

Billion

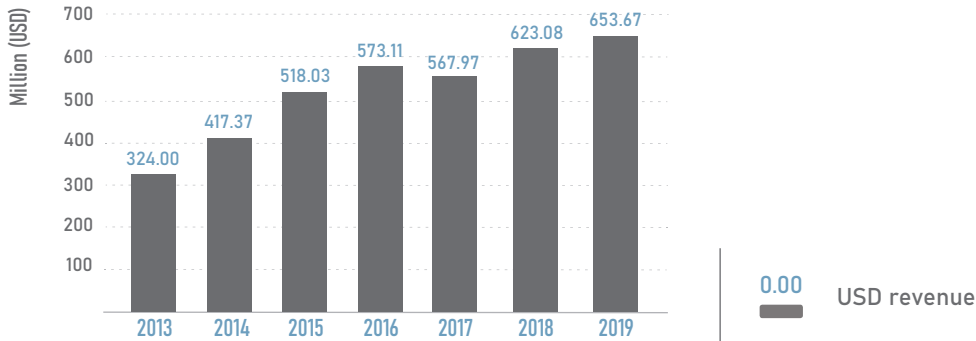
59.7% of the Total Revenue



4.9%

Increment Compared to 2018

\* Top USD collection was from TGST and Tourism Land Rent.



\* The main reasons behind the increment in USD revenue can be attributed to the receipt of Lease Period Extension Fee for 99 years being 4 times higher than 2018, and the rise in tourist arrivals leading to the increment in TGST and Green Tax revenue. As the tourist arrivals increased, departures from the Airports of Maldives also increased, which resulted in an increment in Airport Service Charge and Airport Development Fee.

## 5.3 Tax Revenues



Total tax revenue

MVR  
**12.99** Billion

MVR  
**4.90** Billion Is GST from Tourism Sector

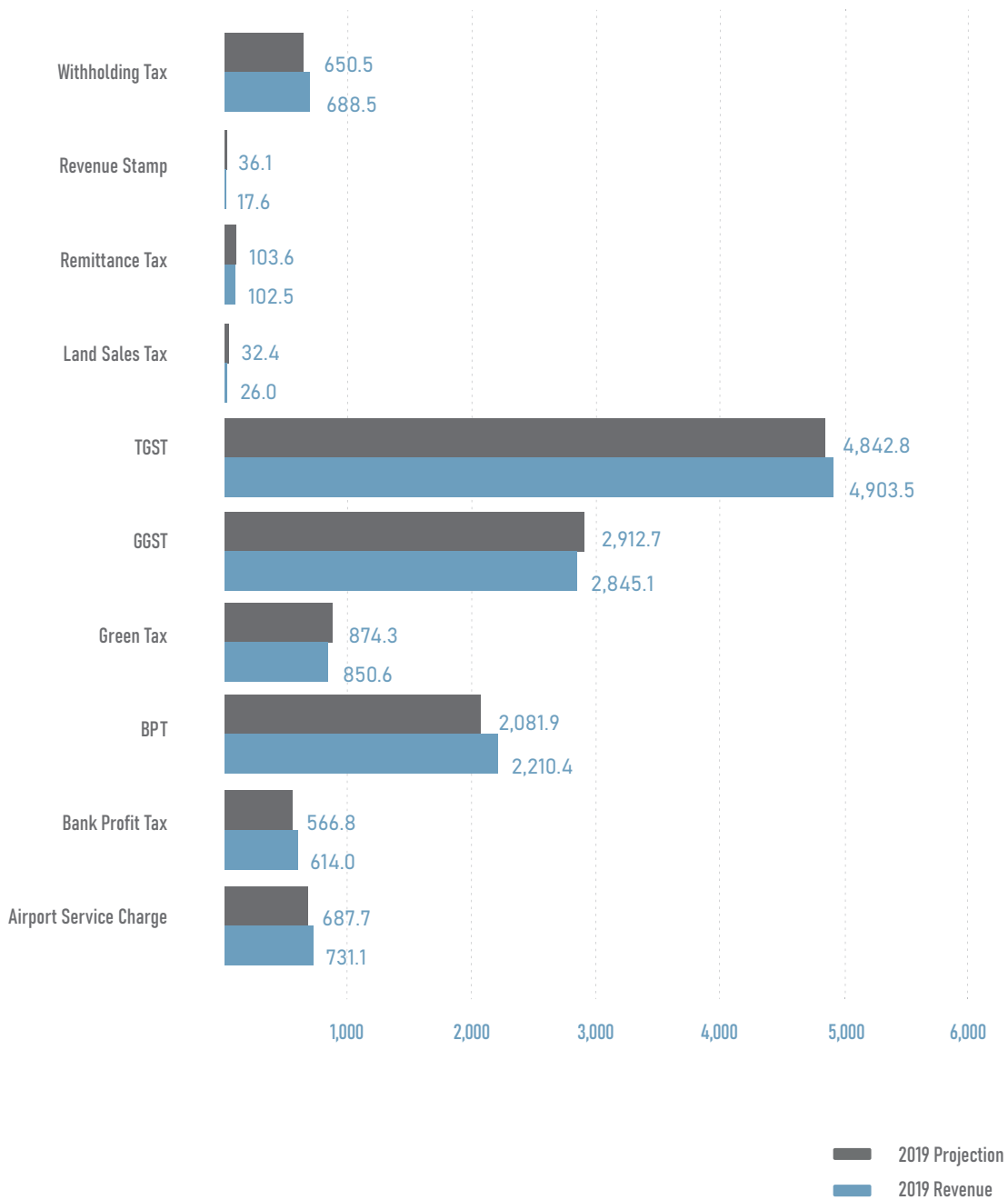
MVR  
**2.90** Billion Is GST from all other sectors



### 5.3.1 Comparison of Tax Revenues against previous year

Tax Revenue	Compared to 2018	Reason for increment/decrement in revenue
TGST	+2.5%	Compared to 2018, in 2019, tourist arrivals increased by 13.9%. However, due to non-payment by deadline by some taxpayers, TGST collected was lower than forecasted TGST for the year.
GGST	-2.1%	Even though the GST reported is higher than the past tax year, due to non-payment by deadline, GGST revenue of 2019 is lower than that of 2018.
BPT	+6.4%	Compared to 2018, profit reported by the taxpayers was higher, which can be attributed to increase in economic activity, and to the amendments brought to the BPT Regulation to strengthen the tax system.
Withholding Tax	+8.8%	In 2019, WHT increased by 8.8% as payments made to non-residents for which Withholding Tax is applicable have increased.
Green Tax	+4.9%	Tourists who stay in resorts, hotels and vessels are liable to pay USD 6 per night while tourists who reside in guesthouses pay USD 3 per night of stay. Tourist Arrivals increased by 13.9% compared to the past tax year, leading to this increase.
Airport Service Charge	+13.7%	Compared to 2018, Airport Service Charge increased as the local departures increased by 6.5% and foreign departures increased by 13%. Local passengers are charged USD 12 while foreign passengers are charged USD 25.
Bank Profit Tax	+8.8%	Commercial Banks operating in the Maldives reported higher profits compared to the past year, which led to the increment in Bank Profit Tax charged at 25% on taxable profits.
Remittance Tax	+0.7%	Compared to 2018, there is a small increment in the money remitted abroad by foreign expatriates which led to a slight increment in revenue.
Land Sales Tax	-33.8%	In 2019, the number of lands sold has decreased considerably along with the land area of the sold lands, which led to this decrement.
Revenue Stamp	-63.1%	In 2019, pursuant to the Amendment brought to the Import and Export and Re-Export Regulation of the Maldives, sale of revenue stamp has decreased considerably.

### 5.3.2 Comparison of Tax Revenues against projection



<b>Tax Revenue</b>	<b>Compared to Projection for 2019</b>	<b>Reason for increment/decrement in revenue</b>
TGST	+1.3%	Tourist Arrivals were higher in 2019, which led to the increment in TGST revenue.
GGST	-2.3%	Even though Tax Returns were submitted, some taxpayers did not pay their dues by deadline, which led to this decrement in revenue compared to projection.
BPT	+6.2%	Amendments brought to the BPT Regulation in 2018, which led to the increment in BPT. Tax Ruling on Thin Capitalization, to cap the claimable interest was issued and transfer of loss among the subsidiary companies were restricted in the computation of taxable profit.
Withholding Tax	+5.8%	Tax Assessments were issued after the audit procedure and the receipt of assessed tax in 2019 were higher than expected, which led to this increment in revenue.
Green Tax	-2.7%	Even though the tourist arrival was the higher in 2019, due to non-payment, revenue is lower than projection.
Airport Service Charge	+6.3%	As tourist arrivals increased and departures from the Maldives have increased, revenue received from Airport Service Charge increased compared to projection.
Bank Profit Tax	+8.3%	Commercial Banks operating in the Maldives reported higher profits, which led to the increment in Bank Profit Tax in 2019.
Remittance Tax	-1.0%	Remitted money by foreign expatriates were slightly lower than the forecasts for 2019.
Land Sales Tax	-19.5%	The number of lands sold were lower than the anticipated sale of lands, which led to the decrease in Land Sales Tax.
Revenue Stamp	-51.3%	In 2019, pursuant to the Amendment brought to the Import and Export and Re-Export Regulation of the Maldives, sale of revenue stamp has decreased considerably.

## 5.4 Non-tax revenues



Total  
non-tax  
revenue

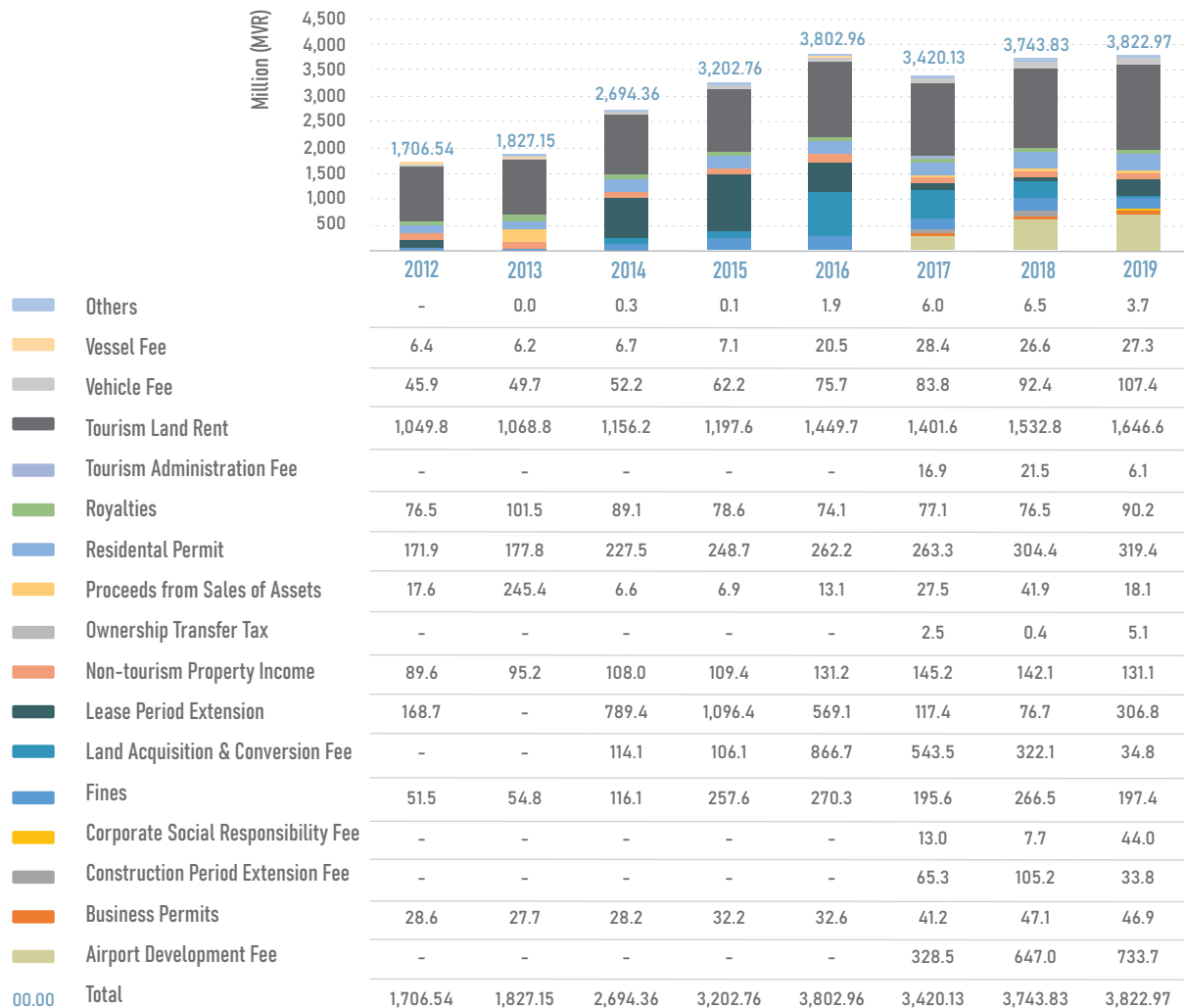
MVR

**3.82** Billion

MVR

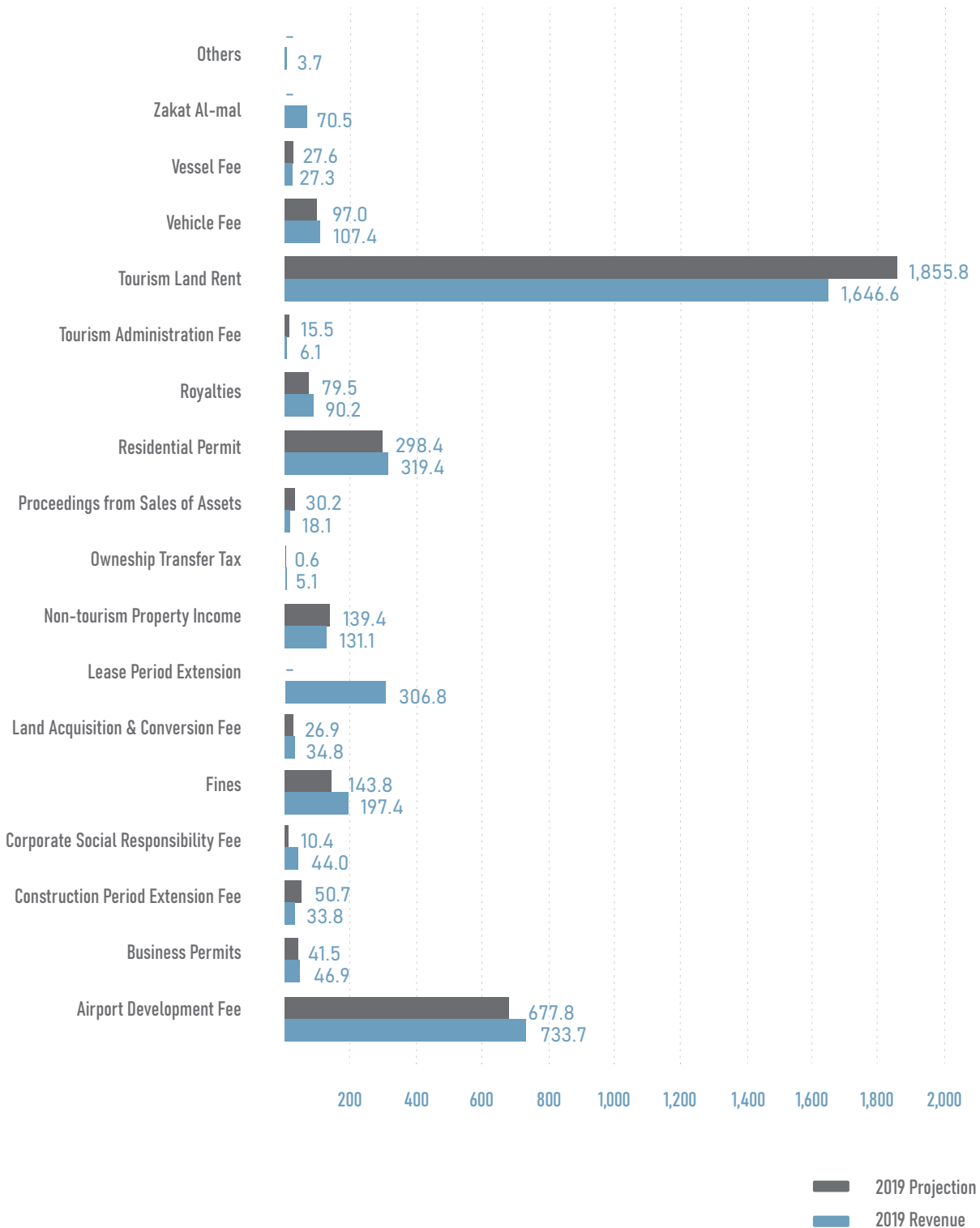
**1.65** Is Tourism Land  
Rent  
Billion

### 5.4.1 Comparison of Non-Tax Revenues against previous year



Non-Tax Revenue	Comparison against 2018	Reasons for the increment/decrement in revenue compared to projection
Tourism Land Rent	+7.4%	As number of resorts operating in the Maldives have increased compared to 2018, revenue from Tourism Land Rent increased.
Airport Development Fee	+13.4%	Compared to the past year, departures increased which led to the increment in Airport Development Fee.
Lease Period Extension Fee	+300%	In 2018, Lease Period extension Fee for 99 years were paid by 1 resort, while in 2019 4 resorts paid to extend their lease period for 99 years.
Construction Period Extension Fee	-67.9%	In 2018, to extend the construction period of developing tourist establishments, USD 15,000 per month were to be paid to defer the Tourism Land Rent after extending the construction period. The Regulation was later amended in 2019, which led to the significant decrement in revenue.
Corporate Social Responsibility Fee	+472.6%	In 2019, Regulation was amended to pay Corporate Social Responsibility to extend the construction period of developing establishments. This led to a significant increment in revenue when compared against 2018
Land Acquisition and Conversion Fee	-89.2%	Compared to 2018, revenue declined considerably as new islands were not leased in 2019.
Zakat al-mal	+5.9%	In 2019, there was a considerable increase in payments of Zakat al-mal.

## 5.4.2 Comparison of Non-Tax Revenues against projection



Non-Tax Revenue	Comparison against projection for 2019	Reasons for the increment/decrement in revenue compared to projection
Tourism Land Rent	-11.3%	The number of resorts operating in the Maldives have increased, but due to non-payment from some taxpayers, collection received in 2019 is lower than the forecast.
Airport Development Fee	+8.2%	Due to the increase in departures, Airport Development Fee has increased compared to the projection.
Construction Period Extension Fee	-33.3%	From July 2019 onwards, policy to extend the construction period of developing establishments were amended, thus the decrement in revenue compared to the forecasted revenue.
Corporate Social Responsibility Fee	+323.9%	Due to the changes in policy requiring the payment of Corporate Social Responsibility Fee to extend the construction period of developing establishments, there was significant increment in 2019 compared to projection.
Land Acquisition and Conversion Fee	+29.3%	In 2019, subsequent Conversion Fee was received, which led to this increase against projection.
Land Acquisition and Conversion Fee	-89.2%	Compared to 2018, revenue declined considerably as new islands were not leased in 2019.



## 5.5 Top Revenue Contributors

### 5.5.1 Goods and Services Tax (GST)



Total GST revenue 2019

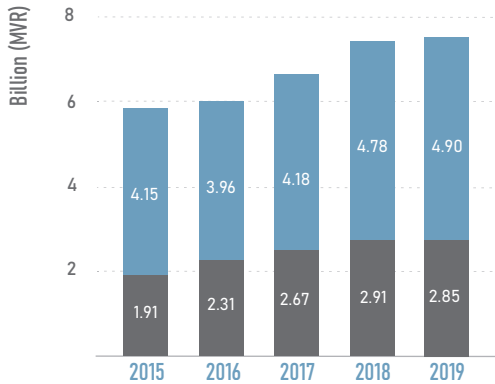
MVR

# 7.75

Billion

^ **0.8%** Increment Compared to 2018

v **0.1%** Decrement Compared to Projection



■ GST (Non-tourism Sector)

■ GST (Tourism Sector)



GST is levied at the rate of 12% from the Tourism Sector and at 6% from all the other sectors.

GST from the Tourism Sector for collection of 2019 is 63.3% while all the other sectors contributed 36.7% to the total GST revenue.

#### GST (Tourism Sector)

MVR

# 4.90

Billion

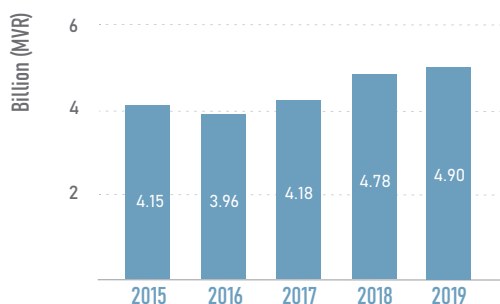
^ **2.5%** Increment Compared to 2018

^ **1.3%** Increment Compared to Projection

Equivalent to

# 319.65

Million (USD)



■ Total collection of GST (Tourism Sector)



Pursuant to the Goods and Services Act, goods and services provided in the tourism sector are subject to tax at the rate of 12%.

It is compulsory for all the individuals, companies and partnerships to register for and pay GST after obtaining the license to operate in the tourism sector.

### TGST liability reported via TGST returns for 2019

TGST reported to MIRA increased in 2019 due to increment in tourist arrivals and the increase in number of establishments in the sector, compared to the last year.

#### TGST liability reported via TGST returns for 2019 (in USD)

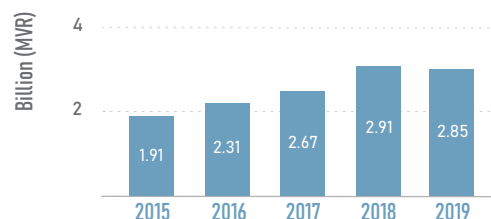
Categories in Tourism Sector	2018	2019	+/-
Tourist Resorts	260,365,517	280,031,795	+7.6%
Watersport facilities	1,701,656	1,916,371	+12.6%
Other Facilities	1,354,371	1,343,650	-0.8%
Tour Operator	2,802,910	3,109,183	+10.9%
Foreign Tourist Vessel's agents	195,799	172,423	-11.9%
Domestic Air transport	19,303,328	23,381,554	+21.1%
Tourist Hotel	5,144,884	5,736,484	+11.5%
Tourist Guesthouses	4,672,064	5,611,573	+20.1%
Tourist Vessel	4,369,882	4,065,240	-7.0%
Diving School	4,590,553	5,142,189	+12.0%
Shops	1,123,487	1,153,501	+2.7%
Spa	1,280,405	1,325,532	+3.5%
<b>TGST Liability Reported for 2019</b>	<b>306,904,855</b>	<b>332,989,495</b>	<b>+8.5%</b>

Note: The figures in the table is the TGST amount reported in tax returns and not the collection amount.

## GST (General Sector)

MVR

2.85

Billion  
Collected in 2019

✓ **2.1%** Decrement  
Compared to  
2018

✓ **2.3%** Decrement  
Compared to  
Projection

— Total collection of GST  
(General Sector)



As per the Goods and Services Act, goods and services provided in all the other sectors other than Tourism Sector, is taxed at 6%.

Registration is compulsory if the value of taxable supplies of a business exceed MVR 1 million per annum. However, importers of goods to the Maldives and suppliers of tourism goods and services are required to register even if the value of their supplies do not exceed the MVR 1 million threshold.

GGST liability reported via GGST returns for 2019  
(in MVR)

Industry	2018	2019	+/-
A Agriculture, forestry and fishing	8,934,221	9,876,160	+10.5%
B Mining and quarrying	17,460	149,655	+757.1%
C Manufacturing	61,678,998	60,349,813	-2.2%
D Electricity, gas, steam and air conditioning supply	8,687,688	11,440,888	+31.7%
E Water supply; sewerage, waste management and remediation activities	14,038,004	16,052,933	+14.4%
F Construction	740,322,949	629,943,811	-14.9%

Industry	2018	2019	+/-
G Wholesale and retail trade; repair of motor vehicles and motorcycles	1,442,552,499	1,510,398,493	+4.7%
H Transportation and storage	177,776,021	144,541,564	-18.7%
I Accommodation and food service activities	110,547,876	129,680,496	+17.3%
J Information and communication	125,301,852	144,288,326	+15.2%
K Financial and insurance activities	249,936	925,501	+270.3%
L Real estate activities	19,687,829	15,961,698	-18.9%
M Professional, scientific and technical activities	33,464,155	36,439,594	+8.9%
N Administrative and support service activities	41,951,658	44,532,925	+6.2%
O Public administration and defence; compulsory social security	88,878	87,462	-1.6%
P Education	477,939	551,173	+15.3%
Q Human health and social work activities	4,467,411	4,435,548	-0.7%
R Arts, entertainment and recreation	7,240,080	6,024,653	-16.8%
S Other service activities	99,516,095	81,645,488	-18.0%
T Activities of households	106,927	71,576	-33.1%
<b>Grand Total</b>	<b>2,897,108,478</b>	<b>2,847,397,757</b>	<b>-1.7%</b>

5.5.2 Business Profit Tax (BPT)

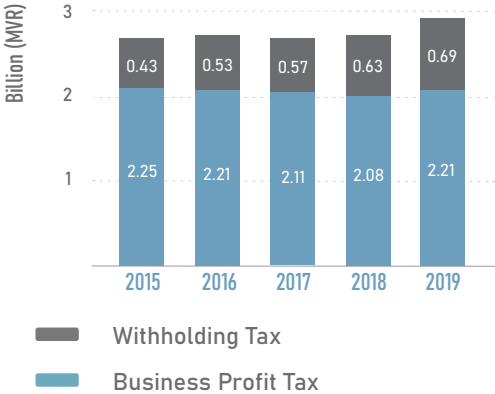


Total BPT revenue 2019

MVR  
**2.90**  
Billion

^ **7.0%** Increment Compared to 2018

^ **6.1%** Increment Compared to Projection



Business Profit Tax is levied on the profits reported by companies, partnerships, individuals and all persons who are resident or carrying out business in the Maldives at the rate of 15% of taxable profit that exceeds MVR 500,000, while Withholding Tax is levied at 10% on specific payments made by any Person to a non-resident.

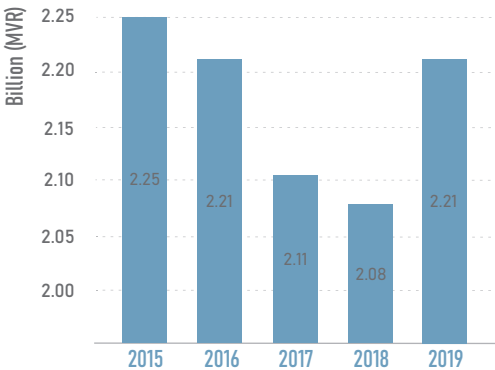
In 2019, from the total BPT revenue collected, 76.3% was received from profit component, while 23.7% relates to Withholding Tax from the payments made to non-residents.

Business Profit Tax: Profit component

MVR  
**2.21**  
Billion

^ **7.0%** Increment Compared to 2018

^ **6.1%** Increment Compared to Projection

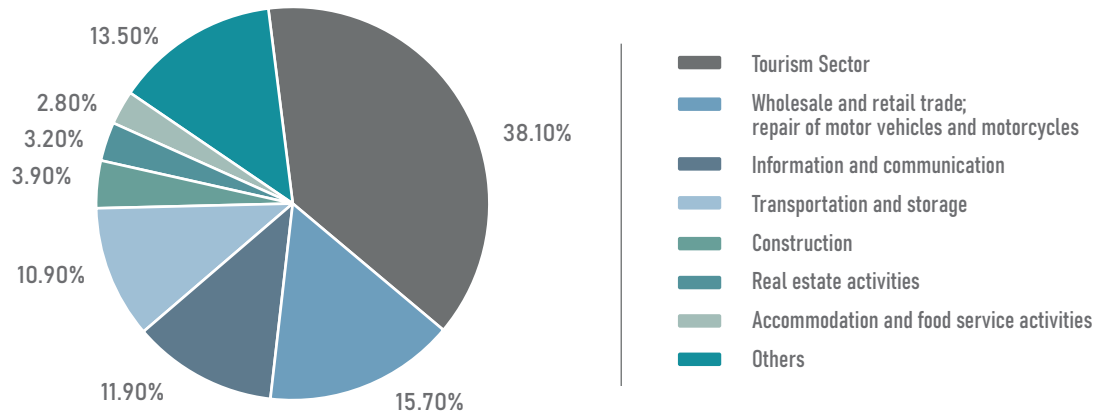


Business Profit Tax: Profit component (in MVR)



BPT is a tax charged, under the Business Profit Tax Act (Act Number 5/2011), on the profits of all businesses carried out in the Maldives. Companies, partnerships, individuals and all persons who are resident or carrying out business in Maldives would be subject to tax under this Act. BPT is a tax levied on the taxable profits of businesses that exceed MVR 500,000 in a tax year.

BPT Contribution by Sector



### Business Profit Tax Collection of 2018 and 2019

Collection includes dues of previous years collected and tax recovered after audits and assessments.

Business Profit Tax collection from Profit component increased by 6.4% compared to 2018.

Taxpayer Category	2018	2019	+/-
Above 100 million	1,572,436,990	1,653,170,044	+5.1%
Below 100 million	504,968,647	557,257,959	+10.4%
<b>Grand Total (MVR)</b>	<b>2,077,405,637</b>	<b>2,210,428,003</b>	<b>+6.4%</b>

### Business Profit Tax Liability Reported for the tax year 2017 and 2018

Pursuant to the Business Profit Tax Act, taxpayers are required to submit their BPT Return of a given year on or before 30st June of the following year. This means that the BPT liability reported in 2019 is for the tax year 2018. Reported liability and collection do not match due to non-payment after filing.

Business Profit Tax Liability for tax year 2018 increased by 3% compared to the tax year 2017.

Taxpayer category	Tax year 2K17	Tax year 2K18	+/-
Above 100 million	1,592,612,935	1,640,384,599	+3.00%
Below 100 million	479,044,197	493,324,213	+2.98%
<b>Grand Total (MVR)</b>	<b>2,071,657,132</b>	<b>2,133,708,812</b>	<b>+3.00%</b>

## Withholding Tax

MVR

# 688.46

Million  
Collected in 2019

▲ **8.8%** Increment  
Compared to  
2018

▲ **5.8%** Increment  
Compared to  
Projection

\*

Withholding Tax is levied on specified payments that are paid or payable to non-residents. Under to the Business Profit Tax Act, tax is levied on these payments at the rate of 10%.

With the commencement of taxation under the Income Tax Act in January 2020, the categories for which the tax can be withheld has been revised.

Withholding Tax collection of 2018 and 2019 by taxpayers' industry (in MVR)

Collection is subject to dues recovery and reflects payments received for the tax assessments done by MIRA.

Industry	2018	2019	+/-
A Agriculture, forestry and fishing	295,859	208,074	-29.7%
C Manufacturing	1,952,462	5,393,966	+176.3%
D Electricity, gas, steam and air conditioning supply	3,339,162	1,857,980	-44.4%
E Water supply; sewerage, waste management and remediation activities	1,577,165	1,821,684	+15.5%
F Construction	42,289,732	39,052,023	-7.7%
G Wholesale and retail trade; repair of motor vehicles and motorcycles	10,590,307	14,528,531	+37.2%
H Transportation and storage	11,821,251	11,073,996	-6.3%
I Accommodation and food service activities	361,623	1,686,763	+366.4%



Industry	2018	2019	+/-
J Information and communication	67,231,427	97,098,389	+44.4%
K Financial and insurance activities	3,248,212	2,916,723	-10.2%
L Real estate activities	4,192,332	18,990,278	+353.0%
M Professional, scientific and technical activities	1,454,576	2,084,994	+43.3%
N Administrative and support service activities	10,778,077	7,490,910	-30.5%
P Education	1,894,185	1,395,734	-26.3%
Q Human health and social work activities	4,523,447	3,053,838	-32.5%
R Arts, entertainment and recreation	221,446	297,408	+34.3%
S Other service activities	23,245,146	21,134,527	-9.1%
V Tourism Sector	443,896,379	458,374,091	+3.3%
<b>Grand Total</b>	<b>632,912,788</b>	<b>688,459,909</b>	<b>+8.8%</b>

Category breakdown of Withholding Tax Reported via Withholding tax returns for 2018 and 2019 (in MVR)

Categories	2018	2019	+/-
Rent, royalties and other such consideration for the use of plant, machinery, equipment or other property	41,453,066	38,907,550	-6.1%
Payments for the use of computer software	21,186,193	17,062,643	-19.5%
Payments for carrying out research and development	2,811,371	1,247,263	-55.6%
Management Fees	153,880,416	149,097,487	-3.1%
Fees for personal or technical services	253,463,036	276,192,146	+9.0%
Other commissions or fees not constituting income from employment	117,880,188	114,793,480	-2.6%
Payments for performances by public entertainers	7,211,248	8,950,290	+24.1%
Rent for screening cinematographic films	807,403	447,136	-44.6%



### 5.5.3 Tourism Land Rent



Total Tourism Land  
Rent revenue 2019

MVR

# 1.65

Billion

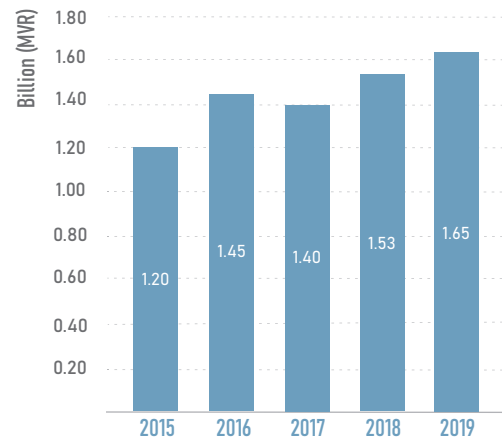
Equivalent to

# 47.67

Million (USD)

▲ **7.4%** Increment  
Compared to  
2018

▼ **11.3%** Decrement  
Compared to  
Projection



■ Tourism Land Rent revenue  
(in MVR billion)



Tourism Land Rent is charged from tourist establishments based on the land area pursuant to the Maldives Tourism Act. Tourism Land Rent is paid on a quarterly basis.

#### Tourism Land Rent collection breakdown by Atoll

Payments received in 2018 and 2019 include dues collected from previous years as well. Additionally, due to the opening of new resorts, Tourism Land Rent received in 2019 is higher than that of 2018.

Atoll	2018 (MVR)	2019 (MVR)	Atoll	2018 (MVR)	2019 (MVR)
AA.	80,261,010	79,148,788	L.	15,355,000	15,332,500
ADH.	157,433,704	123,138,709	LH.	97,529,021	110,287,306
B.	210,714,952	191,887,988	M.	17,672,922	12,027,133
DH.	64,947,406	89,737,025	N.	116,206,058	118,882,902
F.	3,729,287	4,216,650	R.	80,333,556	136,364,414
GA.	46,009,404	76,532,709	S.	63,990,226	53,662,104
GDH.	38,741,420	38,744,251	SH.	19,331,957	32,987,760
HA.	38,331,250	36,031,250	TH.	12,413,945	15,513,572
HDH.	33,534,073	30,976,718	V.	15,528,014	16,184,648
K.	420,710,343	464,894,939	<b>Grand Total</b>	<b>1,532,773,548</b>	<b>1,646,551,366</b>

### 5.5.4 Green Tax



Total Green Tax revenue 2019

MVR

# 850.62

Million

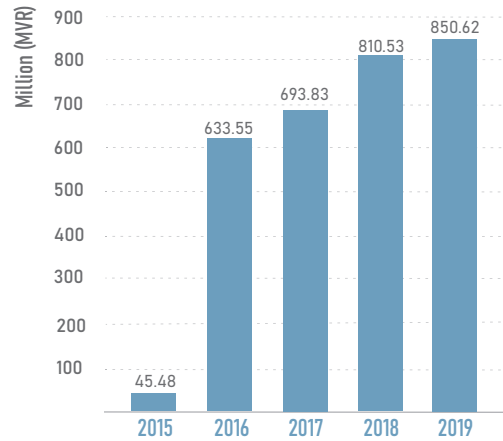
Equivalent to

# 55.45

Million (USD)

**4.9%** Increment Compared to 2018

**2.7%** Decrement Compared to Projection



Green Tax revenue (in MVR million)



Green tax is a tax payable by tourists who stay in tourist resorts, tourist hotels, tourist vessels and tourist guesthouses. Green tax is payable at the rate of 6 USD per day of stay from tourists staying in tourist resorts, tourist hotels and tourist vessels. It also charged at 3 USD per day of stay from tourist guesthouses.

#### Green Tax collection by categories

Collection includes dues recovered from previous years and assessed tax paid by the taxpayers along with the timely payments received in 2019.

**Resorts**  
**91.01%**

**Domestic Tourist Vessels**  
**2.61%**

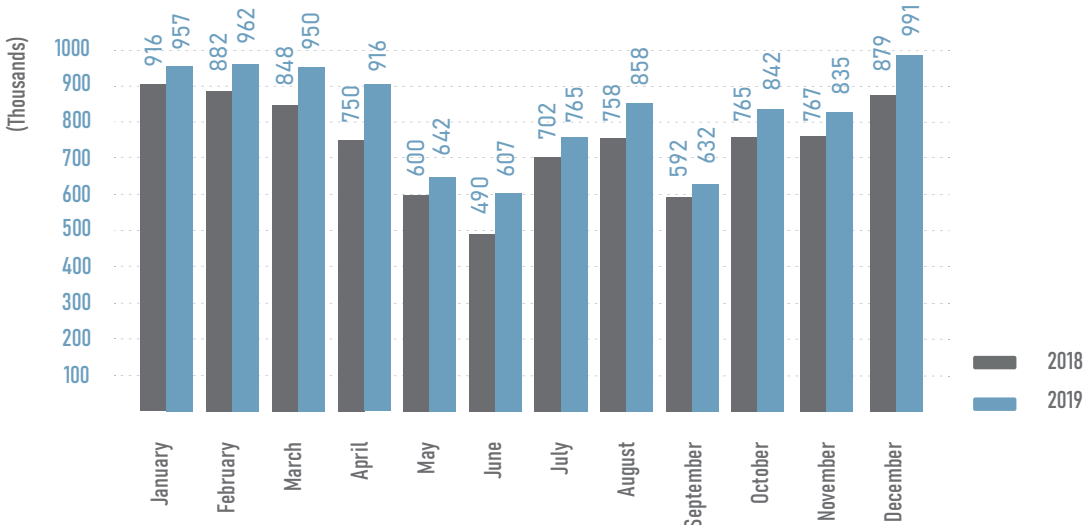
**Guesthouses**  
**3.67%**

**Foreign Tourist Vessels**  
**0.51%**

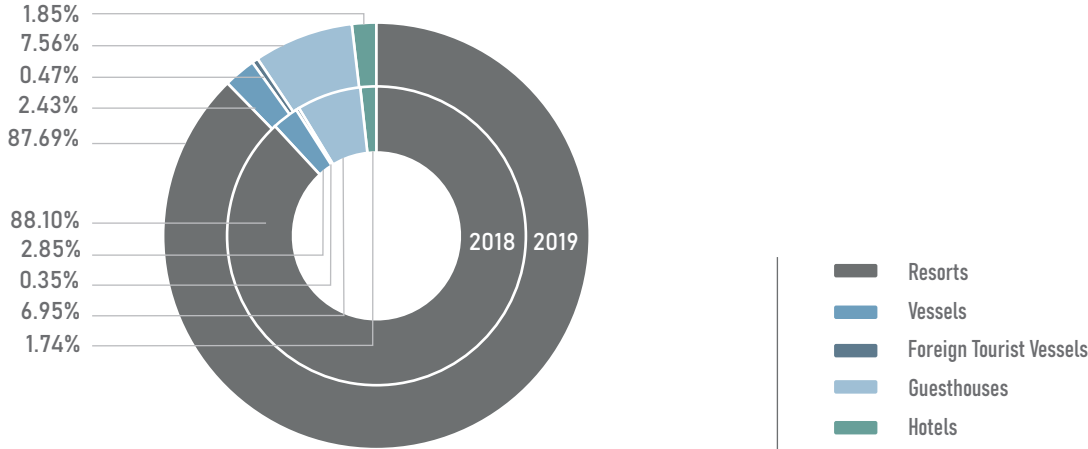
**Hotels**  
**2.21%**

Green Tax and taxable bed nights reported

Number of bed nights subject to Green Tax increased by 11.3% compared to 2018.



Total nights subjected to Green Tax reported by categories in 2018 and 2019



### Monthly Breakdown of total nights subjected to Green Tax reported by categories in 2018 and 2019

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Resorts</b>												
2018	778,467	752,151	721,236	659,802	542,185	446,846	638,159	679,361	531,400	689,684	679,206	764,517
2019	816,621	819,589	806,459	797,007	578,511	549,014	693,376	762,756	556,498	761,614	728,376	862,065
Growth compared to 2018	4.9%	9.0%	11.8%	20.8%	6.7%	22.9%	8.7%	12.3%	4.7%	10.4%	7.2%	12.8%
<b>Hotels</b>												
2018	18,436	16,163	13,989	12,118	10,793	8,105	11,862	13,311	9,090	12,089	12,710	17,408
2019	19,380	19,467	18,715	16,057	10,510	11,320	13,511	16,179	13,071	13,531	13,820	18,312
Growth compared to 2018	5.1%	20.4%	33.8%	32.5%	-2.6%	39.7%	13.9%	21.5%	43.8%	11.9%	8.7%	5.2%
<b>Guesthouses</b>												
2018	86,529	78,500	72,827	48,248	30,982	26,362	41,838	49,121	33,095	37,836	48,937	67,992
2019	88,017	86,996	85,648	69,335	37,535	38,756	49,208	61,899	44,430	46,400	62,894	81,749
Growth compared to 2018	1.7%	10.8%	17.6%	43.7%	21.2%	47.0%	17.6%	26.0%	34.2%	22.6%	28.5%	20.2%
<b>Vessels</b>												
2018	27,099	30,303	35,044	28,590	15,486	7,677	10,226	16,217	18,050	22,782	22,513	20,775
2019	26,813	29,285	31,778	27,510	13,964	6,114	8,921	16,916	16,667	19,970	22,825	21,198
Growth compared to 2018	-1.1%	-3.4%	-9.3%	-3.8%	-9.8%	-20.4%	-12.8%	4.3%	-7.7%	-12.3%	1.4%	2.0%
<b>Foreign Tourist Vessels</b>												
2018	5,215	4,605	4,480	1,232	363	560	288	-	756	2,882	3,367	7,988
2019	5,790	6,960	7,587	6,117	1,794	1,312	105	250	1,679	564	7,472	7,219
Growth compared to 2018	11.0%	51.1%	69.4%	396.5%	394.2%	134.3%	-63.5%	-	122.1%	-80.4%	121.9%	-9.6%

### 5.5.5 Airport Development Fee



Total ADF revenue 2019

MVR

# 733.70

Million

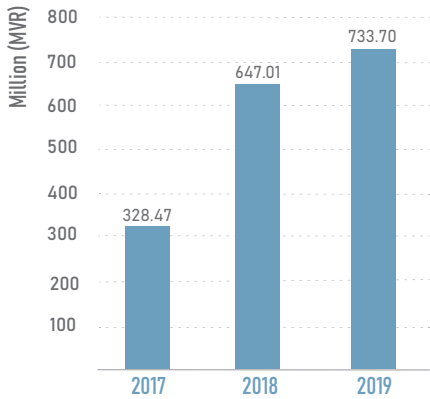
Equivalent to

# 47.58

Million (USD)

**13.4%** Increment Compared to 2018

**8.2%** Increment Compared to Projection



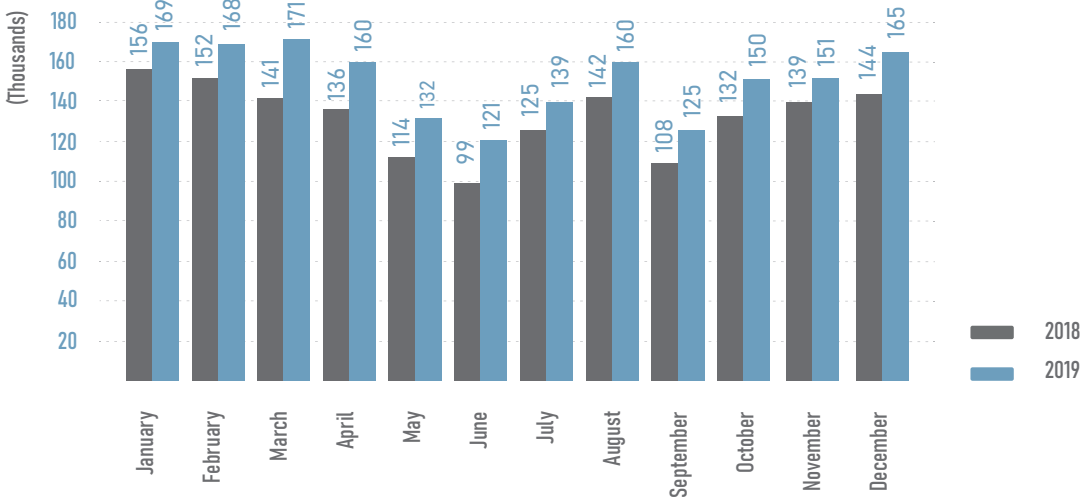
Airport Development Fee (in MVR million)



Airport Development Fee (ADF), commenced on 1st May 2017, is levied on passengers departing from Velana International Airport at the rate of USD 25 for foreign passengers and USD 12 from Maldivian passengers.

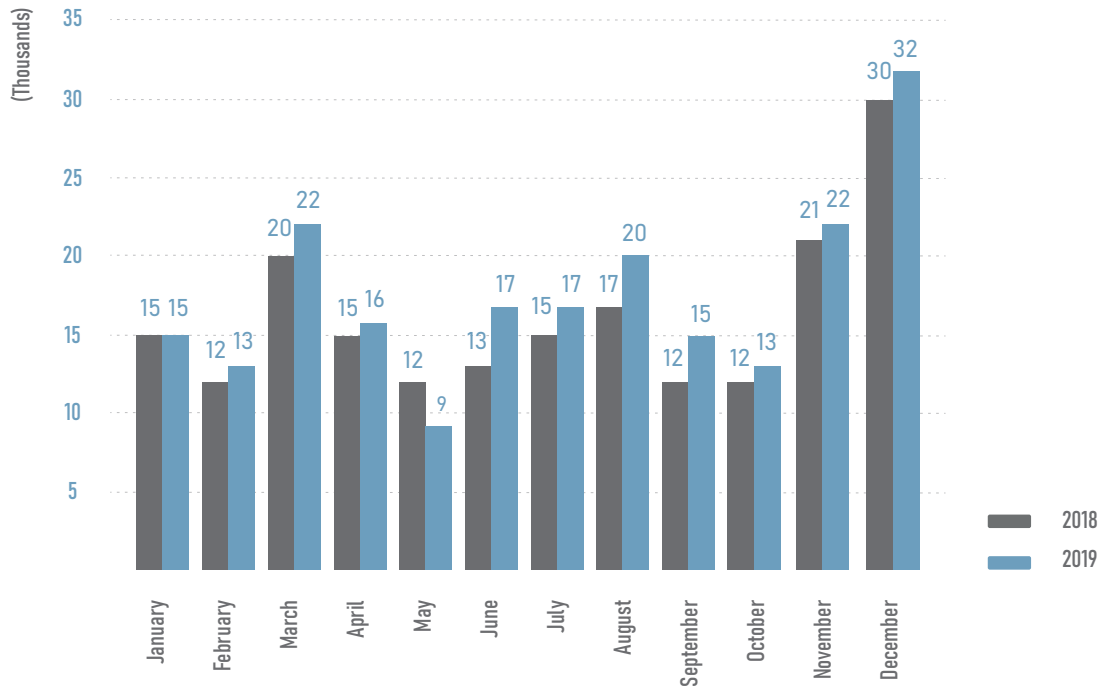
Foreign departures subjected Airport Development Fee increased by 14.0% compared to 2018.

Foreign departures subjected to ADF



Additionally, total number of Maldivian passengers subjected to Airport Development Fee increased by 7.8% compared to the past year.

Maldivian Passengers subject to ADF



### 5.5.6 Airport Service Charge



Total ASC revenue 2019

MVR

**731.10**

Million

13.7%

Increment Compared to 2018

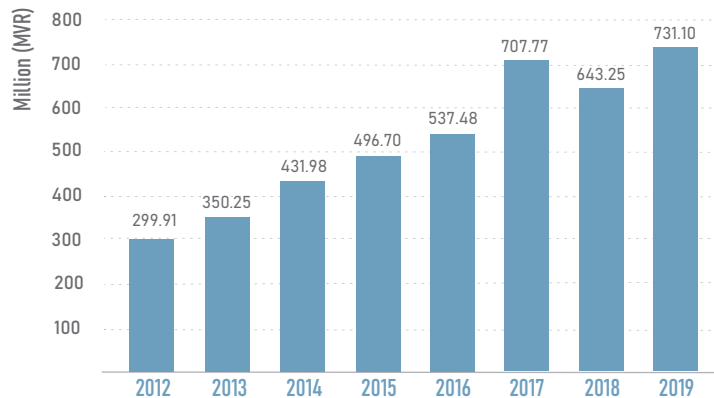
6.3%

Increment Compared to Projection

Equivalent to

**47.67**

Million (USD)



— Airport Service Charge (in MVR million)

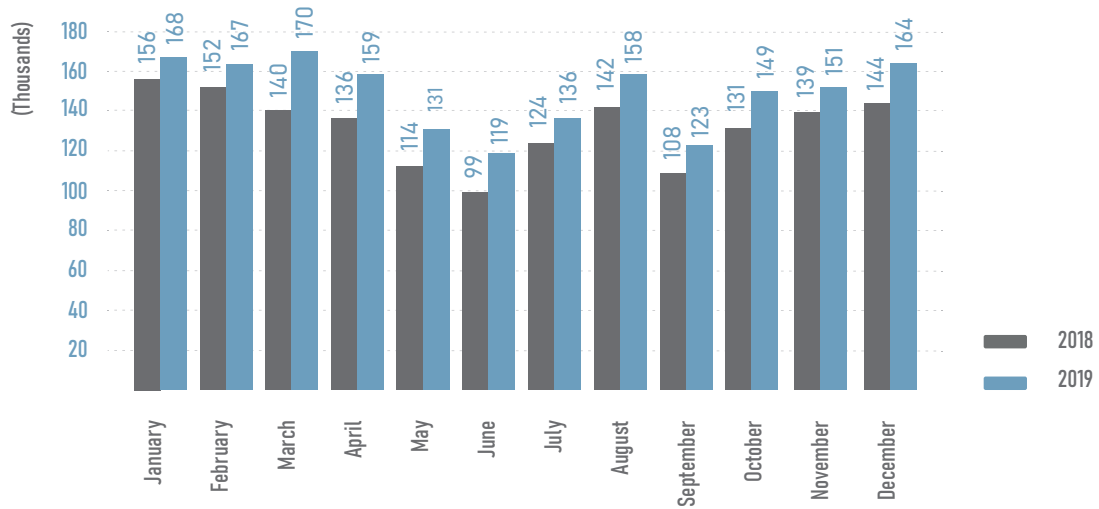


Airport Service Charge (ASC) is levied on passengers departing from an Airport in the Maldives, at the rate of USD 25 per foreign passengers and USD 12 per Maldivian Passenger.

Persons with diplomatic immunity, transit passengers and children under the age of 2 are exempt from ASC.

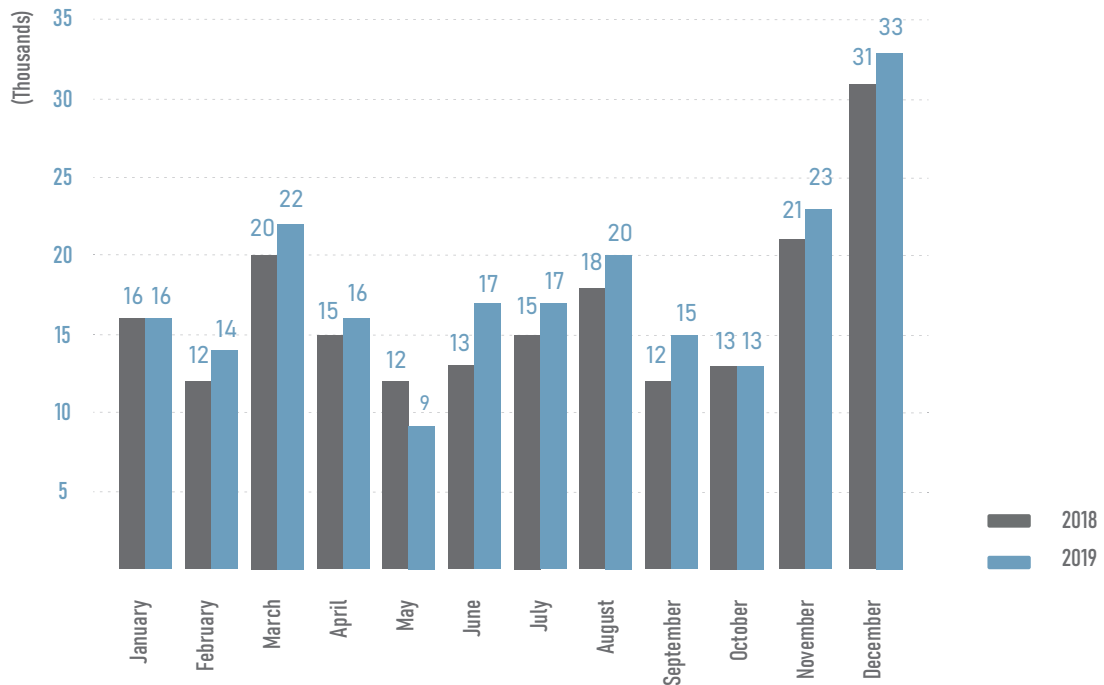
Foreign departures subject to Airport Service Charge increased by 13.5% compared to the corresponding year.

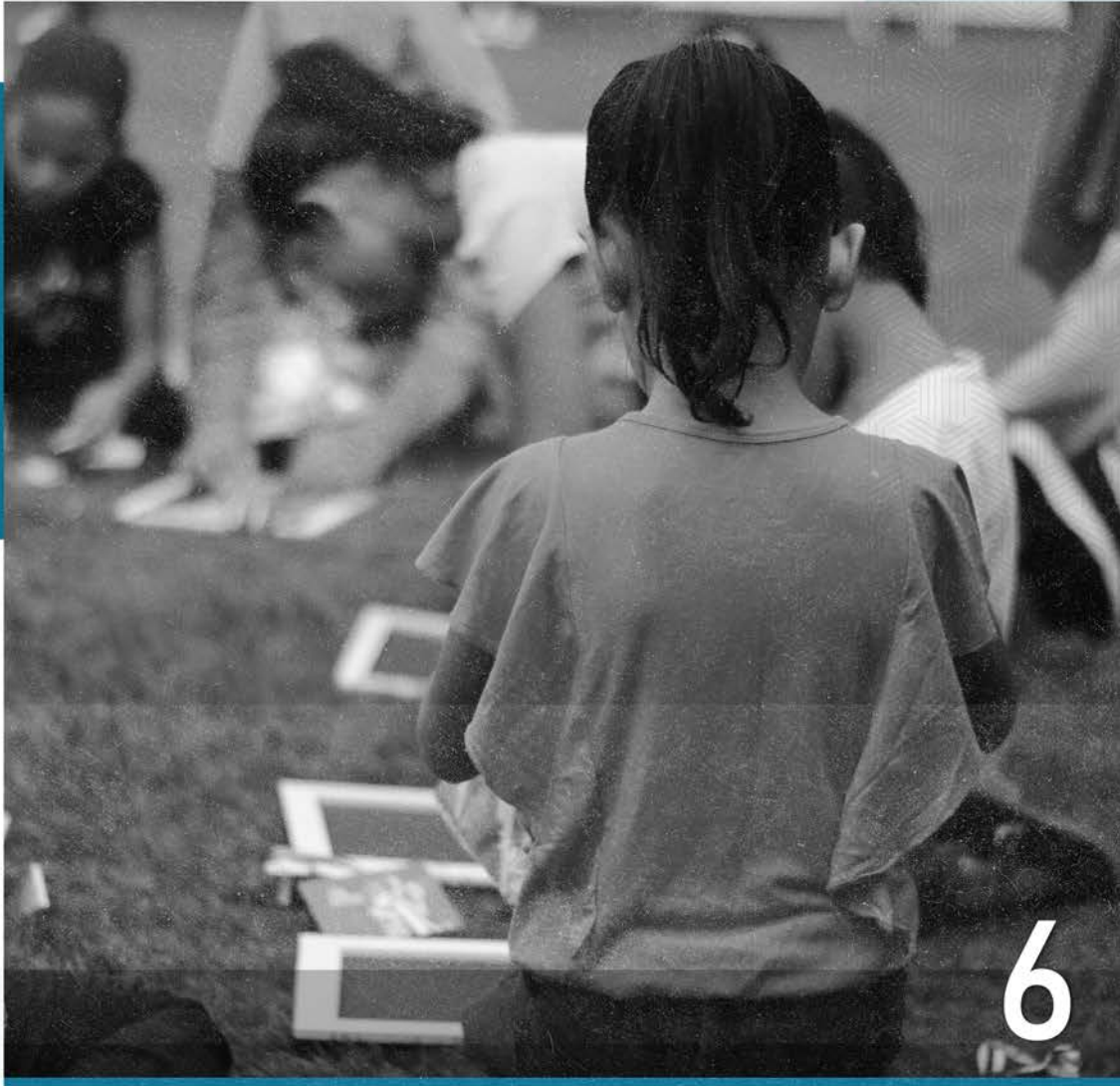
Foreign Departures subjected to ASC



Local departures subject to Airport Service Charge increased by 7.2% compared to 2018.

Maldivian Passengers subjected to ASC





6

## Activities carried out during the year

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## 6. Activities carried out during the year

### 6.1 Activities carried out to strengthen tax administration

#### 6.1.1 Introduction of Online Visa Fee payment service

Under MIRA's effort to provide convenient service to taxpayers, visa fee collection, which was collected at MIRA's Huravee Collection Center, was made available online on the 'Expat system'. The service was officially inaugurated by the Minister of Communication, Science and Technology, Honorable Mohamed Maleeh Jamaal, on 6 January 2019.



#### 6.1.2 Taxpayers with annual turnover of MVR 50 million and above to make payments online

To establish an efficient tax system, and to ensure ease and convenience of taxpayers in fulfilling their tax obligations, MIRA has introduced online tax services. Effective from 1 April 2019, taxpayers with an annual turnover of MVR 50 million and above are required to make all payments with regard to GST, Withholding Tax and BPT, through MIRA's online portal "MIRAconnect" or MRTGS. Information sessions were conducted for taxpayers on how to file their tax return and make payments online.

### 6.1.3 Launching of “Alivaaru” – a special awareness program for taxpayers in atolls

A special awareness program called “Alivaaru” was launched on 22 June 2019, aimed at taxpayers living in atolls. The objective of this program was to visit all atolls of Maldives and reach the taxpayers residing in these atolls to raise awareness on the tax regime, provide information and assistance in relation to taxation. In addition, through this program assistance was provided to those that required additional support in fulfilling tax obligations.



### 6.1.4 Amendment to MIRA’s enforcement policy

To further facilitate taxpayers in settling their dues, MIRA enforcement policy has been amended in 2019. Under this amendment, from 1 December 2019 to 29 February 2020, taxpayers who apply for installment plans can come to installment agreements with MIRA by paying a comparatively lower amount of commitment payment, and are also granted longer repayment periods.

### 6.1.5 Establishment of a Collection Center in Hulhumeedhoo, Addu City

To ensure accessibility of MIRA’s service to taxpayers across Maldives, an additional collection centers was opened in Addu City, Hulhumeedhoo in 2019. By the end of the year, a total of 5 branches and 10 collection centers have been established in 14 different atolls of Maldives.

## 6.2 Tax Regulations and Amendments

In 2019, 2 BPT related rulings and 1 other tax ruling were issued. The list of tax rulings issued are detailed below.

Title	Tax Ruling Number
<b>BPT related Tax Rulings</b>	
First amendment to the Tax Ruling TR-2018/B65	TR-2019/B69
First amendment to the Tax Ruling TR-2018/B63	TR-2019/B70
<b>Other Tax Rulings</b>	
Mandatory online tax payment	TR-2019/A18

### 6.2.1 Amendment to Tax Regulations and newly ratified taxes

#### Second Amendment to the Tax Administration Act

Under the Second Amendment to the Tax Administration Act, changes have been made to provisions related to responsibilities of MIRA's Board of Directors, appointment and termination of Commissioner General and Deputy Commissioner General. Additionally, two amendments and additional three clauses were added to the Act to minimize existing limitations concerning international tax treaties. Moreover, significant changes were brought provisions relating to procedural requirements of audits carried out by MIRA and appeal process for taxpayers.

#### Income Tax Regulation

Income Tax Act (Act Number 25/2019) ratified by the President on 17th December 2019 introduced a full-fledged tax system in the Maldives, where taxation on personal income and business income are consolidated under a single Act. Taxation under this Act is phased into two stages whereby, excluding taxation on remuneration of employees, taxation under this Act commences on 1 January 2020. Taxation of remuneration under the Act is to commence on 1 April 2020.

From the date of ratification, MIRA had a very short period to prepare the regulations that needed to be made pursuant to the Act. The Income Tax Regulation was published on the government Gazette on 31 December 2019, including provisions necessary for the implementation of the Act. Before publishing the regulation, the draft of the regulation was circulated for comments, and the public and stakeholders were given the opportunity to comment on the draft. The work to further strengthen the provisions in the Regulation published on 31 December, and to include additional areas that needed to be addressed in the regulation, also commenced within this year.

Under the Income Tax Act, residents of the Maldives and non-residents who derive an income from the Maldives are taxed. Persons resident in the Maldives will be subject to tax on their total worldwide income, whereas non-residents have to pay tax on the income they derive from the Maldives.



Income tax brackets and rates for individuals are as below.

<b>Tax brackets for annual taxable income (MVR)</b>	<b>Rate</b>
MVR 720,000 or less	0%
More than MVR 720,000 but less than or equal to MVR 1,200,000	5.5%
More than MVR 1,200,000 but less than or equal to MVR 1,800,000	8%
More than MVR 1,800,000 but less than or equal to MVR 2,400,000	12%
More than MVR 2,400,000	15%

Employee Withholding Tax is to commence on 1st April 2020. Employees include company directors, partners of partnerships and any person holding a position of the State. While it is the responsibility of the employer to register employees for Employee Withholding Tax, a person who derives remuneration from more than one employer is obliged to register themselves.

Employee Withholding Tax brackets and rates are as follows.

<b>Remuneration subject to Withholding Tax (Monthly)</b>	<b>Rate</b>
MVR 60,000 or less	0%
More than MVR 60,000 but less than or equal to MVR 100,000	5.5%
More than MVR 100,000 but less than or equal to MVR 150,000	8%
More than MVR 150,000 but less than or equal to MVR 200,000	12%
More than MVR 200,000	15%

Income tax brackets and rates for persons other than individuals are as below.

<b>Annual Taxable Income (MVR)</b>	<b>Rate</b>
MVR 500,000 or less	0%
More than MVR 500,000	15%

With the commencement of taxation under the Income Tax Act, taxes levied under the Business Profit Tax Act and Bank Profit Tax Act have been incorporated within the scope of this Act. As in the previous regime, banks are liable to pay tax at the rate of 25% on their taxable income.

From 1 January 2020, Remittance Tax imposed on money transferred out of the Maldives by expatriates, and Land Sales Tax have been abolished.



## 6.3 Registration of Taxpayers and other persons



By the end of  
2019

# 38,669

activities were registered at  
MIRA for tax purposes

# 4,235

activities were newly  
registered and

# 468

activities were deregistered.

In 2019, 111 businesses were given registration notices for failing to register at MIRA even when they met the criteria for registration.

At the end of 2019, 1,925 taxpayers were registered for TGST while 12,350 taxpayers were registered for GGST. In 2019, 263 new taxpayers were registered for TGST while 1,421 new taxpayers were registered for GGST. Due to various reasons, 56 taxpayers from the tourism sector GST and 755 taxpayers from general sector were de-registered during the year.



## 6.4 Taxpayer and Public Awareness

### 6.4.1 Activities carried out to promote information

Raising public awareness to tax laws, regulation and tax administration is the foundation on which to strengthen the compliance level of taxpayers. To fulfil these, numerous activities were carried out during the year 2019.



#### Marketing carried out during the year 2019

Media interviews, various channels	<b>68 interviews</b>
New published	<b>45 news articles</b>
MIRA's '1415 Show'	<b>1 episode</b>
Ads related to marketing and awareness campaigns	<b>7 advertisements</b>
Social media posts	<b>1,707 posts</b>



#### Activities undertook to increase taxpayer awareness in 2019

**01** guide published, additional **06** guides and **02** instruction sheets were amended

Information sessions to new registrants	<b>41 sessions</b>
Information sessions to taxpayers newly registered for TGST	<b>18 sessions</b>
Information sessions on MIRAconnect	<b>35 sessions</b>
Information sessions for different government offices	<b>10 sessions</b>
Information sessions held for different schools	<b>13 sessions</b>

Additional awareness programs were conducted for those involved in the social housing scheme, and those who operated guesthouses. In addition, under the initiative of the regional offices of MIRA, 178 information sessions were conducted across the Maldives. Furthermore, 17 individual sessions were held in the Greater Male' area while 169 such sessions were held in the atolls.



Programs carried out by the  
Maldives Tax Academy in 2019

2 batches of Certificate 1 in Taxation with 31 participants

4 programs of Continuous Professional Development (CPD) with 51 participants

Information sessions on the new Income Tax Act held for the Banks operating in the Maldives

Program for training Company Directors and Company secretaries organized by Capital Market Development Authority (CMDA) with 164 participants

In addition, with the ratification of Income Tax Bill on 17th December 2019, training programs were conducted for all staff of MIRA regarding the Income Tax Bill and its provisions.







Under the the “Madhadhu” program, donation made to the children at “Fiyavathi” towards bringing new developments to their classrooms. The donation was made during a special children’s evening organized by MIRA staff, which was held with fun games and activities for the children.





Under MIRA's "Heyvallaa Saafukuramaa" program, a cleaning event was held in Villimale' during 2019. In this event, a large part of Villimale' beach area was cleaned and over 200 bags of trash was collected and discarded.





In celebration of MIRA's 9th Anniversary, a blood donation camp was held this year as well. A large number of participants from MIRA and the general public took part in this successful event which was organized in coordination with Maldivian Blood Services.





Another activity that was held as a part of MIRA's anniversary celebration was "Open Day", to which school students and people from the general public were invited to MIRA and engage with staff, and see how MIRA's work progresses.



In addition to these activities, MIRA took part in several activities organized by different associations, organization and institutions.



MIRA participated in the “Save Lives – Speak Up” walk organized by the Health Protection Agency. The purpose of this walk was to create awareness about road safety.



MIRA took part in the “Bandaara Kafa” walk organized by the Anti-corruption commission with the purpose of creating awareness against corruption.



MIRA participated during the year was the “Democracy Run” organized by the Elections Commission.





## 6.5 Activities carried out to check whether taxpayers are in compliance with the tax laws and regulations

### 6.5.1 Monitoring taxpayer compliance

In the effort to implement an efficient and effective tax system in Maldives, educating taxpayers on their legal obligations imposed by the laws and regulations, and continuous monitoring of taxpayer compliance level with these tax laws and regulations, and taking necessary actions when required, is an essential element for a competent tax administration.

MIRA's Compliance Department undertakes several activities to identify taxpayer compliance level, review returns submitted by taxpayers, identify non-compliant businesses, and ensure that taxpayers are acting according to tax laws and regulations. For this purpose, on one Saturday from each quarter, the entire staff body of MIRA carries out compliance activities which includes taxpayer awareness programs regarding the amendments to tax laws and regulations, visiting business activities and providing relevant information on respective issues identified. Such 10,034 compliance visits were conducted during the year 2019, which includes visits carried out within the atolls by the regional branches and collection centers.

Moreover, under MIRA's Enforcement Policy, names of 1,085 non-compliant taxpayers were published and 14 taxpayers were skip-traced during the year.

### 6.5.2 Audits and Investigations

The tax system of Maldives is a self-assessment system, in which taxpayers themselves declare the amount of taxes they are liable to pay. To determine the accuracy of information declared by taxpayers in their respective tax returns and to ascertain that taxpayers are making correct payments to MIRA, 4 departments carried out audit work in accordance with the Maldivian tax laws and regulations. With the aim to enhance efficiency of audits conducted, taxpayers were categorized per business type where different departments focused

on a particular segment of businesses. In addition, to ensure transparency and fairness, all audit cases were discussed and approved by the Audit Committee. During the year 2019, audit activities were carried out by Large Business Department, Individual Business Department, Corporate Business Department and Compliance Department. Tasks related to investigation of tax matters were carried out by Investigation and Intelligence Division.

During last year, 734 audits, resulted in a tax impact of MVR 860.34 million. 331 desk reviews were also completed during the year.

In the year 2019, 23 investigations were completed with MVR 11.27 million being declared as tax impact. 4 criminal investigations were completed throughout the year.

Tax Type	Number of Audits conducted	Tax Impact (MVR, in millions)
Tourism GST	124	127.04
General GST	239	95.71
Business Profit Tax	244	539.27
Withholding Tax	51	87.81
Bank Profit Tax	9	0.81
Green Tax	40	1.19
Remittance Tax	7	1.16
Airport Taxes and Fees	20	7.35



### 6.5.3 Taxpayer objections

As per Tax Administration Act, in case an additional tax impact is declared by an audit, taxpayers have the right to object the notice of tax assessment. 61 such cases were filed at MIRA during the year 2019, which is, on average, 5 cases per 100 audits completed. This ratio has declined by 41% compared to that of 2018.

94 objection cases were completed during the year, which includes 66 cases without any adjustments to the assessed amounts, 14 cases where objections were partially accepted, and 13 cases of which the objections were fully allowed.

In 2019, 12 cases were filed at the Tax Appeal Tribunal regarding the decisions made by objection section, which is 13% of the cases completed during the year and an increase in 9% compared to the number of appealed cases in 2018.

Tax Type	Cases received in 2019	Cases completed in 2019	Remaining cases	Suspended Cases	Withdrawn Cases
General GST	17	19	3	15	1
Tourism GST	10	17	-	9	-
Withholding Tax	4	12	2	8	-
Business Profit Tax	26	42	6	31	-
Bank Profit Tax	1	1	1	-	-
Green Tax	1	1	-	1	-
Airport Taxes and Fees	1	1	-	1	-
Remittance	1	1	-	1	-
<b>TOTAL</b>	<b>61</b>	<b>94</b>	<b>12</b>	<b>66</b>	<b>1</b>

### 6.5.4 Enforcement Activities

MIRA is continuously working on enforcing collection of revenue payable to the government, including taxes and other non-tax revenues collected by MIRA. Enforced collection during the year totaled to MVR 1.30 billion and with this, the total enforced collection by MIRA over the years has reached to over MVR 8.6 billion.



#### Enforcement activities carried out in the year 2019

Dunning notice was issued to

**7,389**

non-payers

Dunning notices issued to

**12,076**

notices to non-filers

Among them, 5,632 taxpayers have responded to those notices. Total of 746.18 Million was recovered through dunning.

If a person has not complied with the issued dunning notices, services from other government institutions are temporarily discontinued until the outstanding liability has been settled. Under this action, MVR 2.33 million was recovered last year. As several institutions who required tax clearance under this action have ceased this process, the collection under this action has declined.

Amounts recovered under other enforcement activities.

- **MVR 14.89 million was recovered under bank account freezing action**
- **MVR 139.5 million was recovered through dues clearance procedures.**

MIRA also made arrangements with 674 taxpayers to settle their dues under an installment plan, where payments are spread over an agreed period of time.

Where payment is not settled within the period stipulated in the final notice, and where an installment plan to pay the outstanding amount has not been agreed upon, MIRA has the right to file a case against such a person in the Civil Court.



Legal cases  
of 2019

09

cases were filed at  
civil court by MIRA

23

cases were filed  
against MIRA

11

cases filed with  
the High Court

12

cases filed with  
the Tax Appeal  
Tribunal

\* From the decisions made by courts, 53 cases were decided in favor of MIRA. 9 cases were decided against MIRA and 4 cases were settled through dispute resolution.

## 6.6 Activities carried out to establish beneficial relationships

### 6.6.1 Establishing relationship international bodies and tax authorities

During the year, MIRA has taken significant steps in enhancing the participation of Maldives in the international tax arena. MIRA has been closely working with Global Forum over the past years to implement the standards required to implement Exchange of Information. Global Forum's 'Last Mile Seminar' was held for the Maldives during August 2019. The purpose of this seminar, carried out by two Global Forum consultants, Mr. Puneet Gulati and Ms. Kaelen Onusko, was to provide information on key concepts of transparency and exchange of information (EOI) assimilated into international standards.

Furthermore, under OECD's Tax Inspectors without Borders (TIWB) program, training programs on transfer pricing issues were carried out to the auditors. A total of 3 missions were held during the year.

MIRA participated in the Annual Conferences of the member organizations, including 49th SGATAR meeting, 16th ATAIC Annual Technical Conference, 12th Global Forum plenary meeting, OECD Capacity Building meeting, and 7th meeting of the Inclusive Framework on BEPS.

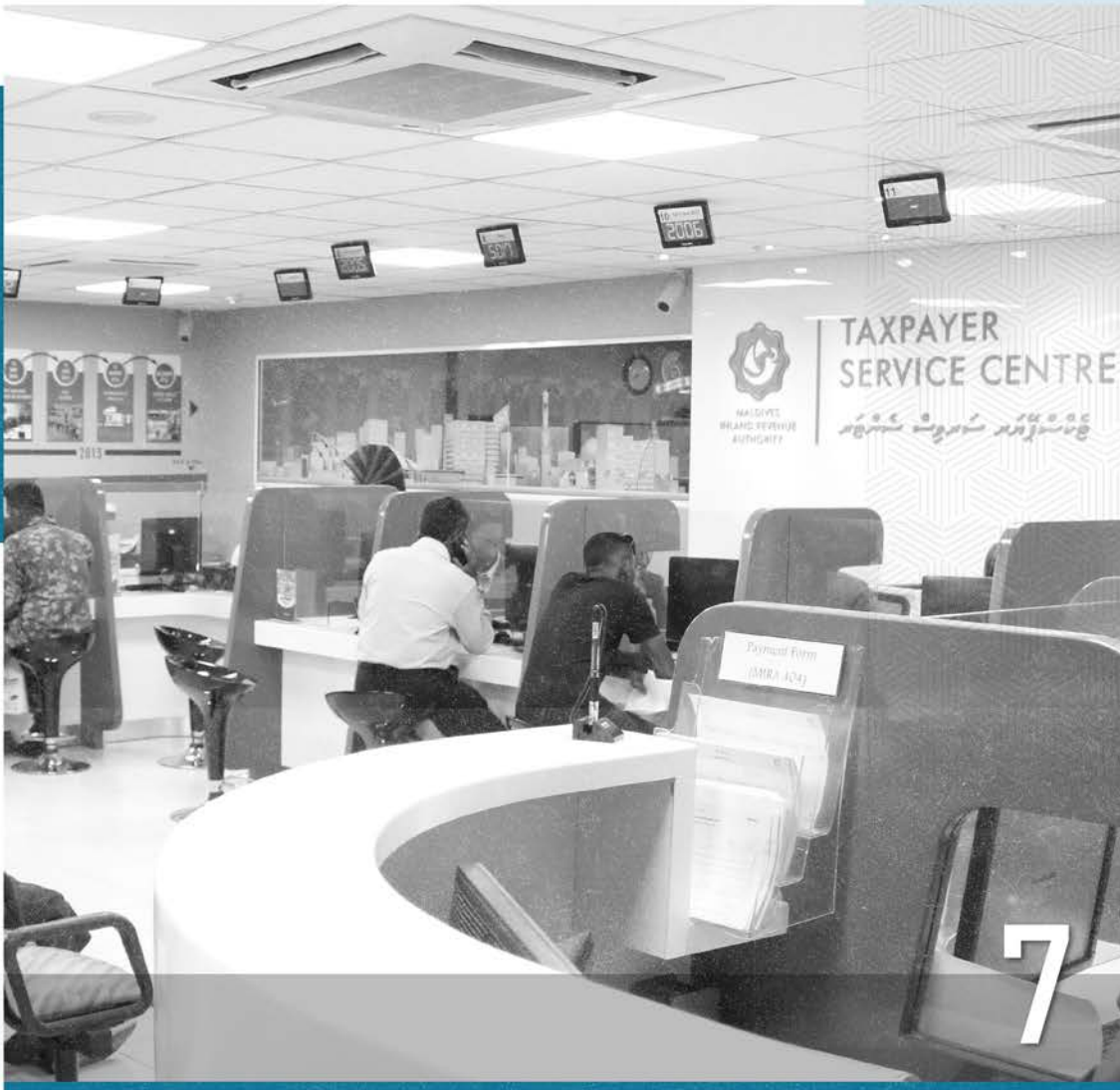


## 6.6.2 Tax Treaties

With the aim of preventing businesses engaged in cross-border economic activities being taxed on the same income in two jurisdictions (double-taxation) and in some instance, from being taxed in neither countries (double non-taxation), Double Tax Avoidance Agreement (DTA) negotiations have been carried out during the year.

Country	Date	Details
First round of negotiation between the Maldives and Hong Kong	18 – 22 March 2019	<ul style="list-style-type: none"><li>• The negotiation was held in Hong Kong</li><li>• Inland Revenue Department led Hong Kong delegation and Maldivian delegation was led by MIRA</li></ul>
Second round of negotiation between Maldives and Bangladesh	22 – 26 April 2019	<ul style="list-style-type: none"><li>• The negotiation was held in Dhaka, Bangladesh</li><li>• National Board of Revenue led Bangladesh delegation and Maldivian delegation was led by MIRA</li></ul>
First round of negotiation between the Maldives and Sri Lanka	15 – 19 July 2019	<ul style="list-style-type: none"><li>• The negotiation was held in Colombo, Sri Lanka</li><li>• Department of Inland Revenue led Sri Lanka delegation and Maldivian delegation was led by MIRA.</li></ul>





# Strategic Plan

## 2015-2019

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## 7. Strategic Plan 2015 -2019

MIRA's Strategic Plan 2020-2024 was formulated after evaluating how much of the performance indicators outlined in the Strategic Plan 2015-2019 was achieved. The following tables shows the strategic priorities outline in the first Strategic Plan, its key performance indicators and the status of achievement of indicators, when the period for the plan wrapped up.

### Strategic Priority 1: Design and implement innovative and targeted education and awareness programs

Key Performance Indicator	Status at the end of 2019
Establish a regionally recognized tax training institute	Two programs of Certificate 1 in Taxation in Maldives was carried out during the year. Development work on a Certificate Level 2 was carried out during the year.
95% of taxpayers scoring at least 90% in the survey examining the knowledge of taxpayers on basic tax matters	During the year, no taxpayer survey was conducted hence the status of this KPI was not identified.

### Strategic Priority 2: Seek Mechanism to minimize the tax gap, and strengthen the tax administration

Key Performance Indicator	Status at the end of 2019
Determine the tax gap and yearly reduction of the tax gap	Tax gap was not estimated during the year due to difficulties in extracting key data required for the development of a reliable model.
Enable online filling and payment for all taxes	Filing and payment for all taxes have been facilitated online. During the year, work visa payment was enabled through online portal via MIRA website.
Ensure that at least 75% of tax returns are filed online, and 50% of payments are made online	74% of the returns submitted to MIRA, during the year 2019 were filed online and 80% of the payments collected were processed online.
MIRA presence in all atolls	In the year 2019, MIRA Hulhumeedhoo collection center commenced its service.
Establish strong relationships with other tax authorities and build a network of tax treaties	During the year second round of DTAA negotiations Bangladesh was carried out. In addition, first round of negotiations with Hong Kong and Sri Lanka was carried out.



### Strategic Priority 3: Protect the revenue base by promoting voluntary compliance and deterring abuse of the tax system

Key Performance Indicator	Status at the end of 2019
Achieve at least 95% on-time filling and payment rate	61% of returns were files on-time during the year.
Annual increment in the percentage of return filled without errors	97% of the returns received to MIRA during the year were error free.
Establish a fully automated risk profiling and audit selection system	Development work on establishing and automated risk profiling system and enhancement work of Audit Case Manager is on-going.

### Strategic Priority 4: Improve the ability to provide assistance to taxpayers and manage debt collection

Key Performance Indicator	Status at the end of 2019
Annual reduction in arrears-to-collection ratio	Arrears-to-collection ratio for the year 2019 is 19%
Annual reduction in the number of days taken to collect arrears from a taxpayer	A mechanism to compute age analysis of arrears is being developed.

### Strategic Priority 5: Implement sustainable cost saving strategies and strengthen governance

Key Performance Indicator	Status at the end of 2019
Improve the spending-to-collection ratio to 40 Laari per MVR 100 collected	Spending-to-collection ratio for the year 2019 is 52 Laari per MVR 100 collected.
Communicate the organizational risks to staff and take steps to minimize them	With the help of technical assistance received from IMF, organizational risk areas were identified and risk committee discussions were carried out. Additionally, risk officers were trained during this year.
Publication of information at continuous and regular intervals	In addition to reports and news articles, information to be disseminated under Tax Acts and Regulations were published as per information dissemination policy.



## Strategic Priority 6: Implement resource management strategies aimed at increasing productivity

Key Performance Indicator	Status at the end of 2019
At least 80% of staff achieving 75% marks or higher in the quarterly performance appraisal	63% of staff achieved 75% marks or higher in the quarterly performance appraisals carried out during the year.
Improve graduate employees' ratio to 70%	Graduate Employees ratio by the end of the year was 56%
At least 20% of staff are members of a professional accounting body	By the end of 2019, 8% of the staff were members of a professional accounting body.
Retain at least 90% of staff annually	89% of the staff were retained during the year.
Increase the working area per staff	Administrative work is being carried out at two buildings and adequate working space has been allocated for the staff.

## Strategic Priority 7: Provide business solutions and state of the art technology to strengthen both corporate affairs and tax administration.

Key Performance Indicator	Status at the end of 2019
Automate all administrative processes	Work was done on establishing a Customer Relationship Management system and to develop the Business Intelligence function of the SAP system
Improve service standards to fulfil the requirements of ISO9001	IOS standards were identified during the year and a plan to attain the standards was drafted during the year.
Integrate all revenue collection into a single platform	By the end of 2019, 2 systems are being used in revenue collection which are SAP and NEXUS. 12 types of revenue are being collected via SAP.
Zero errors in data	Activities were carried out to improve data collection automation and enhance record keeping mechanisms. In addition, staff were trained on resolving data management issues.



8

# Strategic Plan

## 2020-2024

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## 8. Strategic Plan 2020 – 2024

MIRA completed the period outlined in its first strategic plan in 2019. MIRA's first strategic plan focused on MIRA's priorities of raising awareness of the tax system among taxpayers and the general public, and on facilitating modern and convenient ways for taxpayers to fulfill their tax obligations. The strategic plan 2015 – 2019 outlined a strong strategic vision which guided the performance of MIRA over the years, and played a monumental role in shaping MIRA's journey during these 5 years.

With the completion of the first strategic plan, and the maturing of the tax system and taxpayers during the course of the period, MIRA's second strategic plan reflects the consequent broadening of MIRA's vision and efforts. This new strategic plan outlines the strategic priorities of MIRA between 2020 and 2024 under 6 programs. This plan also highlights key performance indicators under each strategic priority, the achievement of which is required for the successful achievement of the strategic priority.

MIRA's strategic plan 2020 – 2024 consists of 13 strategic priorities and 26 key performance indicators which are summarized below:

### 1. Provide innovative and targeted education and awareness programs to support voluntary compliance.

1. Equip taxpayers with the knowledge they need to fulfill their obligations

### 2. Strengthen the use and accessibility of services provided by the tax administration

2. Maintain an accurate and up-to-date registration database
3. Increase the use of online filing and payment by taxpayers
4. Ensure that MIRA has a presence in all atolls
5. Administer the new income tax regime

### 3. Protect the revenue base by using targeted compliance improvement programs

6. Increase accuracy of voluntary disclosures by taxpayers
7. Increase the on-time filing and payment rates
8. Establishment of a Compliance Risk Management Framework

### 4. Improve the management of debt collection

9. Reduce the arrears-to-collection ratio annually
10. Reduce annually the time to collect arrears from taxpayers



## 5. Improve audit efficiency and results

11. Implement an automated risk profiling and audit selection system
12. Implement an integrated case management system

## 6. Adopt a risk-based approach throughout the organization

13. Identify the high-risk enterprise risks for programs and projects and ensure they are well-understood and actioned
14. Assess organizational performance and allocate resources according to risk

## 7. Enhance human resource capacity

15. Empower staff to engage with taxpayers and their representatives at an equal level by promoting professional training and education
16. Train and develop staff to meet the challenges of the future
17. Retain our well-trained and professional staff

## 8. Implement international standards in organizational processes

18. Enhance accountability and transparency
19. Maintain modern tax administration standards and approaches

## 9. Provide state-of-the-art business solutions and technology

20. Improve service standards to fulfill ISO certification
21. Develop and implement an IT strategy for the acquisition of hardware and software tools

## 10. Ensure a safe and secure IT environment

22. Upgrade data and service security
23. Develop and implement a long-term business continuity plan

## 11. Enhance international relations

24. Build a network of tax treaties with strategic tax authorities

## 12. Build a stronger relationship with the business community through a proactive consultative process

25. Establish a new approach to communicate and consult with the business community

## 13. Cooperate with other public sector bodies

26. Improve the level of collaboration with other public sector bodies





# Outlook 2020

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## 9. Outlook 2020

Embarking on the tenth year of service, MIRA has planned several activities for the overall development of the services provided to taxpayers and for improving administration efficiency. MIRA's administrative work will be planned and organized as per the priorities outlined in the strategic plan 2020 -2024.

One of the important highlights of the year would include the implementation of the Income Tax Act. Activities planned for the year include activities to educate those that are newly introduced into the tax net, assisting them in fulfilling their tax obligations and undertaking administrative work to implement the new tax regime.

Furthermore, in order to enhance the risk management of MIRA, MIRA will be implementing a compliance risk management framework, which has been designed in collaboration with a technical expert from the IMF. Under this framework, MIRA will be working to automate the collection of information for risk audits.

Similar to previous years, MIRA will be working on bringing the tax system of Maldives up to par with international standards during the year 2020 as well. As a member of the Inclusive Framework and Global Forum, MIRA will be focusing on signing multilateral agreements in order to actively work with other jurisdictions in reducing tax evasion and avoidance.

Due to the Covid-19 pandemic, it is expected that the Maldives economy would face a significant downturn. MIRA also expect challenges in the implementation of the new Income Tax Act. MIRA will work towards ensuring that, even during such difficult times, MIRA is able to provide its services to taxpayers and facilitate taxpayers in fulfilling their obligations. MIRA will also give priority organizing MIRA's work to assist taxpayers as much as needed.

The total revenue projected for 2020 is MVR 17.20 billion, which is a 2% increase compared to the revenue collected during the year 2019.





10

# Financial Statements

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## 10. Financial Statements

### Statement of Receipts & Payments

For the year ended 31st December 2019

	Note	Public & Other Bank A/c's	Grants Received / Expenditure	Grants Received / Expenditure	Grants Received / Expenditure
Receipts		2019	2019	2018	2018
Expenses from Allocated Budget	3	87,280,322	-	93,434,458	-
Previous Year's Expenses paid during Current Financial Year		-	-	1,462,315	
Receipts for the Government (After deducting Refunds)	4	16,809,696,127	-	16,354,777,207	-
Grants Received during the Current Year	14	-	-	-	3,469,500
<b>Total Receipts</b>		<b>16,896,976,449</b>	<b>-</b>	<b>16,449,673,980</b>	<b>3,469,500</b>
<b>Payments</b>					
Personal Emoluments	5	66,421,058	-	64,284,086	-
Pension and Redundancy	6	1,754,997	-	1,668,151	-
Travel Expenses	7	1,490,790	11,857	4,247,569	11,498
Supplies and Requisites	8	2,049,054	-	2,752,369	-
Operational Services	9	6,576,758	3,469,500	7,797,627	-
Training	10	1,659,330	-	2,138,049	-
Repairs and Maintenance	11	1,319,665	-	2,464,963	-
Grants, Contributions and Subsidies	12	1,112,740	-	1,591,023	
Capital Furniture, Machinery & Equipments	13	4,890,680	-	7,943,432	-
<b>Total Payments (After Deducting Refunds from Deposits to Public Bank Account)</b>		<b>87,275,072</b>	<b>3,481,357</b>	<b>94,887,269</b>	<b>11,498</b>
Deposits to Public Bank Account from the Revenue Collected by the Authority for the Government	14	16,835,509,988	-	16,308,695,489	-



	Note	Public & Other Bank A/c's	Grants Received / Expenditure	Grants Received / Expenditure	Grants Received / Expenditure
<b>Total Payments (Including Deposits to Public Bank Account)</b>		16,922,785,060	3,481,357	16,403,582,758	11,498
<b>Increase/Decrease of Cash Flow during the Current Year</b>		16,809,701,377	(3,481,357)	16,354,786,711	3,458,002
<b>Opening Balance of Cash</b>		79,535,055	4,140,729	33,443,833	678,743
Increase/Decrease of Cash Flow during the Current Year		(25,808,611)	(3,481,357)	46,091,222	3,458,002
<b>Closing Balance of Cash</b>		53,726,444	659,372	79,535,055	4,136,745

The Financial Statements are prepared and presented to the best of our knowledge, without any misleading or inaccurate information. On 10 November 2020, witness to this, the signatories on behalf of Maldives Inland Revenue Authority are:

**Asma Shafeeu**

Deputy Commissioner General of Taxation

**Ahmed Shafneez**

Director General, Administration & Finance



## Statement of Budget & Expenditure

For the year ended 31st December 2019

	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Variances
<b>Budget Received</b>				
Allocated Budget / (Actual Expenditure)	82,782,002	90,031,645	87,275,072	2,756,573
Allocated Budget for Trust Funds			-	-
Allocated Budget for Grants			3,481,357	(3,481,357)
Allocated Budget for Loans				
<b>Total</b>	<b>82,782,002</b>	<b>90,031,645</b>	<b>90,756,429</b>	<b>(724,784)</b>
<b>Recurrent Expenditure</b>				
Personal Emoluments	66,507,170	66,471,677	66,421,058	50,619
Pension and Redundancy	2,095,111	1,754,997	1,754,997	-
Travel Expenses	2,418,888	1,516,357	1,490,790	25,567
Supplies and Requisites	2,081,478	3,010,314	2,049,054	961,260
Operational Services	6,499,394	8,057,483	6,576,758	1,480,725
Training	1,158,682	1,659,540	1,659,330	210
Repairs and Maintenance	384,700	1,320,397	1,319,665	732
Grants, Contributions and Subsidies	1,010,761	1,130,761	1,112,740	18,021
<b>Total Recurrent Expenditure</b>	<b>82,156,184</b>	<b>84,921,525</b>	<b>82,384,392</b>	<b>2,537,133</b>
<b>Capital Expenditure</b>				
Furniture, Machinery & Equipments	625,818	5,110,120	4,890,680	219,440
<b>Total Capital Expenditure</b>	<b>625,818</b>	<b>5,110,120</b>	<b>4,890,680</b>	<b>219,440</b>
<b>Other Expenditure</b>				
Expenditure from Grants Received	-	-	3,481,357	(3,481,357)
<b>Total Other Expenditure</b>	<b>-</b>	<b>-</b>	<b>3,481,357</b>	<b>(3,481,357)</b>
<b>Total Expenditure</b>	<b>82,782,002</b>	<b>90,031,645</b>	<b>90,756,429</b>	<b>2,756,573</b>
<b>Actual Budget Balance</b>				<b>2,756,573</b>



The notes on page 94 to – are an integral part of these financial statements.

## Notes to the Financial Statements (in Maldivian Rufiyaa)

### As at 31 December 2019

#### 1. Introduction

Maldives Inland Revenue Authority was formed under the Tax Administration Act ratified on 18 March 2010. The Authority's operations commenced on 2 August 2010 following the appointment of the Board Members. Maldives Inland Revenue Authority is an independent entity, which has the right to sue or be sued and to represent itself in correspondences using its own logo or seal.

#### 2. Summary of the policies in compiling and record-keeping

Below are the main policies that were adhered to in compiling the statements and record-keeping of MIRA's financial transactions. These policies were followed in presenting all financial records of MIRA. Explanation will be provided if this is not the case.

##### 2.1 Financial Statements

The Financial Statements prepared by MIRA in accordance with the "International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Cash-Basis of Accounting" include

1. Statement of Receipts and Payments,
2. Statement of Budget and Expenditure, and
3. Notes to the Financial Statements

In addition to these, "Statement of Assets" and "Statement of Capital and Liabilities" were prepared in accordance with Public Finance Act. These statements are not part of the statements that comply with IPSAS.

##### 2.2 Basis of Presentation

The financial statements are prepared in accordance with the "International Public Sector Accounting Standard: Financial Reporting under the Cash-Basis of Accounting". As such, expenditure under the Statement of Receipts and Payments were recorded on the date cheques are logged in the cash book in the Ministry of Finance and Treasury's accounting software (SAP) or on the date bank transfers were authorized. This statement includes the financial transactions undertaken between 1 January to 31 December.

Expenditure stated under the Statement of Budget and Expenditure include the expenses during the year from the approved budget by the People's Majilis, and the current year's expenses paid during the initial 30 (thirty) working days of the following financial year. Due to the differences in the standards used in preparing these statements, a reconciliation statement is included in Note 16 to illustrate the differences in both statements.

Details stated under the Statement of Budget and Expenditure include the budget approved and allocated by the People's Majilis for the financial year 2019, expenditure from the allocated budget, receipts by the Authority on behalf of the government, expenses paid during the current financial year for goods and services received in the previous year and financial assistance from various bodies during the financial year.

The financial statements have been prepared under the historical cost convention. As such, assets, payables, and receivables are valued at cost. Depreciation is not charged on the assets.

### 2.3 Grants from Overseas Agencies

Cash or cash equivalents received for grants from overseas agencies are recorded under the column "Grants/Expenses" under Statement of Receipts and Payments. In addition, services that directly benefit MIRA, for which payments are made to another party utilizing the grants are also recorded under this column. Details of these two forms of assistance received as part of grants are presented under the Notes to the Financial Statements.

### 2.4 Foreign-currency transactions

As the primary currency used by this Authority is Maldivian Rufiyaa, all figures disclosed in the Financial Statements are in the Maldivian Rufiyaa. Foreign-currency transactions are valued at the United States Dollar equivalent on the date of the transactions. Balances of payables and receivables in foreign-currencies are valued at the exchange rate at the end of the year.

### 2.5 Comparatives

In addition to the 2019's Financial Statement figures, 2018's Financial Statement's figures are presented for comparison purposes.

### 2.6 Information related to the budget

The 2019 financial statement includes the budget approved by People's Majilis to this Authority, additions and deductions by Ministry of Finance & Treasury, and virements made without affecting the total budget. Explanation(s) will be provided for instances where there is no authorization to expend from a budget surplus. Final budget is reflective of such revisions to the budget. Except for grants and cash withdrawals from budget, MIRA is responsible for all cash or cash equivalents received and are of direct control of the cash until it is deposited to the Public Bank Account. It is highlighted in the Notes to the Financial Statements that MIRA is not authorized to disburse from this cash.

## 3. Allocated Budget, Expenditure & the Actual Budget Balance

Details	2019	2018
Approved Budget for MIRA by People's Majilis	82,782,002	76,578,436
Additions/Deductions to Budget	7,249,643	20,562,296
<b>Final Budget</b>	90,031,645	97,140,732
<b>Total Expenditure from Final Budget</b>	(87,280,322)	(93,434,458)
<b>Payments made from 2019 Budget within the initial 30 working days of the following financial year</b>	-	(2,912,089)
<b>Increase/Decrease in Petty Cash during the Financial Year</b>	5,250	9,505
<b>Actual Budget Balance</b>	2,756,573	803,690

#### 4. Receipts by the Authority as Income for the Government

Revenue Accounts		Main & regional Offices Collection 2019	Revenue Clearing Collection 2019	Total Collection 2019	Total Collection 2018
<b>Tax Revenue</b>					
113001	Tourism Tax	-	-	-	3,561
113002	Land Sales Tax	24,695,375	1,340,701	26,036,076	39,352,639
113003	Business Profit Tax	2,210,194,980	233,023	2,210,428,003	2,077,405,638
113004	Ownership Transfer Tax	5,139,700	-	5,139,700	383,500
113005	Bank Profit Tax	613,969,839	-	613,969,839	564,102,077
113006	Withholding Tax	688,459,909	-	688,459,909	632,912,788
114001	GST (Tourism)	4,903,485,533	-	4,903,485,533	4,783,338,321
114002	GST (General)	2,843,849,066	1,226,513	2,845,075,579	2,906,665,786
119001	Sale of Revenue Stamps	17,580,225	-	17,580,225	47,580,636
119002	Green Tax	850,615,154	-	850,615,154	810,525,818
119004	Airport Service Charge	731,095,991	-	731,095,991	643,250,528
119005	Remittance Tax	102,523,494	-	102,523,494	101,829,059
<b>Royalty</b>					
118001	Duty-Free Shop Royalty	90,092,170	-	90,092,170	76,324,061
118007	Fuel Re-Export Royalty	140,597	-	140,597	131,126
<b>Non-Tax Revenue</b>					
121001	Company Annual Fee	14,198,278	2,424,000	16,622,278	16,185,132
121002	Restaurant, Café, Canteen Fee	1,287,370	843,755	2,131,125	2,261,845
121003	Non-Fisheries Vessel Fee	26,566,899	768,850	27,335,749	26,636,827
121043	Sale of Tender documents	-	-	-	198,833
121055	Flat Maintenance	582,068	-	582,068	554,092
121075	Sale of Pass	2,805,574	-	2,805,574	2,965,677
121076	Resident Permit	319,378,590	-	319,378,590	304,371,750
121079	Import Trade Fee	5,538,082	2,725,575	8,263,657	9,833,870
121085	Co-operative Society Annual Fee	5,200	1,000	6,200	7,000
121086	Co-operative Society Registration Fee	-	1,000	1,000	800
121088	Trade Registry Fee	61,350	1,895,950	1,957,300	1,797,650

Revenue Accounts		Main & regional Offices Collection 2019	Revenue Clearing Collection 2019	Total Collection 2019	Total Collection 2018
121089	Foreign investment administration annual fee	1,719,140	-	1,719,140	2,028,400
121092	Lease Period Extension	306,800,000	-	306,800,000	76,700,000
121093	Construction Period Extension Fee	33,813,250	-	33,813,250	105,197,100
121094	Airport Development Fee	733,697,538	-	733,697,538	647,005,652
121095	Corporate Social Responsibility Fee	43,975,220	-	43,975,220	7,680,000
121096	Tourism Administration Fee	6,136,000	-	6,136,000	21,484,000
121999	Other fees & charges	2,478,126	92,000	2,570,126	6,284,023
123001	Company Registration Fee	359,446	3,459,822	3,819,268	4,020,195
123002	Partnership Registration Fee	-	454,000	454,000	396,000
123004	Guest House Registration Fee	647,000	-	647,000	555,500
123006	Foreign Trading Approval Fee	-	-	-	18,452
123007	Dive School Registration Fee	160,000	-	160,000	110,000
123014	Motor Vehicle License Fee	106,113,560	1,326,065	107,439,625	92,384,693
123017	Motor Vehicle and Vessel Registration Fee	105,000	-	105,000	110,000
123019	Bank Mortgage Registration Fee	460,000	-	460,000	480,000
123034	Sole Trader Registration Fee	117,700	1,398,100	1,515,800	1,207,500
123999	Other Registrations & License Fees	5,647,218	-	5,647,218	4,397,051
125001	Rent from Goifaalabba, Hinna	10,240,081	4,000	10,244,081	13,826,229
125002	Rent from Government Buildings	3,350,940	-	3,350,940	3,313,259
125003	Rent from Resorts	1,646,551,366	-	1,646,551,366	1,532,773,548
125004	Rent from Land for Commercial Purposes	94,332,370	-	94,332,370	99,792,130
125005	Rent from Land for Industry	7,255,286	233,907	7,489,193	7,771,361
125008	Rent from Islands for Long Term Agriculture	15,607,927	-	15,607,927	17,332,196
125009	Rent from Floating Jetty	54,000	-	54,000	84,000
125012	Land Acquisition and Conversion fee	34,822,120	-	34,822,120	322,065,841
131001	Sale of items at auction	1,206	-	1,206	

Revenue Accounts		Main & regional Offices Collection 2019	Revenue Clearing Collection 2019	Total Collection 2019	Total Collection 2018
131002	Sale of Government Building	615,507	-	615,507	790,247
131003	Sale of Government Land	16,898,297	562,715	17,461,012	41,135,169
126001	Fine-Breach of Law	112,080,425	327,568	112,407,993	149,261,392
126002	Fine-Breach of Regulation	23,184,703	42,992	23,227,694	19,938,261
126003	Fine-Breach of Agreement	22,385,248	7,808	22,393,056	20,636,787
126006	Traffic Violation Charges	38,934,585	403,250	39,337,835	36,630,911
126999	Other Fines and Penalties	7,785	-	7,785	3,232
129002	Reimbursement from Previous Year Budget	163,902	-	163,902	89,910
129001	Cash Received for Which Purpose Is Unknown	5,609	26,150	31,759	34,153
129998	Revenue Clearing Account	-	222,390	222,390	4,588,335
129013	Zakat-Al-Mal	63,213,756	7,301,420	70,515,176	67,404,173
129008	Donation and Sadaqah	96,469	4,306	100,775	73,382
		16,784,296,222	27,326,860	16,811,623,081	16,356,222,096
<b>Non-Tax Revenue</b>					
513010	Security Deposits	-	-	-	583,333
631003	Loans & National Student Loans	855,820	-	855,820	211,641
		855,820	-	855,820	794,974
<b>Total Receipts by the Authority</b>		16,785,152,042	27,326,860	16,812,478,902	16,357,017,069

Refunds Issued		2019	2018
119004	Airport Service Charge	-	(4,311)
113003	Business Profit Tax	(32,364)	-
121001	Company Annual Fee	(4,500)	-
121003	Non-Fisheries Vessel Fee	(104,542)	(89,550)
121075	Sale of Pass	(212)	-
121096	Tourism Administration fee	(1,540,000)	(1,537,000)
121999	Other Fees and Charges	-	(61,138)
123014	Motor Vehicle License Fee	(2,352)	(162)
123999	Other Registration & License Fees	(28,509)	-
125001	Rent from Goifaalabba, Hinna	(403,049)	(12,537)
125004	Rent from Land for Commercial Purposes	(10,000)	-
125008	Rent from Islands for Long Term Agriculture	(100,000)	-
126006	Traffic Violation Charges	(7,500)	(3,250)
129001	Cash Received for Which Purpose Is Unknown	(5,248)	(5,550)
131003	Sale of Government Land	(544,500)	-
513006	Rufiyaa Deposits	-	(526,365)
<b>Total Refunds Issued</b>		<b>(2,782,775)</b>	<b>(2,239,863)</b>
<b>Total Receipts by the Authority (After deducting Refunds)</b>		<b>16,809,696,127</b>	<b>16,354,777,206</b>

Revenue to be transferred to Special Funds		Trust Fund	Trustee	2019	2018
129013	Zakat Al-Mal	Zakat Fund	Ministry of Islamic Affairs	70,515,176.40	67,404,172.93
129008	Donations / Sadaqah	Zakat Fund	Ministry of Islamic Affairs	100,774.89	73,382.00
119002	Green Tax	Maldives Green Fund	Ministry of Environment	850,615,153.85	-
121095	Corporate Social Responsibility Fee	Tourism Promotion Fund	Ministry of Tourism	43,975,220.00	-
<b>Total</b>				<b>965,206,325</b>	<b>67,477,555</b>

Zakat-Al-Mal received during the Previous Year been revised: From the Total Revenue Collected during the year 2018 from Clearing Code: 129998, MVR 833,844.00 which was confirmed to be received as Zakat-Al-Mal (129013/129007) was deducted from Code: 129998 and added to the relevant Code: 129013. These changes did not have any impact on the Total Revenue Collected.

## 5. Expenditure on Personal Emoluments

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
211001 Salaries and Wages	29,930,150	26,846,828	26,377,219	25,221,517
211002 Overtime pay	4,870,530	4,870,530	5,340,100	5,204,740
212005 Ramazan Allowance	981,000	981,000	877,900	848,800
212009 Special Allowance (Car Allowance)	90,000	90,000	90,250	90,000
212014 Dependents' Allowance	8,303,400	8,303,400	9,128,650	8,876,895
212017 Annual Leave Cancellation Allowance	-	80,000	146,233	220,300
212023 Exclusive Job Allowance	11,683,350	13,975,329	12,832,300	12,492,000
212024 Phone Allowance	299,400	299,400	296,077	264,128
212025 Risk Allowance	258,720	290,120	361,800	264,080
212027 Service Allowance	10,090,620	10,735,070	11,021,070	10,754,815
212999 Other Allowances	-	-	39	241
(Late fine)	-	-	(50,580)	(66,341)
	66,507,170	66,471,677	66,421,058	64,171,175

## 6. Expenditure on Pension and Redundancy

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
213006 Contribution to Maldives Retirement Pension Scheme	2,095,111	1,754,997	1,754,997	1,668,151
	2,095,111	1,754,997	1,754,997	1,668,151

## 7. Expenditure on Travel Expenses

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
221001 Travelling Expenses - Local Sea Travel	1,019,494	82,915	82,915	1,016,261
221002 Travelling Expenses - Local Land Travel	7,000	1,320	1,320	6,075
221003 Travelling Expenses - Local Air Travel	749,804	86,675	85,254	855,518
221004 Travelling Expenses - Overseas	642,590	1,345,447	1,321,301	2,069,314
	2,418,888	1,516,357	1,490,790	3,947,168

## 8. Expenditure on Supplies and Requisites

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
222001 Stationery and Office Requisites	1,265,419	1,732,295	1,212,618	1,523,926
222002 IT Related Materials	178,606	513,466	291,640	439,110
222003 Fuel and Lubricants	60,023	60,023	56,339	48,377
222004 Meals for Employees During Office Hours	85,559	135,559	114,440	146,079
222005 Electrical Items	21,951	121,951	20,979	34,480
222007 Uniform items	282,750	181,750	94,583	164,189
222008 Supplies for Office Cleaning	110,599	130,599	129,282	147,659
222009 Utensils and Accessories	4,500	8,500	6,196	6,707
222010 Office Decoration Materials	-	-	-	-
222011 Curtains, Table Cloths Etc	-	4,100	4,093	-
222999 Other Administrative Supplies	72,071	122,071	118,885	132,163
	2,081,478	3,010,314	2,049,054	2,642,690

## 9. Expenditure on Operational Services

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
223001 Telephone, Fax and Telex	265,570	285,570	203,537	279,929
223002 Electricity	103,804	382,032	370,997	295,694
223003 Drinking water and sewerage	7,560	7,560	3,850	3,075
223004 Leased Line and Internet	1,370,313	1,430,313	1,403,936	1,466,714
223005 Building rent and Land rent	2,460,735	2,381,789	1,860,734	2,460,734
223006 Hiring Charges	30,000	45,000	18,987	28,120
223008 Cleaning Services and Waste Disposal	185,760	185,760	165,883	135,202
223009 Postage & Message	96,000	96,000	41,703	35,197
223010 Announcements, Subscriptions and Advertisements	345,699	385,699	347,311	297,025
223011 Carriage and Conveyance	43,000	54,000	53,069	38,172
223012 Meeting or Seminar Related Expenses	51,813	51,813	21,708	55,182
223013 Official competitions and ceremonies	-	360,000	359,980	303,781
223014 Social Development Programs	65,800	71,316	58,912	67,188
223016 Consultancy, Translation & Other Related Services	-	217,268	217,268	92,875

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
223017 Expenses on Foreign Dignitaries	30,000	23,412	17,606	32,542
223018 Visa, Work permit Fees of Expatriate Staff	7,500	17,500	12,000	22,250
223019 Fees to the Government	15,298	15,298	12,150	20,968
223020 Printing Services	1,020,827	1,632,586	1,174,752	1,526,290
223023 Participation in Fairs	-	13,088	12,586	845
223024 Bank Charges and Commission	230,000	215,796	34,581	144,220
223025 Insurance	109,150	123,228	123,228	113,950
223999 Other Administrative Services	60,565	62,455	61,977	66,277
	6,499,394	8,057,483	6,576,758	7,486,230

## 10. Expenditure on Training

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
225001 Scholarship and Fellowship Assistance	-	18,304	18,304	334,307
225002 Short Course Fees & Expenses - Overseas Training	378,242	832,425	832,216	978,065
225003 Workshops Related Expenses	-	15,212	15,212	-
225004 Course Fees & Related Expenses - Local Training	439,460	496,579	496,579	411,811
225005 Conducting Training Courses	-	-	-	-
225006 Staff training	340,980	297,019	297,019	372,409
	1,158,682	1,659,540	1,659,330	2,096,592

## 11. Expenditure on Repairs and Maintenance

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
226002 Repairs - Non-Residential Buildings	328,000	287,649	286,918	248,043
226009 Repairs - Furniture & Fittings	-	16,462	16,462	4,500
226010 Repairs - Machinery and Equipment	26,700	45,187	45,187	86,234
226012 Repairs - Communication Infrastructure	-	2,500	2,500	-

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
226013 Repairs - Computer Software	-	838,901	838,900	1,096,332
226014 Repairs - IT-Related Hardware	10,000	64,444	64,444	502,086
226016 Repairs - Motor Vehicles	20,000	65,254	65,254	46,677
	384,700	1,320,397	1,319,665	1,983,872

## 12. Expenditure on Grants, Contributions and Subsidies

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
228007 Subscriptions & Fees to International Org.	1,010,761	1,130,761	1,112,740	1,591,023
	1,010,761	1,130,761	1,112,740	1,591,023

## 13. Capital Expenditure

Details	Allocated Budget 2019	Final Budget for 2019	Total Expenditure 2019	Total Expenditure 2018
423001 Furniture & Fittings	150,318	253,617	218,617	114,449
423002 Machinery and Equipment	35,000	198,833	198,833	287,778
423005 Reference Books & Exhibition Goods	-	3,651	3,651	1,349
423006 Communication Infrastructure	37,500	4,134	4,134	26,777
423007 Computer Software	-	1,028,599	1,028,599	-
423008 IT Hardware	403,000	3,621,287	3,436,847	7,399,305
423999 Other Equipment	-	-	-	8,484
	625,818	5,110,120	4,890,680	7,838,142

## 14. Deposits made to Ministry of Finance, Public Bank Account

Details	2019	2018
Deposits to Public Bank Account from the Total Revenue Received for the year ended 31 December 2019	16,835,509,987.91	16,434,222,694.19
	16,835,509,988	16,434,222,694

## 15. Summary of Cash In Hand at the end of Current Fiscal Year

Details	2019	2018
Undeposited Collections to Public Bank Account	25,813,861	59,445
Balance of Petty Cash In hand	5,250	5,250
Balance of Cashier Float	60,798	79,445,488
Balance of Cash Payments in hand, unable to hand over at the end of year	-	84,318
	25,879,909	79,594,501
Deduct: Liabilities	-	(84,318)
	25,879,909	79,510,183

## 16. Reconciliation of the Financial Statements (Explanation of the differences in the Statement of Receipts and Payments, and the Statement of Budget and Expenditure)

The Statement of Receipts and Payments was prepared as per the cash-basis by recording the income in financial statements on the date it was received. The expenses were recorded in the Statement of Receipts and Payments on the date the payment was posted in SAP system. This statement comprises of receipts and payments for the financial year commencing on 1 January 2019 and ending on 31 December 2019 and includes the payments made from 2019 financial year's budget within the initial 30 (thirty) working days of the following financial year.

However, The Statement of Budget & Expenditure includes only the payments made from the Allocated Budget during the aforementioned period. This statement does not show receipts to the Authority or any expenditure incurred on such. Therefore, the Reconciliation shown below helps to identify any discrepancies between the two statements.

### 16.1 Reconciliation of Total Receipts for the year ended 31 December 2019

<b>Total Expenditure as per Statement of Budget &amp; Expenditure</b>	90,756,429
<i>Add:</i>	
Total Revenue Collection	16,809,696,127
Balance of Petty Cash In hand	5,250
<i>Deduct:</i>	
Grants	3,481,357
<b>Total Receipts as per Statement of Receipts &amp; Payments</b>	16,896,976,449



## 16.2 Reconciliation of Total Payments for the year ended 31 December 2019

Total of Expenditure as per Statement of Budget & Expenditure	90,756,429
<i>Deduct:</i>	
Grants	(3,481,357)
<b>Total Expenditure as per Statement of Receipts &amp; Payments</b>	<b>87,275,072</b>

## 17. Grants Received during the Current Fiscal Year

Details	Grants/ Expenses 1 - 2019	Grants/ Expenses 2 -2018
Opening Balance of Grants received b/f from Previous Year	4,140,729	682,726
Grant received from ADB - Technical assistance to strengthen the tax administration from ADB's Domestic Resource Mobilization Trust Fund	-	3,469,500.00
Grant received from Ministry of Islamic Affairs to be utilized for "Zakat Campaign" to create awareness among the public regarding Zakat-al-Mal	-	-
<b>Total Grants Received</b>	<b>4,140,729</b>	<b>4,152,226</b>
Travelling Expenses	11,857.00	10,202.00
Operational Services	3,469,500	1,295
	3,481,357	11,497
<b>Balance of Grants after Deducting Expenses*</b>	<b>659,372</b>	<b>4,140,729</b>



## Statement of Assets

As at 31 December 2019

	Note	2019	2018
<b>Non-Current Assets</b>			
Closing Balance of Fixed Assets	4	102,426,334	97,644,789
<b>Total of Non-Current Assets</b>		<b>102,426,334</b>	<b>97,644,789</b>
<b>Current Assets</b>			
Cash Receivables	2	10,647,300,116	2,247,056,344
Outstanding Payables	3	-	1,462,316
Cash-In-Hand Balance at the end of Year	6	25,879,909	79,535,056
<b>Total of Current Assets</b>		<b>10,673,180,024</b>	<b>2,328,053,716</b>
<b>Total Assets</b>		<b>10,775,606,359</b>	<b>2,425,698,505</b>

## Statement of Capital & Liabilities

As at 31 December 2019

	Note	2019	2018
Outstanding Payables	3	-	1,462,316
Fixed Assets	4	102,426,334	87,093,744
Cash Receivables	2	10,647,300,116	789,527,446
Cash-In-Hand Balance at the end of Year	6	25,879,909	33,516,925
		<b>10,775,606,359</b>	<b>911,600,431</b>

## Notes to Statement of Assets, and Statement of Capital and Liabilities

### 1. Policies followed in preparing the Statement of Assets, and Statement of Capital and Liabilities

#### 1.1. Transactions/adjustments post-dating the Statements

Consideration is given to the materiality of the transactions/adjustments that post-dates the preparation of the Statements when making any changes to the Statements.

#### 1.2. Cost concepts used in the Statements

Historical cost convention was followed in preparing the Statements. This concept was observed in valuing the assets, receivables and payables. No depreciation was charged on assets.

#### 1.3. Capital and Liabilities

Capital and liabilities are disclosed at cost. Payables amount is the outstanding payments to vendors as at 31 December 2017. Funds needed for payables are included in the Statement of Capital and Liabilities as it is allocated to the budget. Receivables are outstanding payments from taxpayers which shall be deposited to the Public Bank Account once paid.

#### 1.4. Cash Receivables

Cash receivables include outstanding payments from taxpayers and budget to be received from Ministry of Finance & Treasury to fund the payables to vendors.

#### 1.5. Summary of Assets

The value of the assets is the sum of the year opening balance and the capital expenditure for the year deducted by any assets discarded during the year. Assets are valued on historical cost convention basis.

#### 1.6. Summary of Zakat-al-mal, Donations and Sadaqah (charity)

Income received as Zakat-al-mal, donations, and Sadaqah on behalf of Ministry of Islamic Affairs is presented under the detailed figures for Zakat-al-mal, Donations and Sadaqah.

## 2. Cash Receivables as Revenue for the Government

Details	Dues recorded 2019	Doubtful and Disputed Cases from dues 2019	Dues receivable 2019	Dues receivable 2018
<b>Tax Revenue</b>				
113001 Sale of items at auction	623,677.32	(623,677)	-	-
114001 Goods and Services Tax (Tourism)	335,888,649	(134,845,459)	201,043,190	104,934,764
114002 Goods and Services Tax (General)	553,619,587	(303,812,168)	249,807,419	-
113003 Business Profit Tax	623,493,766	(274,341,970)	349,151,796	62,703,960
113006 Withholding Tax	132,966,196	(34,607,397)	98,358,799	17,857,151
119002 Green Tax	57,806,496	(26,211,394)	31,595,102	15,513,569
119004 Airport Tax and Fee	21,575,186	(11,030,373)	10,544,813	4,182,060
119005 Remittance Tax	17,113	-	17,113	-
<b>Non-Tax Revenue</b>				
121001 Company Annual Fee	91,992,500	(91,992,500)	-	-
121002 Restaurant, Café, Canteen Fee	664,850	(664,850)	-	-
121003 Non-Fisheries Vessel Fee	4,066,135	(4,066,135)	-	-
121055 Property Maintenance fee	733,800	-	733,800	639,400
121078 Partnership Annual Fee	274,000	(274,000)	-	-
121079 Import Trade Fee	2,813,500	(2,813,500)	-	-
121085 Co-operative Society Annual Fee	127,400	(127,400)	-	-
121089 Foreign Investment Administration Fee	185,040	(185,040)	-	-
121999 Other Fees and Charges	116,575	(116,575)	-	-
123006 Foreign Trading Approval Fee	354,959	(354,959)	-	-

Details		Dues recorded 2019	Doubtful and Disputed Cases from dues 2019	Dues receivable 2019	Dues receivable 2018
123014	Guest House Registration Fee	6,681,070	(6,681,070)	-	-
125001	Fees on Administration of Inhabited Islands	4,521,332	(299,600)	4,221,731	644,887
125002	Rent from Government Buildings	5,157,208	(4,550,145)	607,063	1,185,463
125003	Rent from Resorts	2,999,677,555	(686,934,445)	2,312,743,111	789,607,198
125004	Rent from Land for Commercial Purposes	38,081,574	(26,385,970)	63,472,278	(39,577,700)
125008	Long Term Agricultural Lease	14,201,789	(12,180,698)	2,021,091	751,742
126001	Fine-Breach of Law	2,204,482,808	(2,204,420,228)	62,580	55,980
126002	Fine-Breach of Regulation	2,860,975	(2,860,975)	-	-
126003	Fine-Breach of Agreement	10,559,743,430	(3,199,673,984)	7,360,069,446	1,236,536,858
131002	Sale of Government Building	823,668	-	823,668	747,708
131003	Sale of Government Land	1,604,814	-	1,604,814	-
<b>Royalty</b>					
118002	Foreign Trade Royalty	4,592,489	(4,592,489)	-	-
118003	Foreign Fishing Royalty	776,854	(776,854)	-	-
118009	Yellowfin Tuna Export Royalty	2,384,249	(2,384,249)	-	-
<b>Total</b>		<b>17,698,299,951</b>	<b>(7,050,999,835)</b>	<b>10,647,300,116</b>	<b>2,247,056,344</b>

### 3. Details of Payables to Vendors

There no payables for the Fiscal Year 2019.

#### 4. Summary of Assets

Details	Year Opening Balance	Acquisitions during 2019	Value of Assets transferred to another organization during 2019	Value of Assets (on Historical Cost Convention Basis) at the end of 2018
423001 Furniture & Fittings	8,084,392	218,617	(23,113)	8,279,896
423002 Machinery and Equipment	4,494,448	4,837,532	198,833	(1,452)
423005 Reference Books & Exhibition Goods	83,047	1,349	84,396	3,651
423006 Communication Infrastructure	557,712	619,489	4,134	-
423007 Computer Software	47,379,581	1,207,741	-	48,587,321
423008 IT Hardware	33,205,859	3,173,136	-	36,378,995
423999 Other Equipments	23,780	-	-	23,780
424001 Motor Vehicles	3,409,761	-	-	3,409,761
451012 Minor Extensions to Non-residential Buildings	-	-	-	-
<b>Total</b>	<b>97,644,789</b>	<b>4,806,111</b>	<b>(24,565)</b>	<b>102,426,334</b>

#### 5. Summary of Zakat-al-mal, Donations and Sadaqah (charity)

Details	2019	2018
129013 Zakat Al-Mal	70,515,176	67,404,173
129008 Donations / Sadaqah	73,382	100,775
	<b>67,477,555</b>	<b>63,365,742</b>

#### 6. Summary of Cash-in-Hand at the end of Current Financial Year

Details	2019	2018
Collections not deposited to Public Bank Account	25,813,861	79,445,488
Balance of Petty Cash (In-hand)	5,250	5,250
Balance of Cashier Float	60,798	59,445
Balance of Cash Payments in hand, unable to hand over at the end of year	-	84,318
	<b>25,879,909</b>	<b>79,594,501</b>

# Ranlaari Award Winners

2018



Ooredoo Maldives Plc Ltd  
Business Profit Tax



Universal Enterprises Pvt Ltd  
Business Profit Tax



Trans Maldivian Airways Pvt Ltd  
Business Profit Tax



**Cheval Blanc Randheli**  
TGST Resort Bed Capacity less than 150 beds



**Four Seasons Maldives at Landaa Giraavaru**  
TGST Resort Bed Capacity Between 150 to 250 beds



**Kuramathi Maldives**  
TGST Resort Bed Capacity more than 250 beds



**Intour Maldives Pvt Ltd**  
TGST Travel Agency



**Trans Maldivian Airways Pvt Ltd**  
TGST Domestic Air Transportation



**Hulhule' Island Hotel**  
TGST Tourist Hotel



**Four Seasons Explorer**  
TGST Tourist Vessel



**Season Paradise**  
TGST Tourist Guest House



**Galolhu Auto Garage/Auto Garage  
Parts Galore**  
GGST Small businesses



**D Blue Pvt Ltd**  
GGST Medium businesses



**Beijing Urban Construction Group**  
GGST Large businesses



**Trans Maldivian Airways Pvt Ltd**  
Withholding Tax



Bank of Maldives Plc Ltd  
Bank Profit Tax



Dhiraagu Plc  
State Owned Enterprises



Ranlaari Award Winners 2018

# 9th Anniversary Event

## Highlights



Fathimath Ameerah, Assistant Commissioner General of Enforcement and Moosa Haleem, Director General of Individual Business - Official Hosts of the Ceremony



Deputy Commissioner General of Taxation, Mr. Hassan Zareer launches MIRA's Strategic Plan 2020-2024



Address by H.E Speaker of the Parliament, President Mohamed Nasheed



Address by the Commissioner General of Taxation, Yazeed Mohamed



Fathimath Shifaza, Director General of Human Resources, announcing the Staff Awards



Staff of the Year 2018 - Ibrahim Munawwar, Principal Tax Officer, Legal Service



Mohamed Ali Waheed, Director General of Technical and Facilitation, announcing the Winners of RanLaari awards



Winners of RanLaari Awards 2018



Board Members cutting the MIRA Anniversary Cake

