



MALDIVES  
INLAND REVENUE  
AUTHORITY



# ANNUAL REPORT

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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# Introduction

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In 2021, similar to 2020, the covid-19 situation worsened in the beginning of the year, which hindered the economic growth of Maldives. Although this resulted in some interruptions to the counter services provided, MIRA is proud that we were able to continue services to taxpayers through online platforms.

Leniencies and support measures extended to taxpayers during 2020 continued during 2021 as well, and tax filing and payment deadlines were extended during the year. Taxpayers were provided with lenient installment plans, and fine reliefs were granted to taxpayers that faced difficulty in fulfilling their tax obligations.

One of the main areas MIRA prioritized during the year was on improving the quality of audit and investigation processes with the assistance of international organizations. Efforts were put forth to fine-tune the audit manuals, improve audit approaches and focus on risk and compliance

improvement plans.

Under Maldives commitment to the international standards on tax transparency and cooperation, MIRA passed some major milestones in the global tax arena during the year. Maldives joined more than 140 other jurisdictions on an equal footing to actively work towards curbing tax evasion and avoidance. Additionally, MIRA represented Maldives in several international platforms and voiced out on the challenges faced by tax administrations of developing countries in implementing tax transparency standards. Furthermore, MIRA joined the consensus building efforts on tax policy and administration reform lead by the OECD and other umbrella organizations.

During the year 2021, MIRA collected MVR 15.75 billion in revenue. This is a 50.3 percent increase compared to 2020 and 34.1 percent increase compared to projected revenue figures for the year.





**Ahmed Saruvash Adam**

Chairperson

# Chairperson's Message

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2021 was also a year marred by the economic downturn caused by the Covid-19 pandemic. However, unlike 2020, 2021 marked a year of rapid recovery. Government revenues and tax collections indicate that despite the recovery, the economy did not reach the pre-pandemic level. Economic and revenue projections showed a U-shaped recovery for 2021.

Tax policies and administration policies during these times were also shaped to support the economic recovery. There was a dire need to increase government revenue to address the issue of heightened fiscal deficit and government debt caused by the economic recession and challenges to the country's fiscal health. Similarly, a recession is not easy for businesses. The sharp decline in business activities affected business profits and cash flow drastically. As such, MIRA focused on making it easier for individuals and businesses to comply with their tax obligations and developing more convenient tax administration procedures while supporting the revenue base.

It should be highlighted that, even though the economy was going through a recession during 2021, there was an increase in the number of taxpayers fulfilling their tax obligations. This can be seen from the revenue collection and compliance levels observed last year. Additionally, in line with the digital trend initiated by the Covid-19 pandemic across the globe, the tax system adapted to provide many services digitally. Last year 94 percent of returns submitted to MIRA were filed online, which is an indicator of MIRA's priority in digitalizing its services and taxpayers appreciating the increasing digitalization.

As mentioned previously, tax administration policies were shaped to ease the cash flow challenges to taxpayers due to the pandemic. Leniencies provided to mitigate the negative impacts of Covid-19 were extended to the end of the year.

In addition to improving the tax system and easing compliance, the Directors also focused on improving MIRA's performance. In this regard, the Board approved amendments to staff regulations and internal policies to improve staff morale and efficiency. I would like to take this opportunity to thank the Commissioner-General, the Deputy Commissioner-General, the management, and the staff of MIRA for their dedication to improving the services, formulating tax regulations, and improving the tax administration efficiency. With the hard work of the dedicated staff and management, MIRA remains a distinguished and exemplary institution. I would also like to extend my gratitude to the MIRA board for their effort in bringing the aforementioned changes and their commitment throughout the year. I am confident that the positive changes brought to the working environment at MIRA will contribute to higher staff motivation and productivity.

The Board, management, and employees of MIRA are facing 2022 with the intent of further strengthening the tax system, improving tax compliance, providing efficient service, and constructing a well-respected tax system. May Allah grants us the strength to develop MIRA as a proud institution that maintains a taxpayer-friendly and respected tax system and achieves the goals of the Strategic Action Plan.



## **Fathuhulla Jameel**

Commissioner General  
of Taxation

# Commissioner General's Message

## Introduction

It is with great pleasure that I note that MIRA was able to successfully undertake many activities during 2021 to further strengthen the tax regime of Maldives. The smooth implementation of the major changes to the tax system brought on by the new Income Tax Act, the facilitation of efficient mechanisms for taxpayers to fulfil their obligations, and the successful amendments of regulations to further develop the tax system are amongst the most noteworthy events of 2021.

## The Year 2021

The year 2021 arrived with world still grappling with the impact of the Covid-19 pandemic. The fact that the pandemic had extended for over a year had significantly affected the Maldivian economy. With the grace of God, we are now seeing the effects of the pandemic being managed effectively, and the resurgence of the tourism sector. Economic activities in other sectors are also improving and the Maldivian economy has started recovering.

Despite the fact that the economy has slowly started recover, as we expect it will take some time for us all to recover completely from the impact of the pandemic, I extended the leniencies MIRA provided to taxpayers in 2020 to the year 2021 as well. Additionally, we deferred the re-commencement of some of the bigger actions under the Enforcement Policy of MIRA. We continued the facilitation of lenient instalment plans and also provided fine relief to those that qualified for it. As a result of this, while recovery of revenue has been slower, I believe this would have assisted taxpayers as they work to rebuild their businesses. As businesses prosper in the future, this would result in higher tax revenue for the state as well.

Even within the restrictions imposed to combat the spread of the Covid-19 pandemic, I note with pride that MIRA was able to continue all its services to taxpayers and the public. Similar to established tax administrations, MIRA was also able to continue our efforts in alignment with the 'Compliance Risk Management Policy' in 2021. Much of the activities planned under the 'Compliance Risk Management Policy' and the 'Compliance Improvement Plan 2021' were successfully carried out within the year.

To bolster the administrative processes at MIRA, and to ensure the continue of MIRA's services and establish a disaster recovery process, activities of risk assessment and risk mitigation were undertaken in 2021.

During this time of economic downturn, it became important to ensure that multinational corporations who were profiting from the Maldives paid their due taxes. To facilitate this, a technical assistance program with Tax Inspectors Without Borders (TIWB) was commenced during the year. This program focused on transfer pricing, and was conducted by an expert from New Zealand.

To strengthen MIRA's foothold in the international tax arena, and to commit to tax transparency between tax jurisdictions, MIRA signed the Convention on Mutual Assistance in Tax Matters in 2021. Additionally, MIRA signed a Double Tax Avoidance Agreement (DTAA) with Bangladesh during the year as well.

Under MIRA's effort to be as accessible as possible to taxpayers, an office was opened in A.Dh. Mahibadhoo during the year. With this, MIRA now has offices in 18 atolls of Maldives.

## Outlook

MIRA will continue to give technical advice to policy makes on measures to strengthen the tax system of Maldives, and working to further develop tax regulations to ensure effective implementation of taxes. MIRA will also take the impact of the Covid-19 pandemic into consideration when taking decisions on tax administration. Under the guidance of the Board of Directors, MIRA will be reviewing the enforcement policy and publishing it within the upcoming days. MIRA will continue its tireless efforts to administer a tax system that is in line with government policy and in alignment with international tax standards.

## Conclusion

Even with the challenges posed by the Covid-19 pandemic, MIRA had a largely successful year in tax administration. I take note of the dedicated work of MIRA's competent staff in achieving this success. With the Grace of Allah, we will continue to work to achieve similar success in the upcoming year as well. I take note of the advice and guidance given by the Board of Directors in driving the strategy of MIRA, and thank them for this invaluable support. I would also like to thank all government institutions and offices for their continuous support to MIRA in fulfilling our responsibilities. I would also like to further extend my gratitude to all the taxpayers and the general public of the Maldives for their faith and trust in MIRA. I wish MIRA, and the Maldives, an even more prosperous future.

# Management

## 4.1 Board of Directors

To regulate the administrative policies of MIRA pursuant to Section 4 (a) of the Tax Administration Act, the Board of Directors of MIRA are appointed by the President, with the approval of the People's Majlis

### 4.1.1 Members of the Board

In 2021, meetings were held for members of the third term of MIRA's Board. At the end of the year, MIRA's Board of Directors was comprised of the following persons:



**Ahmed Saruvash Adam**  
Chairperson



**Leena Zahir Hussain**  
Deputy Chairperson



**Fathuhullah Jameel**  
Commissioner General of  
Taxation



**Husham Waheed**  
Board Member



**Makhzoom Saleem**  
Board Member



**Aishath Asha Ali**  
Board Member



**Mumthaz Abdul Rasheed**  
Board Member

Pursuant to Section 4 (h) of the Tax Administration Act, Mr. Ahmed Saruvash Adam, Chief Financial Budget Executive of Fiscal Affairs Department of the Ministry of Finance was appointed as the Chairperson of MIRA's Board of Directors. Ms. Leena Zahir Hussain was appointed as the Deputy Chairperson.

As per Section 7 (e) of the Tax Administration Act, Mr. Mohamed Raaidh, the Assistant Fiscal Analyst of Tax Policy Unit of the Ministry of Finance, served as the secretary of the Board.

## 4.1.2 - Meetings and Attendance

The Board met 16 times during the year. The attendance of the members of the Board at these meetings is as follows:

Name	Meetings Held	Attended	Attendance
Ahmed Saruvash Adam	16	16	100%
Leena Zahir Hussain	16	15	94%
Fathuhullah Jameel	16	16	100%
Aishath Asha Ali	16	16	100%
Makhzoom Saleem	16	16	100%
Husham Waheed	16	16	100%
Mumthaz Abdul Rasheed	16	16	100%

Due to the covid-19 pandemic, 15 meetings of 2021 were held via Microsoft Teams.

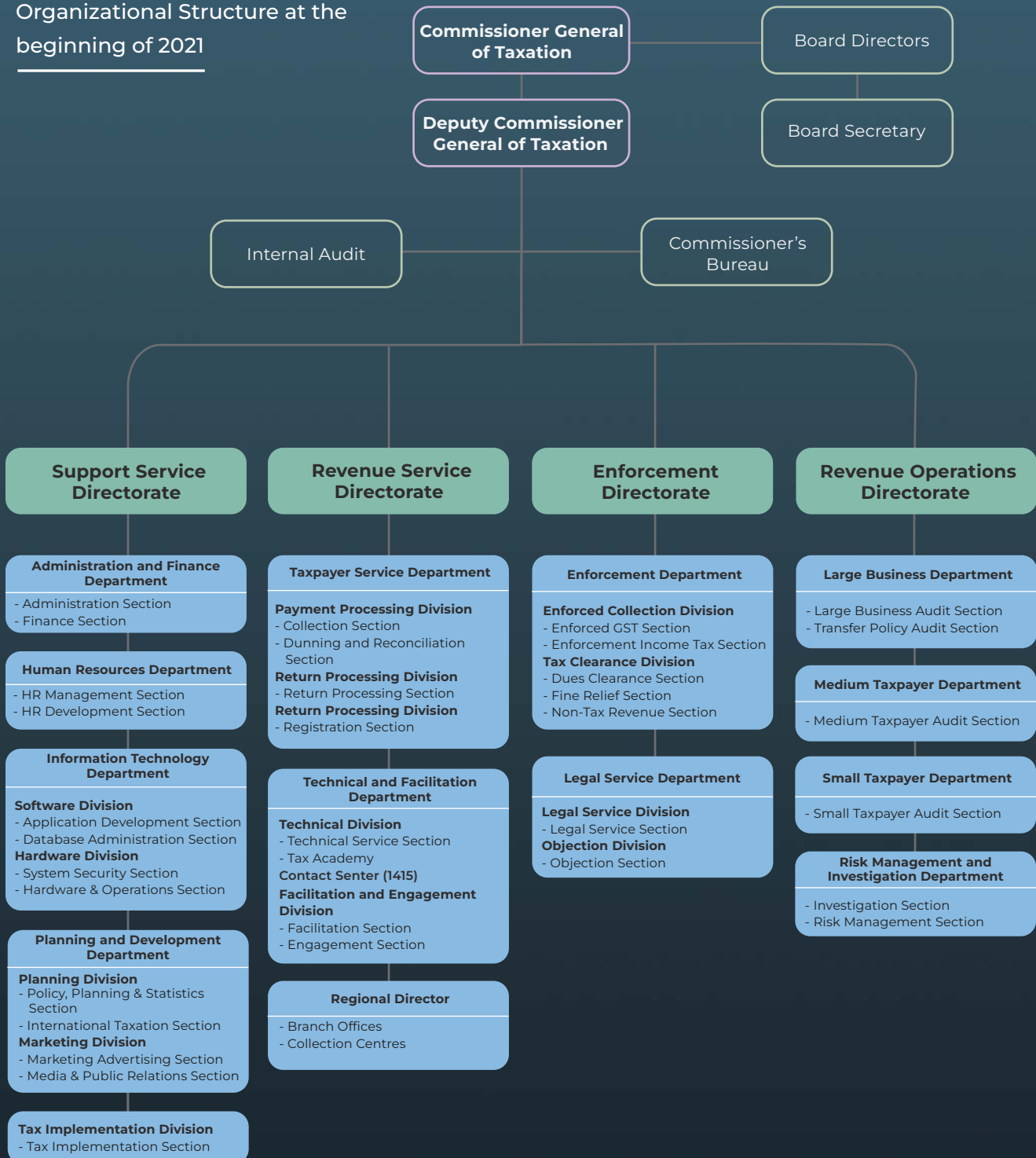
## 4.1.3 - Activities of the Board

Advice on the following issues proposed by the Commissioner General of Taxation were given to him, after deliberations made at meetings held by the Board of Directors.

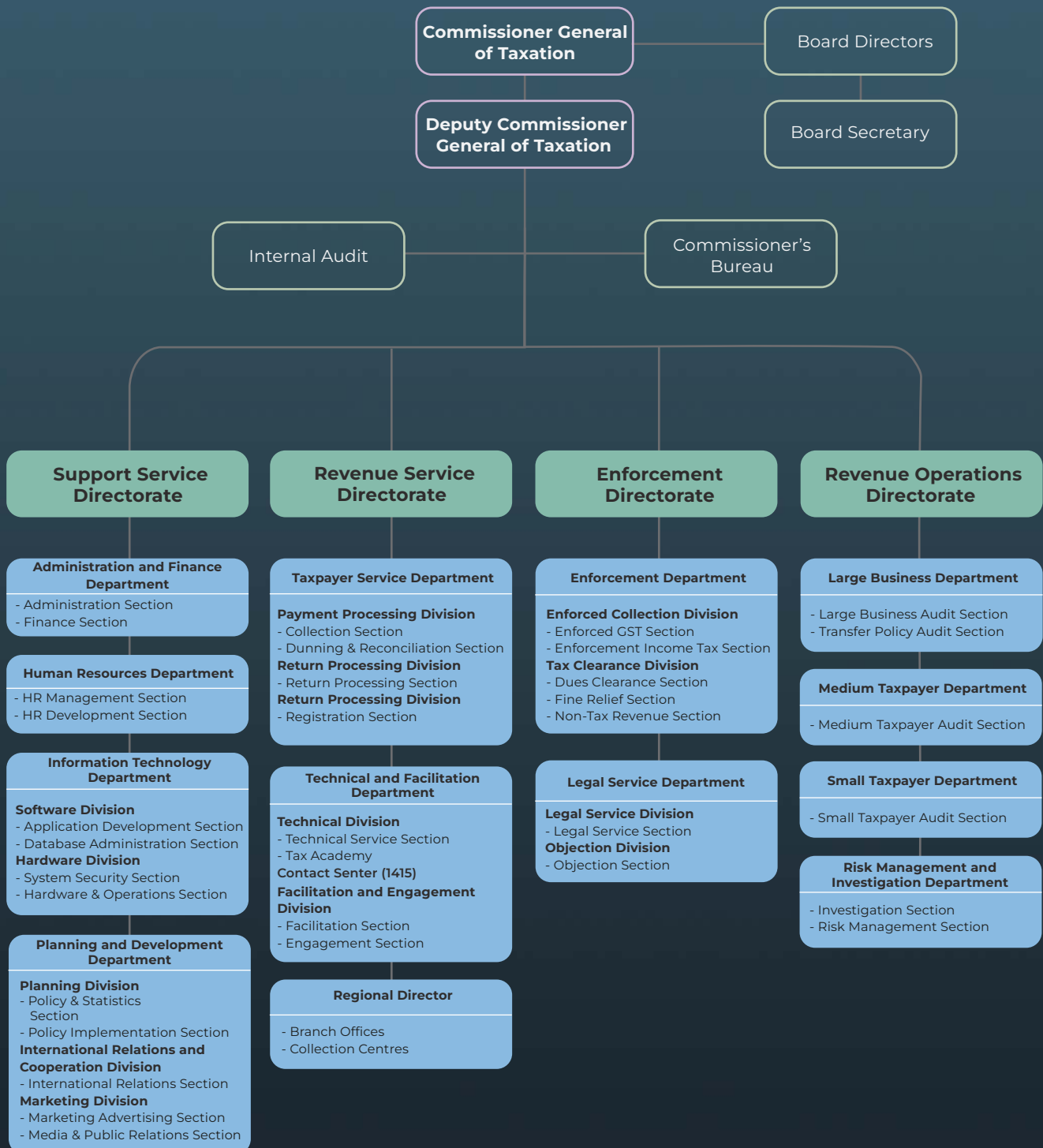
- Discussed changes to the administrative framework of MIRA and Bond Policy
- Amended the Enforcement Policy of MIRA to decrease the burden on taxpayers due to the Covid-19 pandemic
- Amended the Tax Administration Regulation
- Amended Income Tax Regulation
- Finalized the Advance Pricing Arrangement Regulation
- Amended the Staff Regulation and Organizational Structure
- Finalized the Refund Policy
- Amended Airport Taxes and Fees Regulation
- Amended Country-by-Country Reporting Regulation
- Amended Enforcement Policy and Fine Relief Policy

## 4.2 - Organizational Structure

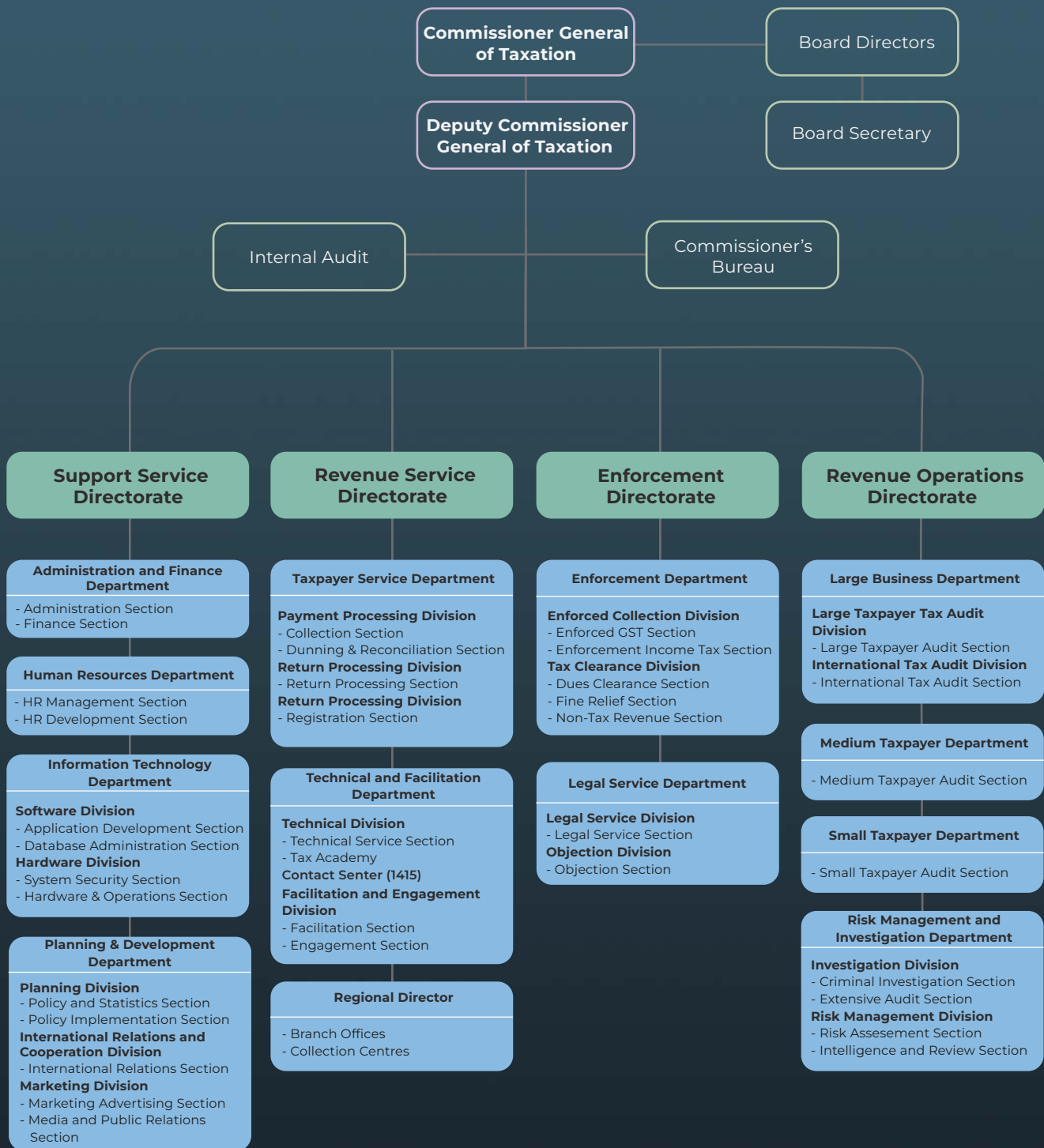
Organizational Structure at the beginning of 2021



Amended Organizational  
Structure from March 2021



Amended Organizational  
Structure from August 2021



## 4.2.1 - Directorates

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

### Support Service Directorate

#### Administration and Finance Department

The core functions of this department includes 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 and 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

Planning and Development Department oversees various tasks, including to carry out all necessary tasks related to implementation of newly introduced laws and regulations, analyzing and maintaining revenue statistics of MIRA, all works related to tax treaties and other commitments in the global tax field. In addition, this department handles marketing and promotion of MIRA's services and tax system as well.

### Revenue Service Directorate

#### Taxpayer Service Department

The functions of this department include collection of tax returns and payments, and undertaking dunning and reconciliation processes. In addition, identification and registration of persons required to register under tax laws, and taxpayer account maintenance is carried out by this department as well.

#### 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.

In addition, skip tracing and 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 is carried out by this department.

### 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.

## Revenue Operations Directorate

### Large Taxpayer and International Audit Department

The core functions of this department include conducting tax audits of persons classified as large taxpayers and international tax audits, ascertaining whether the tax computation is in accordance with the laws and regulations.

### Medium Taxpayer Audit 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.

### Small Taxpayer Audit 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.

### Risk Management and Investigation Department

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. This department also oversees all works related to compliance risk assessment and mitigation, and undertakes extensive audits where necessary.

## Enforcement Directorate

### 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.

### Legal Service Department

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, ensuring that the SOPs and all tasks undertaken by MIRA are in accordance with laws, regulations and policies and report any non-compliance.

### 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 2021, the committees in place were:

1. Human Resource Committee
2. Investigation Committee
3. Technical Committee
4. Objection Committee
5. Bid Evaluation Committee
6. Audit Committee
7. Fine Relief Committee
8. Steering Committee for the disclosure of Non-Payers
9. Review Committee
10. "Technical Support to Legal Team" Committee
11. Whistleblower Protection Committee
12. Risk Management Steering Committee
13. "Ran Laari" Award Committee
14. Business Continuity Committee
15. Committee for Gender Equality Complaints Review

## 4.4 Senior Management

At the end of 2021, the Senior Management of MIRA comprised the following:

### Commissioner General and Deputy Commissioner General of Taxation

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**Fathuhullah Jameel**  
Commissioner General of Taxation



**Asma Shafeeu**  
Deputy Commissioner General of Taxation

Assistant Commissioner Generals

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**Fathimath Ameerza**

Assistant Commissioner General,  
Enforcement



**Ahmed Shareef**

Assistant Commissioner General,  
Revenue Operations

Senior Executives

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**Mohamed Najiz**  
Director General,  
Information Technology



**Fathimath Shifaza**  
Director General,  
Human Resource



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



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

Senior Executives

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**Aminath Zumra**

Deputy Director General,  
Planning and Development



**Ibrahim Rasheed**

Deputy Director General,  
Risk Management and  
Investigation



**Ali Muaaz**

Deputy Director General,  
Large Taxpayer and  
International Tax Audit

Senior Staff

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**Ali Naseer Ibrahim**

Director,  
Tax Clearance



**Nahshal Mohamed**

Senior Director,  
Software



**Ibrahim Faisal**

Senior Director,  
Internal Audit



**Yoosuf Shiraz**

Director,  
Technical



**Mohamed Jinah Ibrahim**

Director,  
Hardware



**Adha Amir**

Director,  
Small Taxpayer Audit

Senior Staff

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**Mohamed Azhan**

Deputy Director,  
Objection



**Ikram Ibrahim**

Deputy Director,  
Medium Taxpayer Audit



**Ahmed Zakariyya**

Director,  
Facilitation and Engagement



**Fathimath Shiuma**

Deputy Director,  
Investigation



**Abdul Matheen Abdul Sattar**

Deputy Director,  
Regional

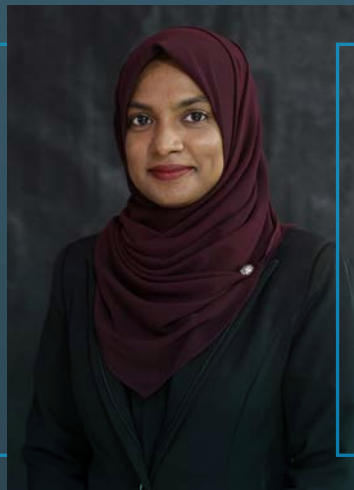


**Aishath Suha**

Deputy Director,  
Payment Processing

Senior Staff

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**Shifa Thaufeeq**  
Deputy Director,  
Risk Management



**Aminath Shiyana**  
Deputy Director,  
International Tax Audit



**Nafa Waheed**  
Deputy Director,  
Large Taxpayer Audit

## 4.5 Human Resources Management and Development

### Employees

A competent staff body is crucial to MIRA in performing its legal mandate effectively as the tax administrator. Hence, recruitment of technical staff, retaining key employees and development of staff capacity were given significant importance throughout the year.

<b>Staff working at MIRA at the beginning of the year</b>	<b>297</b>
<b>Staff hired during the year</b>	<b>46</b>
<b>Staff resigned due to various reasons</b>	<b>38</b>
<b>Staff granted no-pay leave</b>	<b>4</b>
<b>Staff working at MIRA at the end of the year</b>	<b>305</b>
<b>The number of staff increased by</b>	<b>2.72%</b>

### Gender Ratio

<b>Male Staff</b>	<b>44.59%</b>
<b>Female Staff</b>	<b>55.41%</b>
<b>Male to Female Ratio</b>	<b>4:5</b>

### Staff Educational Level

<b>Bachelor's Degree or equivalent level qualification</b>	<b>129</b>	<b>42.30%</b>
<b>Master's Degree or equivalent level qualification</b>	<b>58</b>	<b>19.02%</b>

## Staff Training

### Human Resources Management and Development

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Capacity building for staff is a key priority for MIRA. As such, to develop the tax-related knowledge and skills of MIRA staff, training opportunities are facilitated both locally and overseas. Due to the Covid-19 pandemic, most of the trainings in 2021 were carried out virtually.

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**96** staff took part in **46** training programs conducted by overseas parties

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**04** induction programs were conducted for newly joined staff

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

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At the end of 2021, **10** staff were studying for ACCA under MIRA sponsorship

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**20** staff took part in **17** conferences and seminars held by overseas parties

## Local Training Programs

Name of the training	Date	Conducted by	No. of employees
Office Dhivehi (Dhivehi Bahuge Thamreenu Program)	4 - 8 April 2021	Dhivehi Bahuge Academy	58
Information Officer's Training	6 April 2021	Information Commissioner's Office	1
Half-day Workshop to Refine Strategic Objectives and Develop Performance Indicators for 2022 Budget Programs	30 September 2021	Ministry of Finance	10

## Trainings conducted by overseas parties

Name of the training	Date	No. of employees
Statistical Institute for Asia and the Pacific (SIAP) - E-learning course on Principles of Data Visualization for Official Statistics	19 January 2021	2
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC): Virtual Training on Compliance Risk Management	1-5 Feb 2021	6
Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) Public Hearing - Financial Accounting Standard (FAS) 1	23 February 2021	22
Inland Revenue Board of Malaysia (IRBM) – Organization for Economic Co-operation and Development (OECD): Multilateral Instrument (MLI) Workshop	2-4 March 2021	2
Association of Tax Authorities of Islamic Countries (ATAIC) & International Monetary Fund (IMF) Webinar Series on "Covid-19 – Challenges Faced by Tax Systems in the wake of Covid-19"	9-11 March 2021	3
Platform for Collaboration on Tax (PCT): Launch Workshop of the Toolkit on Tax Treaty Negotiations	11-12 March 2021	4
Commonwealth Association of Tax Administrators (CATA): Financial Instruments and Issuance Process (India)	15-19 March 2021	4
International Monetary Fund (IMF): Value Added Tax (VAT) Webinar Series. Webinar 4 - Managing VAT Compliance and Administration	16 March 2021	3

Name of the training	Date	No. of employees
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC): Workshop for Risk Officers	24-25 March 2021	14
Asian Development Bank, Ministry of Finance - Virtual Workshop: Tax and Digital Transformation	25-26 Mar 2020	3
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC): Workshop for Engagement and Facilitation	30 March 2021	19
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC): Virtual training on Taxpayer Registration	12-16 April 2021	6
Network of Tax Organisations (NTO) Peer-learning session on "Tax & Covid-19"	29 April 2021	11
Organisation for Economic Co-operation and Development (OECD): 2021 Southeast Asia Regional Forum on "Human Capital Development in Southeast Asia: Fostering Competitiveness to Build Back Better"	20 May 2021	2
American Bar Association - Money Laundering (ML): Combatting Emerging Money Laundering Threats in South Asia	25-27 May 2021	2
Organisation for Economic Co-operation and Development (OECD) - Virtual Class: Tax treaties specific provisions, PE, royalties	1-3 June 2021	5
Malaysia Technical Cooperation Programme (MTCP): Webinar on General Tax Administration	08-11 June 2021	2
Network of Tax Organisations (NTO) "Tax & Covid-19" Peer-Learning: "Managing Tax Compliance Under Covid-19"	9 June 2021	6
Tax Inspectors Without Borders (TIWB) Stakeholders Workshop	10-11 June 2021	2
Organisation for Economic Co-operation and Development (OECD) - Informal Briefing - Final Steps to Reaching Consensus	11 June 2021	3
8th Global Forum Competent Authority Conference	15-16 June 2021	4
International Monetary Fund (IMF): 11th Annual IMF-Japan High-Level Tax Conference for Asian Countries	16-18 June 2021	2
Commonwealth Association of Tax Administrators (CATA): Taxation of International Transactions (TOIT) - Tax Treaty Virtual Workshop	28 June - 2 July 2021	1
Launch of VITARA online learning platform	1-21 Jul 2021	21
Commonwealth Association of Tax Administrators (CATA): Taxation of International Transactions (TOIT) - Transfer Pricing Virtual Workshop	5-9 July 2021	1

Name of the training	Date	No. of employees
Organisation for Economic Co-operation and Development (OECD) - Virtual Class: Advanced Transfer Pricing	7-9 Jul 2021	5
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC): Virtual Training on Collections and Arrears Management	12-16 July 2021	10
Organisation for Economic Co-operation and Development (OECD) - Virtual Class: Auditing Multinational Enterprises (MNEs)	19-23 Jul 2021	1
Tax Administration Diagnostic Assessment Tool (TADAT) Assessor training	August 2021	8
Platform for Collaboration on Tax (PCT) – Asian Development Bank (ADB) Joint Virtual Workshop: Medium-Term Revenue Strategies to Support Recovery and Development for Small States in Asia and the Pacific	25-26 August 2021	6
Inland Revenue Board of Malaysia (IRBM) – Organization for Economic Co-operation and Development (OECD): Tax Treaties: Anti Abuse Provisions	1-3 September 2021	5
International Monetary Fund (IMF) VITARA - Reform Management Fundamentals: Setting up a Reform Program	1-22 September 2021	5
International Monetary Fund (IMF) VITARA - Reform Management Specific Topics: Managing a Reform Program	1-22 September 2021	4
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC): Virtual Training on Risk-Based Audit and Investigation Techniques - Income Tax	6-10 September 2021	6
Asian Development Bank (ADB), World Bank Group (WBG), and VIA University - Executive Training Program on Tax and Digital Transformation	From 14 September 2021 (1 year)	1
Statistical Institute for Asia and the Pacific (SIAP) -Foundational E-Learning Course on Statistical Business Registers (SBR)	27 September - 12 November 2021	1
Organisation for Economic Co-operation and Development (OECD) – 1st workshop on the concept of foreseeable relevance	28-29 September 2021	2
Global Relations Programme in Taxation (GRP) Virtual Class: Effective use of Country-by-Country (CbC) data and the OECD risk assessment tool	28-30 September 2021	7
Tax Inspectors Without Borders (TIWB) - Criminal Investigations Workshop	28, 30 September and 4 October 2021	28
Organisation for Economic Co-operation and Development (OECD) – 1st workshop on the effective use of Automatic Exchange of Data (AEOI) data	4-5 October 2021	6

Name of the training	Date	No. of employees
Organisation for Economic Co-operation and Development (OECD) - Investigative Techniques for the Cash Economy (Specialty) Virtual Programme	11-20 October 2021	1
Asian Development Bank (ADB) – Organisation for Economic Co-operation and Development (OECD) -World Bank Group (WBG) Joint Virtual Workshop: Development of the Value-Added Tax Digital Toolkit for Asia and the Pacific	19-28 October 2021	3
International Monetary Fund (IMF) South Asia Regional Training and Technical Assistance Center (SARTTAC); Virtual Training on Tax Administration Diagnostic Assessment Tool (TADAT) Accreditation	29 November - 7 December 2021	5
Organisation for Economic Co-operation and Development (OECD) - Workshop on Automatic Exchange of Information (AEOI) data effectiveness review process	1-2 December 2021	7
Office of Technical Assistance (OTA), US Treasury: Train-the-Trainer workshop on Fundamental Auditing Course	2 December 2021	15
International Monetary Fund (IMF) Customs Tax Collaboration Webinar	7 December 2021	3

### Trainings conducted by overseas parties

Name of the training	Date	No. of employees
11th Inclusive Framework on Base Erosion and Profit Shifting (BEPS) meeting	27-28 January 2021	3
Organisation for Economic Co-operation and Development (OECD) - Mutual Agreement Procedures (MAP) Forum meeting	29-30 March 2021	4
Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) - Financial reporting for Zakat	22 April 2021	16
Organisation for Economic Co-operation and Development (OECD) - Update on Base Erosion and Profit Shifting (BEPS) Action 6 peer review	29 April 2021	4
Asian Development Bank (ADB) Webinar: The launch of the Asia Pacific tax hub	3 May 2021	4
International Monetary Fund (IMF) Virtual Book Launch Event - Corporate Income Taxes Under Pressure	4 May 2021	3
The Association of Tax Authorities of Islamic Countries (ATAIC) - PS Committee Meeting	2-3 June 2021	2

Name of the training	Date	No. of employees
Organisation for Economic Co-operation and Development (OECD) - Regional consultation on Base Erosion and Profit Shifting (BEPS)	10 June 2021	5
South Asia Regional Training and Technical Assistance Center (SARTTAC) Training Directors Meeting	1 July 2021	3
12th Meeting of the Inclusive Framework	1 July 2021	4
The Taskforce on the Digital Economy (TFDE) Meeting	14-15 September 2021	2
Organisation for Economic Co-operation and Development (OECD) - Regional consultation on Base Erosion and Profit Shifting (BEPS)	22 September 2021	6
Association of Tax Authorities of Islamic Countries (ATAIC): Heads of Delegations Meeting	27 September 2021	3
13th Meeting of the Inclusive Framework	8 October 2021	4
1st Network of Tax Organisations (NTO) Technical Conference	19-21 October 2021	4
Association of Tax Authorities of Islamic Countries (ATAIC): 2nd Heads of Delegations Meeting	25 October 2021	3
Foundation for International Taxation (FIT) - International Bureau of Fiscal Documentation (IBFD) Silver Jubilee Taxation Conference "International Tax: A Quarterly Century of Change and Challenge"	2-4 December 2021	4

## 4.6 Technical Assistance Received

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 2021, the committees in place were:

Organization/ Body	Area of Assistance	Duration	Experts
International Monetary Fund	Development of refund process	17 January – 20 June 2021	Mr. Wyatt Grant
	Development of a tax treaty framework	4-15 January 2021	Mr. Lee Burns
	Assistance in the improvement of the design and operation of criminal investigation program	8-25 February 2021	Mr. Johanne Charbonneau
	Assistance with Compliance Risk Management	15 March – 14 April 2021	Mr. Gary Andrews
	Assistance in developing Mutual Agreement Procedure (MAP) and Advance Pricing Arrangement (APA) mechanism	30 August – 13 September 2021	Mr. Cameron Smith
	Assistance with Compliance Risk Management (Income Tax)	8-22 November 2021	Mr. Gary Andrews
ADB	IT expertise on implementing improvements to income tax configurations in SAP TRM	1 October 2020 – 30 September 2021	Mr. Harshad Dhanraj Khedekar
Tax Inspectors without Borders	Assistance with international taxation issues in tourism and hospitality industry	13 July 2021 - ongoing	Mr. Colin Hutchins
	Collaborative discussion meetings were held with TIWB, MIRA and relevant agencies regarding tax crime investigation maturity model	28th, 30th September and 4th October 2021.	TIWB Secretariat
USAid	Assistance with Revenue Forecasting	11 January 2021 - ongoing	Mr. Janusz Szyrmer
US Treasury	Expertise on fundamentals of auditing and assistance in debt collection and succession planning	21 November - 2 December 2021	Ms. Charlestine Hardy, Mr. Billy Shannon, Ms. Verlinda Paul, Mr. Quinton Smith

## 4.7 Administrative Expenditure

Total Expenditure

MVR **99.29** Million

**10.6%** Capital Expenditure

**89.4%** Recurrent Expenditure

↑ **17%** higher compared to 2020

↑ An increment of MVR 9.34 million compared to 2020

↑ An increment of MVR 5.05 million compared to 2020

\* Expenditure is higher because of increase in capital expenditure than in the previous year

MVR 10.52 million was spent on capital expenditure, 86.5% of which related to the acquisition of Information Technology hardware. From recurrent expenditure, most of the expense was on employees' salaries and allowances which accounts up to 80.01% of total recurrent expenditure.



For every **MVR 100** collected by MIRA, **63 laari** was spent

For every **1 MVR** spent by MIRA, **MVR 159** was collected as revenue

# Revenue

## 5.1 Total Collections

Total Revenue of 2021

MVR **15.75** Billion

↑ **50.3%** higher compared to 2020

↑ **34.1%** Compared to projection for 2021

\* **MVR 11.92 billion**

collected as tax revenue

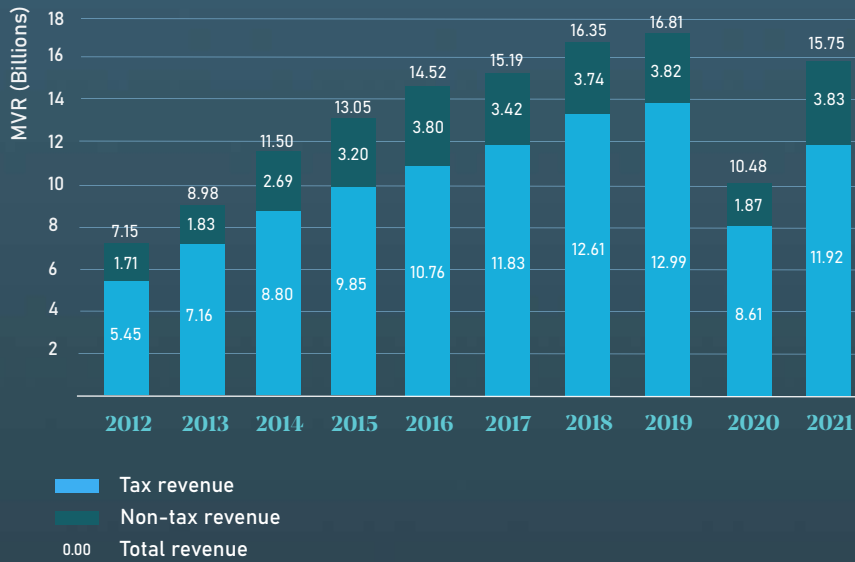
During the year 2020, to prevent widespread of the Covid-19 pandemic, restrictive measures such as lockdown and border closure were enforced. The pandemic led to a global economic recession and economic activities in Maldives, mainly in the tourism sector, faced major consequences. After the re-opening of the borders on 15th July 2020, the gradual recovery of the economy and increasing activity of the tourism sector led to a significant increase in the revenue collected to MIRA in 2021.

\* **MVR 3.83 billion**

collected as non-tax revenue

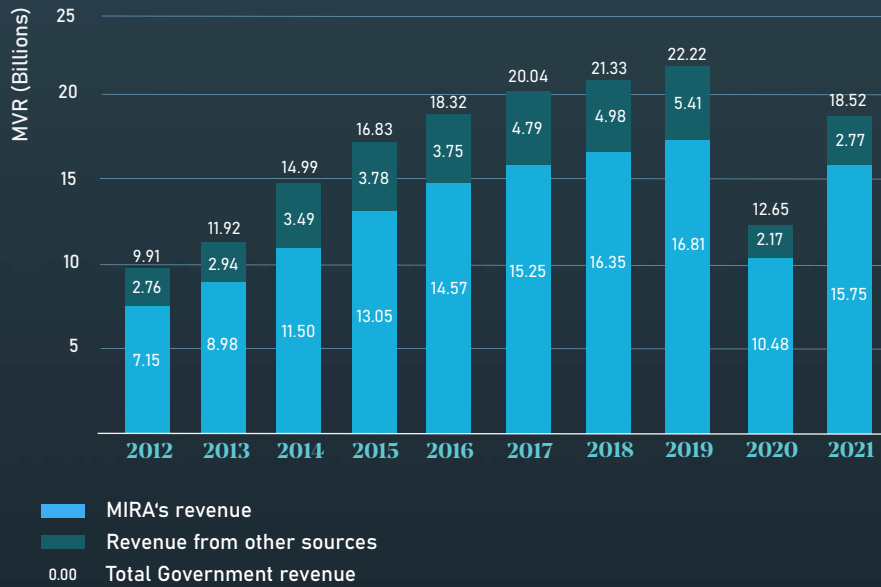
During the year 2020, to facilitate taxpayers who were negatively impacted due to the Covid-19 pandemic, Tourism Land Rent deadlines for the 2nd and 3rd quarters of 2020 were deferred to 2021. During 2021, timely rent payments from taxpayers for periods of 2021, along with the dues of past deadlines were received. As a result, a considerable increment in non-tax revenue was observed in 2021.

### Total Revenue Collection 2012 -2021



### MIRA's revenue share in total government revenue

MIRA collected 85.1% of the government's revenue in 2021.



## 5.2 USD Collection

Total USD collection 2021

USD **626.24** million

Equivalent to

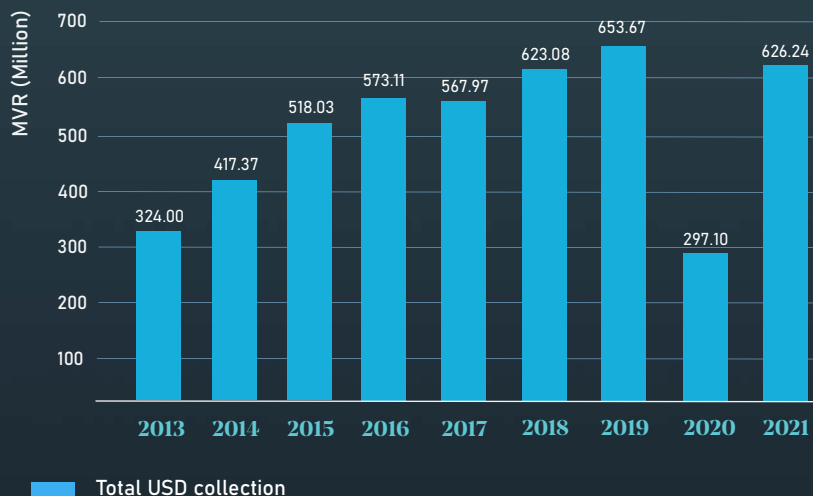
**MVR 9.60 Billion**

**60.9%**

of the total revenue was  
collected in USD

↑ **110.8%** compared to 2020

\* With the gradual recovery of the economy and increasing activity in the tourism sector, timely rent payments from taxpayers for period of 2021, along with the dues of past deadlines, were received. As a result, a considerable increment of 110.8% was observed in USD revenue collection for the year 2021.



## 5.3 Tax Revenues

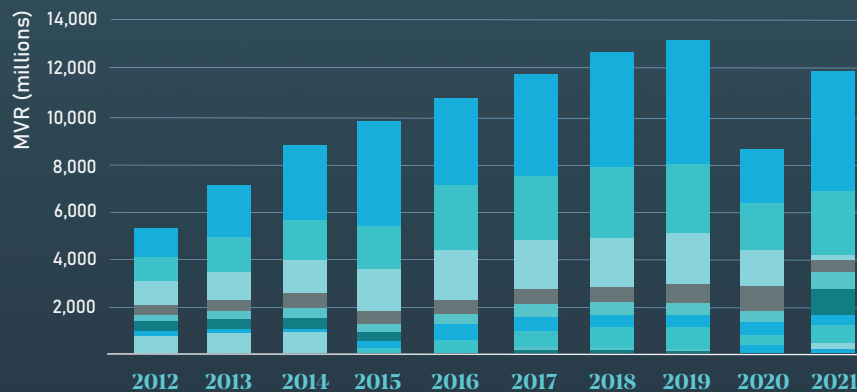
Tax revenue collection 2021

MVR **11.29** billion

↑ **38.4%** increment compared to 2020



The highest contributors to tax revenue in 2021 were TGST and Income Tax.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TGST	1,566.4	2,451.1	3,027.1	4,146.8	3,964.9	4,182.3	4,783.3	4,903.6	2,220.4	5,249.5
GGST	1,005.7	1,203.5	1,515.1	1,906.1	2,312.0	2,668.5	2,906.7	2,845.1	2,086.6	2,580.6
BPT	1,157.2	1,586.7	2,075.2	2,248.7	2,211.0	2,105.5	2,077.4	2,210.9	1,857.1	105.06
Bank Income Tax	313.2	355.0	482.2	512.7	491.7	649.9	564.1	614.0	953.70	675.07
Non-resident Withholding Tax	244.0	295.1	400.2	427.8	531.0	570.5	632.9	688.4	390.87	782.23
Income Tax (Companies & Non-individuals)	-	-	-	-	-	-	-	-	370.46	1,019.3
Airport Service Charge	299.9	350.2	432.0	496.7	537.5	707.8	643.3	731.1	283.34	473.43
Green Tax	-	-	-	45.5	633.5	693.8	810.5	851.2	351.99	802.12
Employee Withholding Tax	-	-	-	-	-	-	-	-	42.12	122.41
Income Tax (Individuals)	-	-	-	-	-	-	-	-	41.01	96.78
Remittance Tax	-	-	-	-	14.6	114.2	101.8	102.5	8.97	0.10
Land Sales Tax	16.6	20.7	28.5	29.1	23.1	93.8	39.4	25.6	1.06	0.04
Transport Operator Income Tax	-	-	-	-	-	-	-	-	0.03	9.45
Revenue Stamp	39.9	32.9	38.1	37.6	43.3	44.3	47.6	17.6	3.53	2.32
Tourism Tax	802.9	860.1	804.7	0.6	0.2	0.0	0.0	-	-	-

### 5.3.1 - Comparison of tax revenues against previous year

<b>Tax Revenue</b>	<b>2020 (MVR million)</b>	<b>2021 (MVR million)</b>	<b>2020 v. 2021</b>	<b>Reason for increment/decrement</b>
Airport Service Charge	283.34	473.43	+67.1%	Airport Service Charge increased as the foreign departures for 2021 increased by 72%, when compared to 2020.
Bank Income Tax	953.70	675.07	-29.2%	<p>With the enactment of Income Tax Act, banks are required to pay Interim Payments in a similar manner to that of companies. In 2020, Banks paid both Income Tax and Bank Profit Tax which led to the increment in collection in 2020, as banks paid their first interim payment in 2020.</p> <p>Banks paid two interim payments and one final payment in 2021. Therefore, the decrement in 2021 is due to the changes made to the Bank Income Tax payment policies.</p>
Business Profit Tax	1,764.38	97.32	-94.5%	As taxation commenced under the Income Tax Act on 1 January 2020, Business Profit Tax Act was repealed. In 2021, only arrears from previous periods were collected.
Withholding Tax	92.70	7.74	-91.6%	As taxation commenced under the Income Tax Act on 1 January 2020, Withholding Tax collection under the Business Profit Tax Act was repealed. From January 2020 onwards, Non-Resident Withholding Tax is collected under the Income Tax Act. In 2021, only arrears from previous periods were collected.
Income Tax – Companies and Non-Individuals	370.46	1,019.37	+175.2%	In 2020, collection under this tax was first interim payment of 2020. However, in 2021, second interim payment of 2020, final payment of 2020 along with the first interim payment of 2021 was collected which resulted in this significant increment.

<b>Tax Revenue</b>	<b>2020 (MVR million)</b>	<b>2021 (MVR million)</b>	<b>2020 v. 2021</b>	<b>Reason for increment/decrement</b>
Income Tax – Companies and Non-Individuals	41.01	96.78	+136.0%	In 2020, collection under this tax was first interim payment of 2020 only. In 2021, second interim payment of 2020, final payment of 2020 along with the first interim payment of 2021 was collected which resulted in this significant increment.
Employee Withholding Tax	42.12	122.41	+190.6%	Remuneration received by employees is subject to Employee Withholding Tax as of April 2020, under income bracket and rates specified in the Income Tax Act. Due to the lockdown initiated in 2020 and the interruption of tourism and related activities in the sector led to decrement in EWT collection compared to initial projections. After the re-opening of borders and gradual recovery of the economy, Employee Withholding Tax withheld from tourism sector had grown considerably which led to the increment of revenue in 2021, compared to 2020.
Non-resident Withholding Tax	390.87	782.23	+100.1%	A significant portion the Non-resident Withholding Tax is derived from the activities under Tourism sector. Due to the impact of Covid-19 pandemic, Withholding Tax receipts from Tourism Sector has declined in 2020. The rebound of the Tourism sector in 2021 has led to a surge in collection of Non-Resident Withholding Tax.
Green Tax	351.99	802.12	+127.9%	Green Tax is payable at rate of USD 6 from tourists staying at tourist resorts, hotels and vessels, and at the rate of USD 3 from those staying at tourist guesthouses. Total amount of Green Tax collected increased when compared to 2020. In 2021, with the increment in tourist arrivals, taxable bednights reported also increased by 2.4 times compared to 2020, which resulted in the increment in collection of Green tax in 2021.

<b>Tax Revenue</b>	<b>2020 (MVR million)</b>	<b>2021 (MVR million)</b>	<b>2020 v. 2021</b>	<b>Reason for increment/decrement</b>
General GST	2,086.58	2,580.55	+23.7%	Due to the negative impact of Covid-19 pandemic on the economy of the Maldives and on the businesses, GST collected in 2020 decreased considerably. With the gradual recovery of economy in 2021, collection of GST has increased comparatively.
TGST	2,220.38	5,249.59	+136.4%	As borders were closed as a preventative measure against Covid-19, collection of TGST decreased significantly in 2020. However, the re-opening of borders and the rebound of tourism sector has led to a remarkable increment in sales reported by resorts in 2021, leading to this increase in TGST.
Land Sales Tax	1.06	0.04	-96.5%	As of 1 January 2020, with the implementation of the Income Tax Act, Land Sales Tax was abolished. In 2021, only arrears from previous periods were collected.
Remittance Tax	8.97	0.10	-98.9%	As of 1 January 2020, with the implementation of the Income Tax Act, Remittance Tax was abolished. In 2021, only arrears from previous periods were collected.
Revenue Stamp	3.53	2.32	-34.2%	Pursuant to the amendments to the Export Import Act in 2019, and changes to the method of payment of Revenue Stamps, led to the decrease in revenue collected from Revenue Stamps.

### 5.3.2 - Comparison of tax revenues against projection

Revenue	Projection (MVR million)	Collection (MVR million)	Compared to projection	Reason for increment/decrement against projection
Airport Service Charge	379.98	473.43	+24.6%	In 2021, with the increment in tourist arrivals and foreign departures, actual collection of Airport Service Charge exceeded the projection.
Bank Income Tax	653.67	675.07	+3.3%	Due to the consequences of the economic impact of the Covid-19 pandemic, estimated Bank Income Tax for 2021 was MVR 653.67 million. With the gradual recovery of economy, actual collection exceeded projection by 3.3%.
Income Tax – Companies and non-individuals	1,026.23	1,019.37	-0.7%	There is a decrement of MVR 14.34 million in collection of Income Tax from companies and non-individuals when compared with the projection. As at the end of 2021, MVR 92.39 million is due to be received from 1,824 taxpayers.
Non-resident Withholding Tax	585.76	782.33	+33.5%	Activities in the tourism sector improved considerably which led to the increment of revenue against projection.
Income Tax-Individuals	44.39	96.78	+118.0%	Pursuant to the Income Tax Act, individuals pay tax on their income at progressive rates between 0% and 15%, based on their income brackets. An increment of revenue by 2 times the projection for 2021 is observed in 2021.
Employee Withholding Tax	69.02	122.41	+77.4%	Due to the impact of Covid-19 pandemic and the decline in tourism activities, the salaries reported to MIRA in 2020 were lower. However, the rebound of the tourism sector and employees getting back their initial remunerations, led to the increment in collection compared to the projection.
Green Tax	613.55	802.12	+30.7%	The number of taxable bednights increased as a result of the increase in tourist arrivals, leading to an increment in collection in comparison to the estimated amount.

Revenue	Projection (MVR million)	Collection (MVR million)	Compared to projection	Reason for increment/decrement against projection
GGST	2,337.76	2,580.55	+10.4%	With the re-opening of borders, revenue reported and GGST reported by the wholesale and retail sector has increased compared to the projection. Also, as taxpayers were facilitated via leniencies such as installment payment options and fine relief, the collection was higher than the projection.
TGST	3,014.79	5,249.59	+74.1%	In 2021, resorts with the highest market-share had reported a significant increase in their sales. Though the tourist arrivals had not reached the pre-pandemic level, with the higher daily rate reported, the collection was higher than what was initially projected.

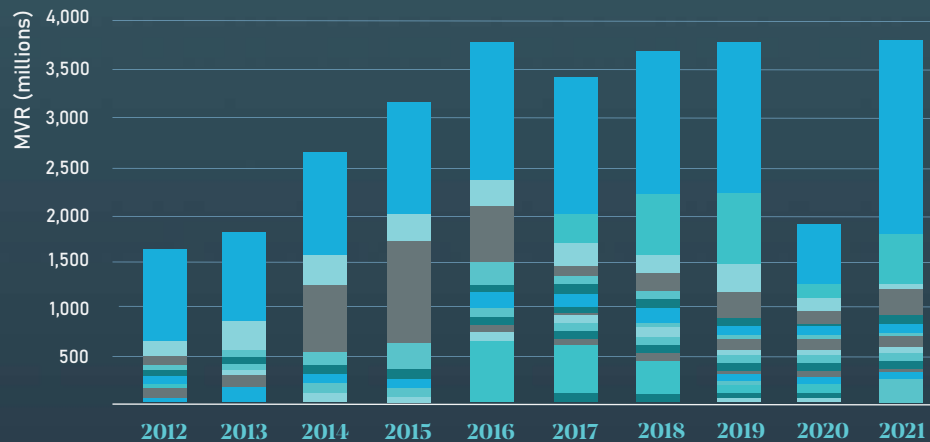
## 5.3 Non-Tax Revenues

### Non-Tax revenue collection 2021

MVR **3.83** billion



The highest contributor to non-tax revenue in 2021 is Tourism Land Rent.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
● Tourism Land Rent	1,049.84	1,068.82	1,156.22	1,197.55	1,449.68	1,401.64	1,532.77	1,646.55	702.97	2,072.27
● Airport Development Fee	-	-	-	-	-	328.47	647.01	733.70	285.89	483.01
● Residential Permit	171.86	177.78	227.54	248.73	262.21	263.25	304.37	319.38	243.55	50.16
● Lease Period Extension	168.71	-	789.36	1,096.36	569.10	117.41	76.70	306.80	153.50	230.20
● Fines	51.54	54.80	116.05	257.57	270.27	195.63	226.47	197.45	127.71	181.47
● Vehicle Fee	45.91	49.70	52.19	62.25	75.70	83.80	92.38	107.44	102.96	112.96
● Non-tourism Property Income	89.59	95.18	107.99	109.41	131.24	145.15	142.12	131.08	67.76	109.69
● Zakat Al-mal	-	-	-	-	35.90	63.34	66.57	71.35	60.81	91.39
● Business Permits	28.60	27.71	28.17	32.21	32.63	41.21	47.13	46.90	38.25	50.79
● Royalties	76.48	101.47	89.11	78.57	74.14	77.08	76.46	90.23	25.94	45.72
● Vessel Fee	6.44	6.24	6.70	7.05	20.48	28.43	26.64	27.33	25.05	26.42
● Corporate Social Responsibility Fee	-	-	-	-	-	12.97	7.68	43.98	21.57	6.23
● Proceeds from Sale of Assets	17.56	245.42	6.60	6.90	13.06	27.52	41.93	18.08	9.14	12.07
● Land Acquisition and Conversion Fee	-	-	114.13	106.06	866.69	543.51	322.07	34.82	3.93	28.48
● Ownership Transfer Tax	-	-	-	-	-	2.46	0.38	5.14	-	6.51
● Construction Period Extension Fee	-	-	-	-	-	65.34	105.20	33.81	-	-
● Tourism Administration Fee	-	-	-	-	-	16.87	21.48	6.14	-	-
● Work Permit Fee	-	-	-	-	-	-	-	-	3.53	-
● Others	-	0.03	0.28	0.08	1.87	6.04	6.48	3.71	0.77	2.23

### 5.4.1 - Comparison of non-tax revenues against previous year

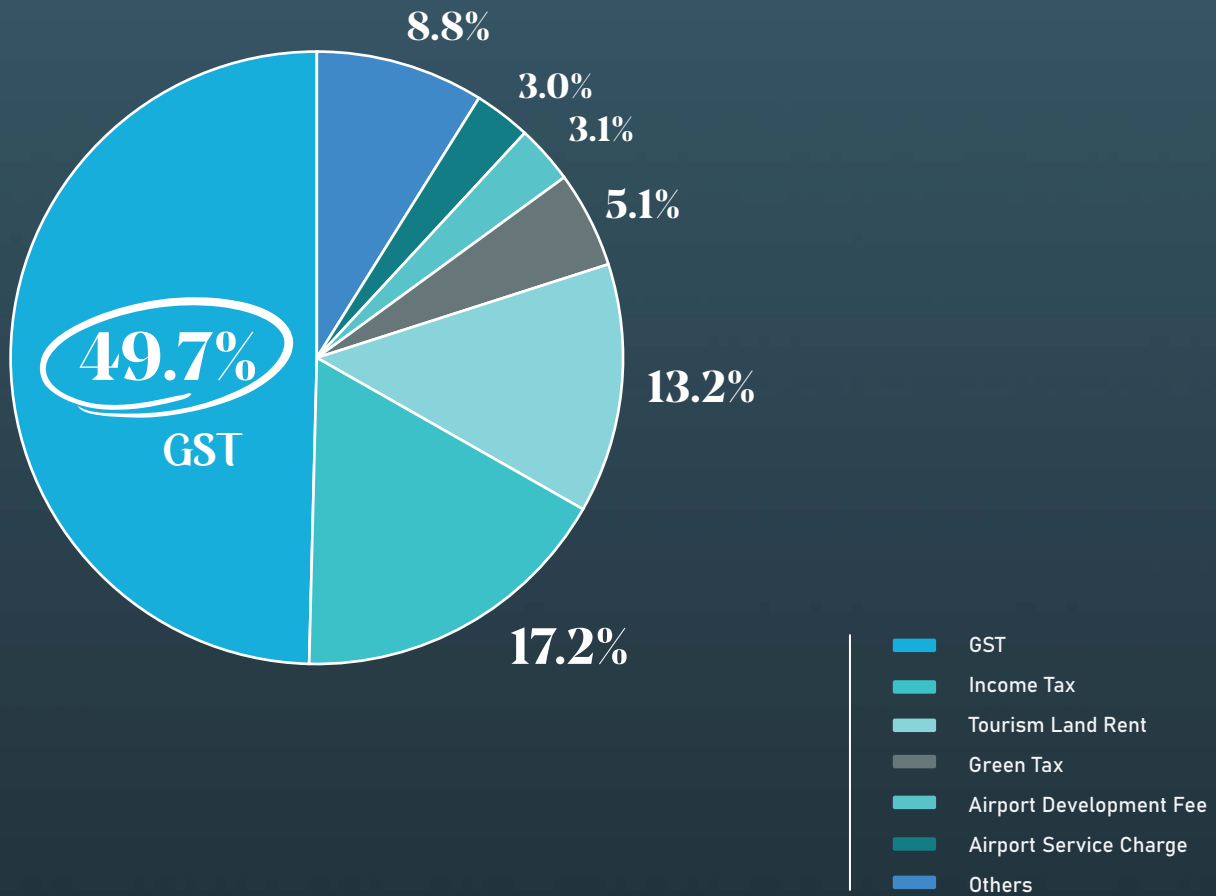
Tax Revenue	2020 (MVR million)	2021 (MVR million)	2020 v. 2021	Reason for increment/decrement
Airport Development Fee	285.89	483.01	+69.0%	The increase in foreign departures by 72% during 2021 led to the increment against last year's collection.
Corporate Social Responsibility Fee	21.57	6.23	-71.1%	In 2019, regulation was amended to pay Corporate Social Responsibility to extend the construction period of developing establishments. Corporate Social Responsibility Fee collected in 2021 were fees paid to extend the construction of developing establishments and deferred payments of past deadlines.
Land Acquisition and Conversion Fee	3.93	28.48	+623.9%	In 2020, only the dues of past deadlines were collected. However, in 2021, revenue increased considerably as additional lands were leased out.
Lease Period Extension Fee	153.50	230.20	+50.0%	Compared to 2020, the number of resorts which paid the Lease Period Extension Fee to extend the lease period for 99 years has increased. In 2021, Lease Period Extension Fee for 99 years were paid by 3 resorts, while in 2020 2 resorts paid to extend their lease period for 99 years.
Royalties	25.94	45.72	+76.3%	With the re-opening of borders and resuming the operations of airports, royalty paid by duty-free shops increased significantly in comparison to 2020.
Tourism Land Rent	702.97	2,072.27	+194.8%	To alleviate taxpayer burdens due to the impact of the Covid-19 pandemic, Tourism Land Rent deadlines for the 2nd and 3rd quarters of 2020 were deferred to 2021. The receipt of timely rent payments as per the schedule for 2021, along with the receipt of deferred rent from 2020, has collectively led to the increase in revenue compared to 2020.

## 5.4.1 - Comparison of non-tax revenues against previous year

Revenue	Projection (MVR million)	Collection (MVR million)	Compared to projection	Reason for increment/decrement in revenue compared to projection
Airport Development Fee	381.33	483.01	+26.7%	With the increase in tourist arrivals and the increase in foreign departures compared to the projection, the receipt of Airport Development Fee was higher than projection.
Tourism Land Rent	1,987.15	2,072.27	+4.3%	With the receipt of timely rent payments as per the schedule, along with the receipt of deferred rent from 2020, collection was higher than projection.
Land Acquisition and Conversion Fee	6.62	28.48	+329.9%	In 2021, new islands were leased, which led the revenue to increase considerably compared to projection.

## 5.5 Top revenue contributors

\* The top 6 revenue contributors for 2021 are GST, Income Tax, Tourism Land Rent, Green Tax, Airport Development Fee and Airport Service Charge.



## 5.5.1 - Goods and Services Tax

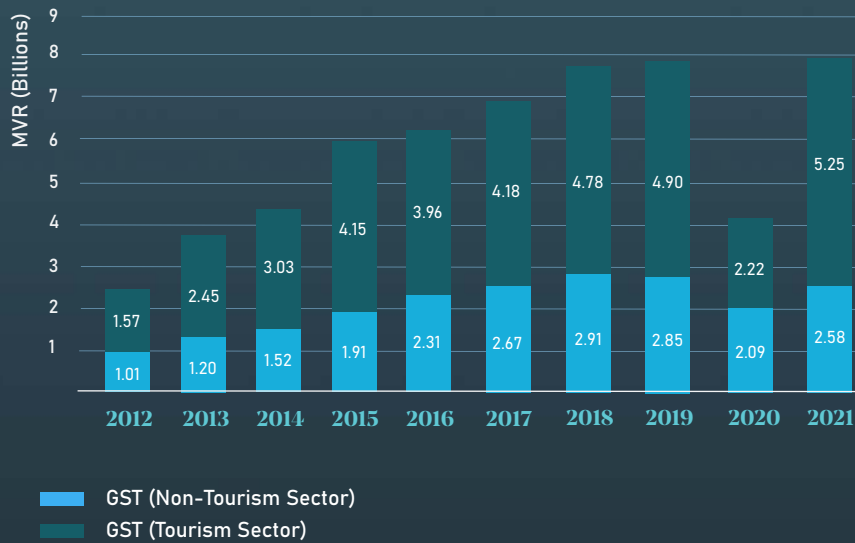
Total GST revenue 2021

MVR **7.83** Billion

↑ **81.8%** increment compared to 2020

↑ **46.3%** increment compared to the projection

Total GST collection 2012 to 2021



\* GST is levied at the rate of 12% from the tourism sector and at 6% from all other sectors.

GST share from tourism sector is 67.0% while all other sectors contributed 33.0% to the total GST revenue.

Tourism Sector GST

Total TGST collection in 2021

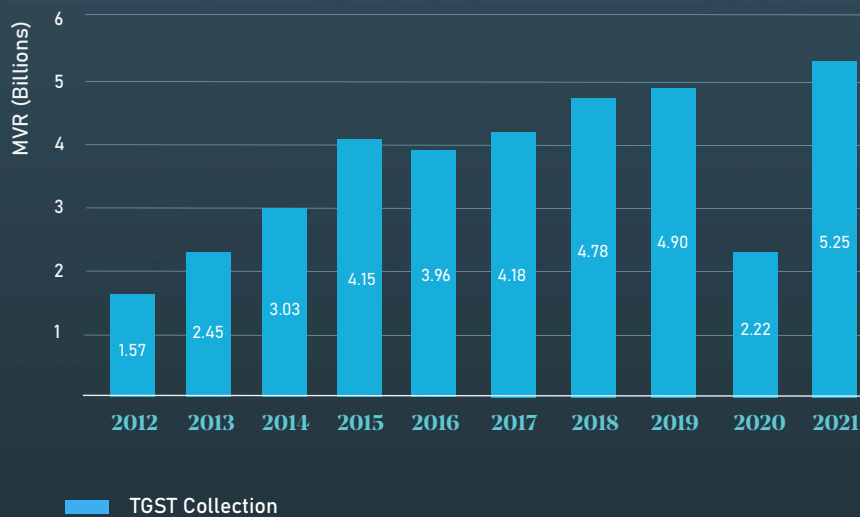
MVR **5.25** Billion

Equivalent to USD **342.43** million

↑ **136.4%** increment compared to 2020

↑ **74.1%** increment compared to the projection

TGST collection from 2012 to 2021



\* The Maldivian economy is primarily based on tourism and tourism-related sectors, which consequently generate the highest tax revenues. As a preventive measure against Covid-19 pandemic, Maldives borders were closed and issuance of on-arrival tourist visas were halted in 2020, which led to a steep decline in tourism sector and a significant decline in revenue collected from the sector. However, since the re-opening of resorts and with the gradual recovery of the economy, an increment of 136.4% was observed in TGST collection when compared to 2020.

## TGST Liability reported via TGST returns for 2020 and 2021

Category	2020	2021	+/-
Tourist resort	1,998,055,191	4,617,861,971	+131.1%
Water sports facility	12,100,757	24,959,937	+106.3%
Other Facility	8,876,438	16,863,871	+90.0%
Tour operator	22,353,806	52,720,495	+135.8%
Foreign tourist vessel's agent	4,468,053	14,022,900	+213.8%
Domestic air transport	163,891,788	313,952,006	+91.6%
Tourist hotel	32,532,442	71,880,991	+121.0%
Tourist guest house	42,917,211	49,486,928	+15.3%
Tourist vessel	30,267,937	41,958,990	++38.6%
Diving School	37,169,924	83,908,447	+125.7%
Shops	10,161,759	22,693,130	+123.3%
Spa	8,577,773	21,543,531	+151.2%
<b>Net TGST Liability reported</b>	<b>2,371,373,079</b>	<b>5,331,853,195</b>	<b>+124.8%</b>

Deadlines in 2020: December 2019 to November 2020 and 19Q4 to 20Q3

Deadlines in 2021: December 2020 to November 2021 and 20Q4 to 21Q3

\*Amount reported in USD converted to MVR at the rate of 15.35

## General Sector GST

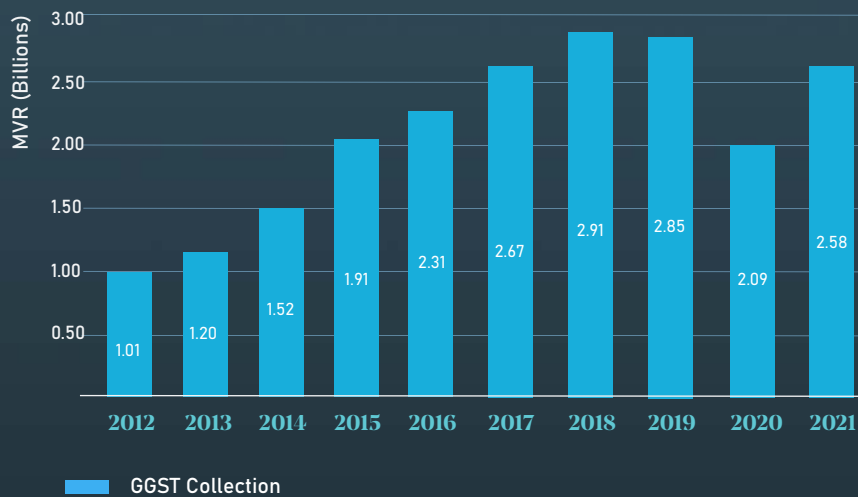
### Total GGST collection in 2021

MVR **2.58** Billion

↑ **23.7%** increment compared to 2020

↑ **10.4%** increment compared to the projection

### GGST collection from 2012 to 2021



\* In sectors other than the tourism sector, GST is charged at the rate of 6%. In the collection of 2021, an increment of 23.7% in GGST revenue was observed in comparison to 2020. The industries that were most adversely impacted due to the Covid-19 pandemic, other than the tourism sector, are wholesale and retail trade, construction and transportation sectors. With the gradual recovery of the economy, an increment of 23.7% was observed in GGST collection when compared to the previous year.

## GGST Liability reported via GGST returns for 2020 and 2021

The table below shows the GGST amount reported by different categories in 2021. Reported amount is different from collection amount.

Industry	Tax reported in 2020 (MVR)	Tax reported in 2021 (MVR)	+/-
Agriculture, forestry and fishing	10,346,175	10,598,337	+2.4%
Manufacturing	47,509,776	43,876,340	-7.6%
Electricity, gas, steam and air conditioning supply	9,134,876	9,956,144	+9.0%
Water supply, sewerage, waste management and remediation activities	10,292,300	18,393,677	+78.7%
Construction	475,704,941	429,366,256	-9.7%
Wholesale and retail trade, repair of motor vehicles and motor cycles	1,212,113,407	1,519,128,768	+25.3%
Transportation and storage	68,466,526	118,010,865	+72.4%
Accommodation and food service	74,911,241	88,507,540	+18.1%
Information and communication	132,731,027	140,129,182	+5.6%
Financial and insurance activities	1,546,393	1,612,256	+4.3%
Real estate activities	4,483,912	6,236,546	+39.1%
Professional, scientific and technical activities	45,220,520	39,481,191	-12.7%
Administrative and support service activities	58,336,499	47,944,604	-17.8%
Public administration and defense, compulsory social security	56,168	154,166	+174.5%
Education	2,032,900	1,874,382	-7.8%
Human health and social work activities	1,621,588	1,979,826	+22.1%
Arts, entertainment and recreation	4,355,025	5,545,993	+27.3%
Other service activities	77,372,131	82,439,585	+6.5%
Activities of households	58,992	41,828	-29.1%
<b>Total reported GGST</b>	<b>2,236,294,397</b>	<b>2,565,277,487</b>	<b>14.7%</b>

Deadlines in 2020: December 2019 to November 2020 and 19Q4 to 20Q3

Deadlines in 2021: December 2020 to November 2021 and 20Q4 to 21Q

## 5.5.2 - Income Tax

**Income Tax is levied under the Income Tax Act (Law Number 25/2019). Taxation under the Act commenced on 1 January 2020. Pursuant to the Act, taxation on remuneration commenced on 1 April 2020.**

The table below shows the collection under the Income Tax Act for the year 2021.

<b>Income Tax – Companies and non-individuals</b>	<b>MVR 1.02 billion</b>
<b>Non-Resident Withholding Tax</b>	<b>MVR 782.23 million</b>
<b>Bank Income Tax</b>	<b>MVR 675.07 million</b>
<b>Employee Withholding Tax</b>	<b>MVR 122.41million</b>
<b>Income Tax – Individuals</b>	<b>MVR 96.78 million</b>
<b>Transport Operator Income Tax</b>	<b>MVR 9.45 million</b>

Distribution of Income Tax collection

<b>Income Tax – Companies and non-individuals</b>	<b>37.7%</b>
<b>Non-Resident Withholding Tax</b>	<b>28.9%</b>
<b>Bank Income Tax</b>	<b>25.0%</b>
<b>Employee Withholding Tax</b>	<b>4.5%</b>
<b>Income Tax – Individuals</b>	<b>3.6%</b>
<b>Transport Operator Income Tax</b>	<b>0.3%</b>

## Income Tax – Companies and non-individuals

Companies and non-individuals (except banks) have to pay Income Tax at the rate of 15% of the taxable income of that exceed MVR 500,000 per year. In 2021, Income Tax received from companies and non-individuals was MVR 1.01 billion which is an increment of almost 3 times the collection of 2020. During 2021, such entities had to pay the Income Tax Second Interim and Final Payment for 2020 and First Interim payment for 2021. Since the Income Tax Act was enacted in year 2020, only the first interim payment for tax year 2020 was collected during 2020.

Reported Interim Payments  
Companies and non-individuals

<b>Second Interim payment of 2020</b>	<b>In MVR</b>
<b>Total Interim Due</b>	<b>518,582,885</b>
<b>Interim payment payable after deduction of EWT and NWT deducted by payer and BPT/Income Tax paid in excess to date</b>	<b>426,675,219</b>
<b>Total number of taxpayers</b>	<b>1,009</b>
<b>Final payment of 2020</b>	
<b>Total tax payable for the year</b>	<b>1,056,375,986</b>
<b>Total number of taxpayers</b>	<b>7,776</b>
<b>First Interim payment of 2021</b>	
<b>Total Interim Due</b>	<b>505,512,233</b>
<b>Interim payment payable after deduction of EWT and NWT deducted by payer and BPT/Income Tax excess paid to date</b>	<b>362,230,279</b>
<b>Total number of taxpayers</b>	<b>794</b>

## Non-Resident Withholding Tax

### Total Non-Resident Withholding Tax collection in 2021

MVR **779.09** Million

↑ **23.7%** increment compared to 2020

#### Reported Non-Resident Withholding Tax

The below table contains details of reported Non-Resident Withholding Tax in 2021

Industry	Tax reported in 2020 (MVR)	Tax reported in 2021 (MVR)	+/-
Rent in relation to immovable property situated in the Maldives	15,785,522	36,543,140	+131.5%
Royalty	60,225,803	66,997,748	+11.2%
Interest	49,559,556	42,196,088	-14.9%
Dividends	41,065,541	87,037,170	+111.9%
Fees for technical services	226,957,365	325,087,112	+43.2%
Commissions paid for services provided in the Maldives	48,440,541	75,472,152	+55.8%
Payments for performances by public entertainers in the Maldives	4,211,594	6,931,806	+64.6%
Payments for carrying research and development in the Maldives	90,313	187,847	+108.0%
Payments to a contractor	91,926,896	76,423,578	-16.9%
Insurance premium paid	10,953,991	20,267,786	+85.0%
Re-insurance premium paid	16,792,836	11,061,276	-34.1%
Reported Total Withholding Tax	566,009,958	748,205,703	+32.2%
<b>Reported Total Withholding Tax</b>	<b>566,009,958</b>	<b>748,205,703</b>	<b>+32.2%</b>

Taxable period: January to December 2020 and January to December 2021

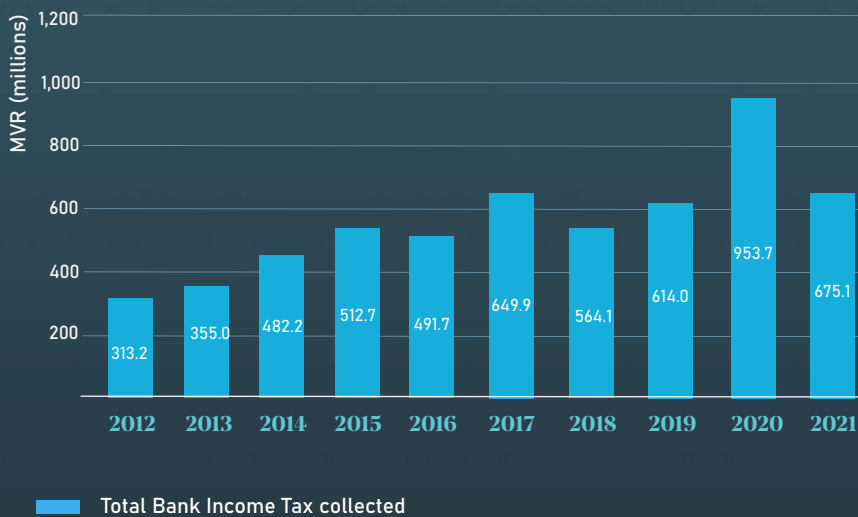
\*These are the amounts reported in tax returns, and is different from collected amount.

## Bank Income Tax

### Total Bank Income Tax collection in 2021

MVR **675.07** Million

↓ **29.2%** decrement compared to 2020



\* Pursuant to the Income Tax Act, commercial banks operating in the Maldives are liable to pay 25% of their taxable income per tax year. In 2021, MVR 675.07 million was collected as Bank Income Tax in 2021. This is a decrement of 29.2% compared to the collection of 2020. In 2021, commercial banks paid Second Interim payment and Final payment for the year 2020 and First Interim payment for 2021.

## Employee Withholding Tax

Total EWT collection in 2021

MVR **122.41** million

↑ **190.6%** increment compared to 2020

↑ **77.4%** increment compared to the projection

Pursuant to the Income Tax Act, if an individual receives an amount more than or equal to MVR 60,000 per month as remuneration, that income is subject to employee withholding tax. Income Tax on remuneration commenced on 1 April 2020. In 2021, MVR 122.47 million was collected as Employee Withholding Tax.

Employee Withholding Tax rates are as below.

Remuneration subject to Employee Withholding Tax (Monthly)	Tax rate
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%

The table below shows the details of Employee Withholding Tax reported from January to December 2021. This amount is different from the collection amount.

Tax Bracket	Remuneration subject to tax (MVR)	Tax payable (MVR)
Amount subjected to tax at 0%	4,648,540,283	0
Amount subjected to tax at 5.5%	1,599,740,140	18,752,355
Amount subjected to tax at 8%	988,558,815	36,584,806
Amount subjected to tax at 12%	427,468,167	22,761,406
Amount subjected to tax at 15%	692,330,628	67,106,492
<b>Total remuneration and tax payable</b>	<b>8,356,638,032</b>	<b>145,205,059</b>

## Income Tax – Individuals

## Total collection in 2021

MVR **96.78** million

In 2021, Second Interim payment and Final payment for the year 2020 and First Interim payment for 2021 was payable. Individuals have to pay Income Tax on their business income as well as all other forms of income they receive.

Income Tax rates for individuals are as below.

Annual Taxable Income (MVR)	Tax Rate
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%

Reported Second Interim payment and Final payment for the year 2020 and First Interim payment for 2021 via Interim Return

Second Interim payment of 2020	In MVR
Total Interim Due	47,609,928
Interim payment payable after deduction of EWT and NWT deducted by payer and BPT/Income Tax excess paid to date	38,438,713
Total number of taxpayers	717
Final payment of 2020	
Total Interim Payable	105,912,060
Total number of taxpayers	2,018
First Interim payment of 2021	
Total Interim Due	44,261,875
Interim payment payable after deduction of EWT and NWT deducted by payer and BPT/Income Tax excess paid to date	25,233,925
Total number of taxpayers	423

## Transport Operator Income Tax

Total collection in 2021

MVR **9.45** million

Pursuant to the Income Tax Act, income derived from the Maldives, by non-resident transport operators are subject to income tax. 2% of the gross amount of income in a tax year is to be paid in a tax year.

## 5.5.3 - Tourism Land Rent

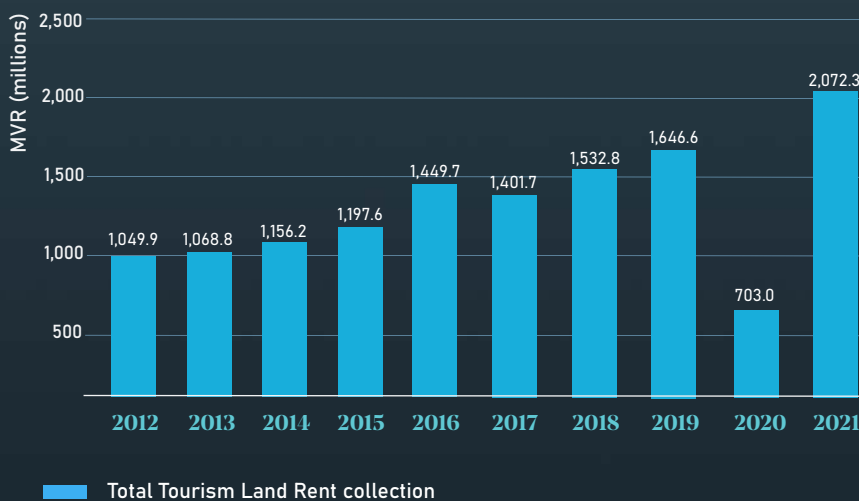
Total collection in 2021

MVR **2.07** billion Equivalent to USD  
**135.27** million

↑ **194.8%** increment compared to 2020

↑ **4.3%** increment compared to the projection

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



To alleviate the burden of taxpayer in the tourism sector due to the impact of Covid-19 pandemic, Tourism Land Rent deadlines for the 2nd and 3rd quarters of 2020 were deferred to 2021. During 2021, timely rent payments were received as per the schedule, along with the rent of the aforementioned quarters as per the deferred rent schedule, which led to the notable increment in revenue compared to 2020.

Tourism Land Rent Collection breakdown by Atoll

Tourism Land Rent increased by 194.8% compared to 2020.

Atoll	Tax Rate	Tax Rate
AA.	41,383,122	90,731,660
ADH.	56,096,750	150,238,882
B.	76,193,675	216,008,420
DH.	26,483,442	139,774,410
GA.	20,687,200	84,231,808
GDH.	9,465,434	38,181,333
HA.	20,834,634	23,455,972
HDH.	7,044,037	124,469
K.	222,356,086	684,956,587
L.	3,916,946	16,270,000
LH.	65,965,034	203,217,230
M.	13,405,000	7,918,784
N.	28,036,778	166,321,809
R.	72,839,938	177,176,016
S.	7,387,046	6,858,285
SH.	5,362,185	26,033,537
TH.	6,889,032	13,779,278
V.	18,628,380	26,986,788
<b>Grand Total</b>	<b>702,974,718</b>	<b>2,072,265,269</b>

## 5.5.4 - Green Tax

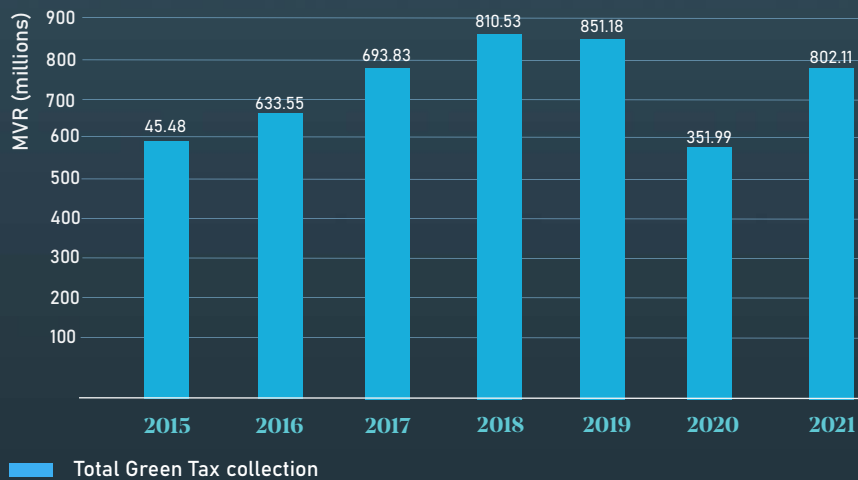
Total collection in 2021

MVR **5.25** Billion  
Equivalent to USD **52.35** million

↑ **127.9%** increment compared to 2020

↑ **30.7%** increment compared to the projection

Green Tax collection from 2015 to 2021



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 USD 6 per day of stay from tourist resorts, tourist hotels and tourist vessels, and USD 3 per day of stay from tourist guesthouses. Maldivians and resident permit holders are not required to pay Green Tax.

Collection includes dues recovered from preceding years and assessed tax collected after the audit and the timely payments received for the deadlines of 2021.

## Green Tax Collection by Categories

The table below shows the GGST amount reported by different categories in 2021. Reported amount is different from collection amount.

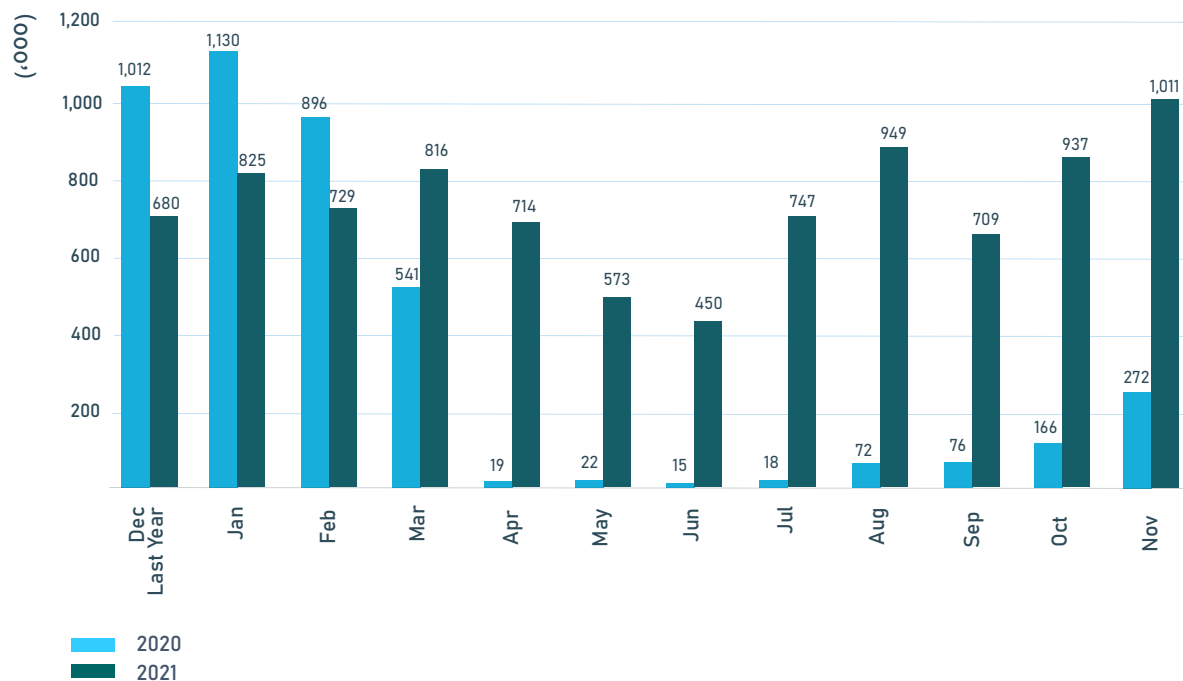
Green Tax collected from the categories are shown below.

<b>Resorts</b>	<b>94.0%</b>
<b>Guesthouses</b>	<b>2.6%</b>
<b>Domestic Tourist Vessels</b>	<b>1.8%</b>
<b>Hotels</b>	<b>1.7%</b>
<b>Foreign Tourist Vessels</b>	<b>0.5%</b>

## Bednights reported in 2021 and 2020

In the year 2021, Green Tax was reported for the periods from December 2020 to November 2021. Similarly, the taxable periods of 2020 are from December 2019 to November 2020.

The table below shows the bednights reported for 2021 and 2020. The bednights for 2021 has increased by 111% compared to 2020.



## 5.5.5 - Airport Development Fee

Total collection in 2021

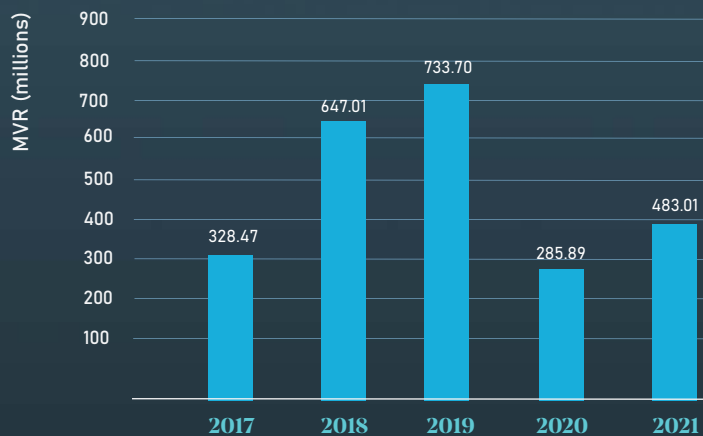
MVR **483.01** million

Equivalent to USD **31.32** million

↑ **69.0%** increment compared to 2020

↑ **26.7%** increment compared to the projection

Airport Development Fee collection from 2017 to 2021



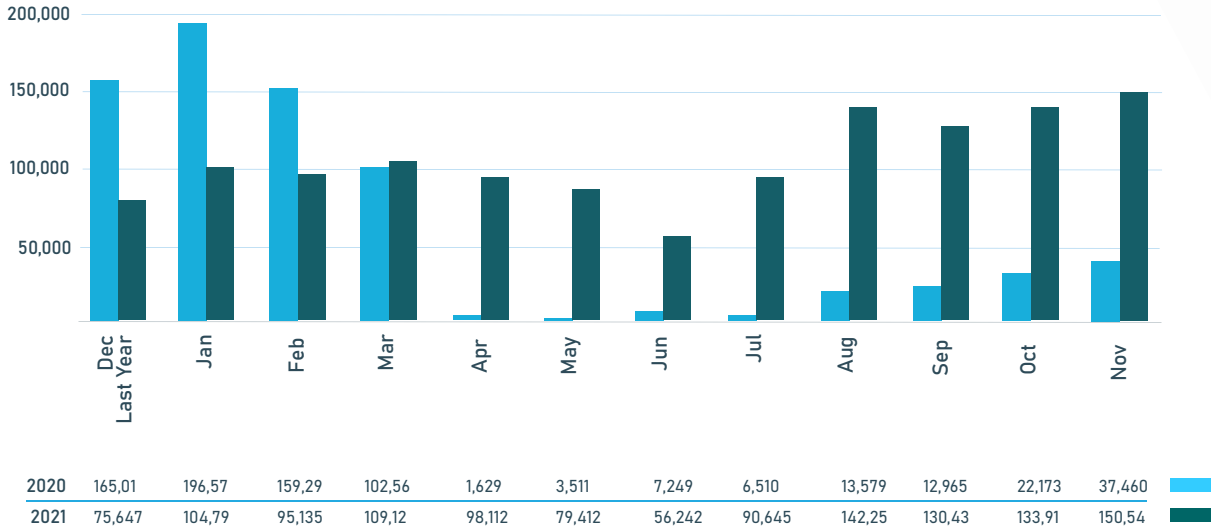
■ Total Airport Development Fee collection

Airport Development Fee, which commenced on 1 May 2017, pursuant to the Airport Taxes and Fees Act, is levied on passengers departing from Velana International Airport at the rate of USD 25 for foreign passengers and USD 12 from Maldivian passengers.

Due to the re-opening of borders and the increase in departures, there has been a sharp increment in revenue of Airport Development Fee, which is an increase by 69%, when compared against 2020.

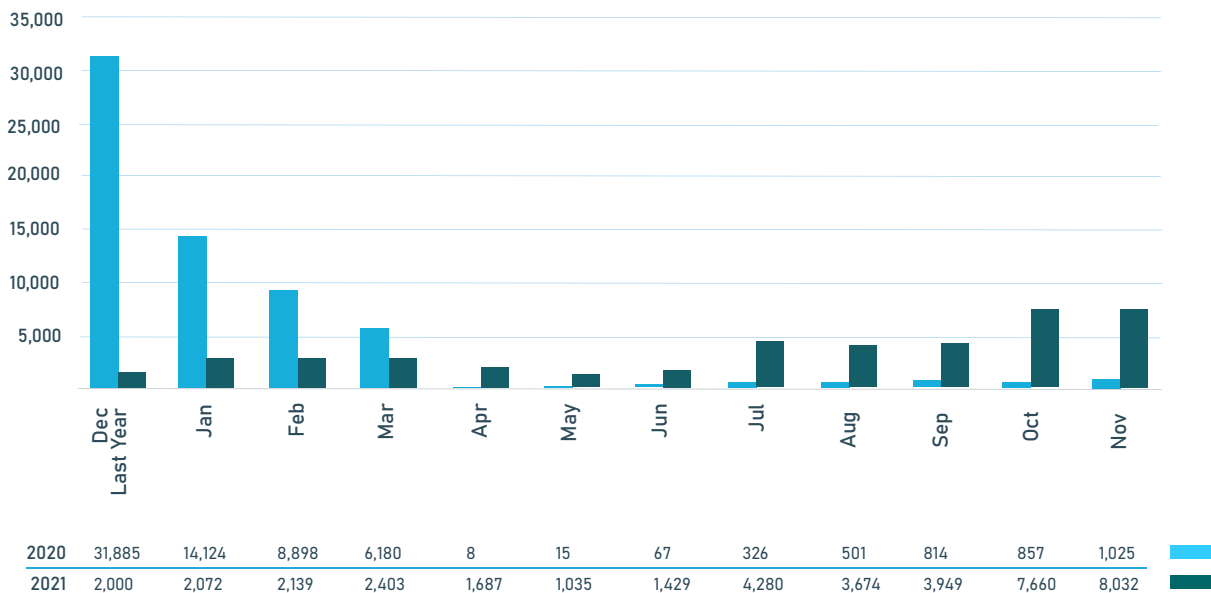
### Reported number of foreign passengers for the deadlines of 2020 and 2021

Compared to 2020, foreign departures subject to Airport Development Fee increased by 74%



### Reported number of local passengers for the deadlines of 2020 and 2021

Compared to 2020, Maldivian departures subject to Airport Development Fee fell by 38%.



## 5.5.6 - Airport Service Charge

Total collection in 2021

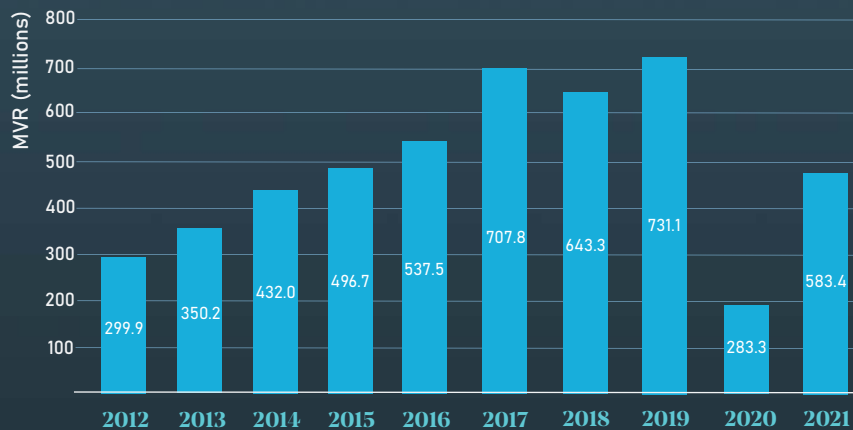
MVR **473.43** million

Equivalent to USD **30.88** million

↑ **67.1%** increment compared to 2020

↑ **24.6%** increment compared to the projection

Airport Service Charge collection from 2012 to 2021

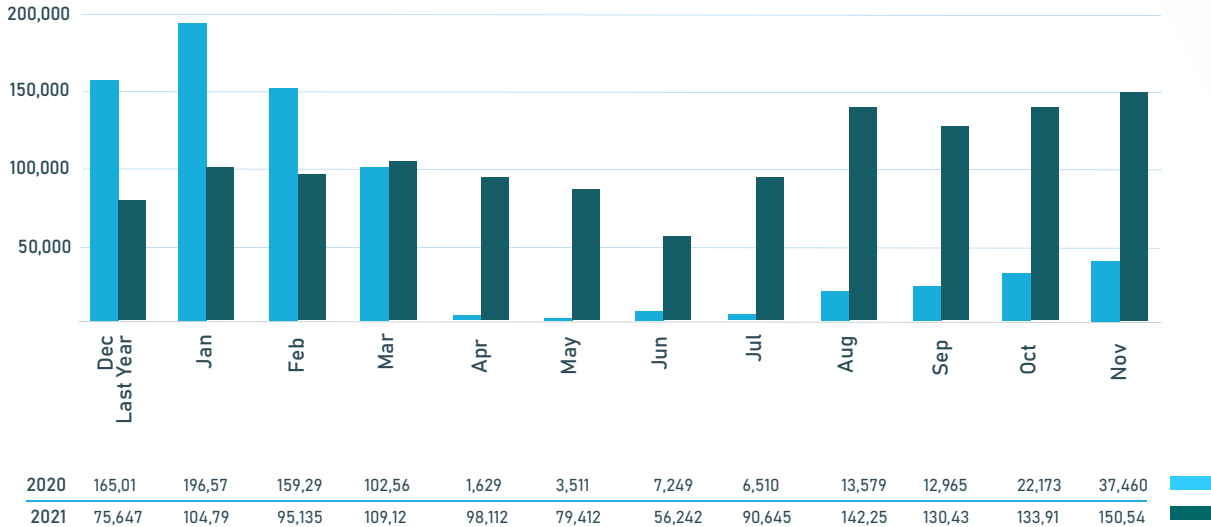


■ Total Airport Service Charge collection

Airport Service Charge is levied on passengers departing from from an airport in the Maldives, at a rate of USD 25 per foreign passenger and USD 12 per Maldivian passenger. Persons with diplomatic immunity, transit passengers and children under the age of 2 are exempt from Airport Service Charge. Airport Service Charge levied under the Airport Taxes and Fees Act (Law number 29/2016) has been repealed on 31 December 2021.

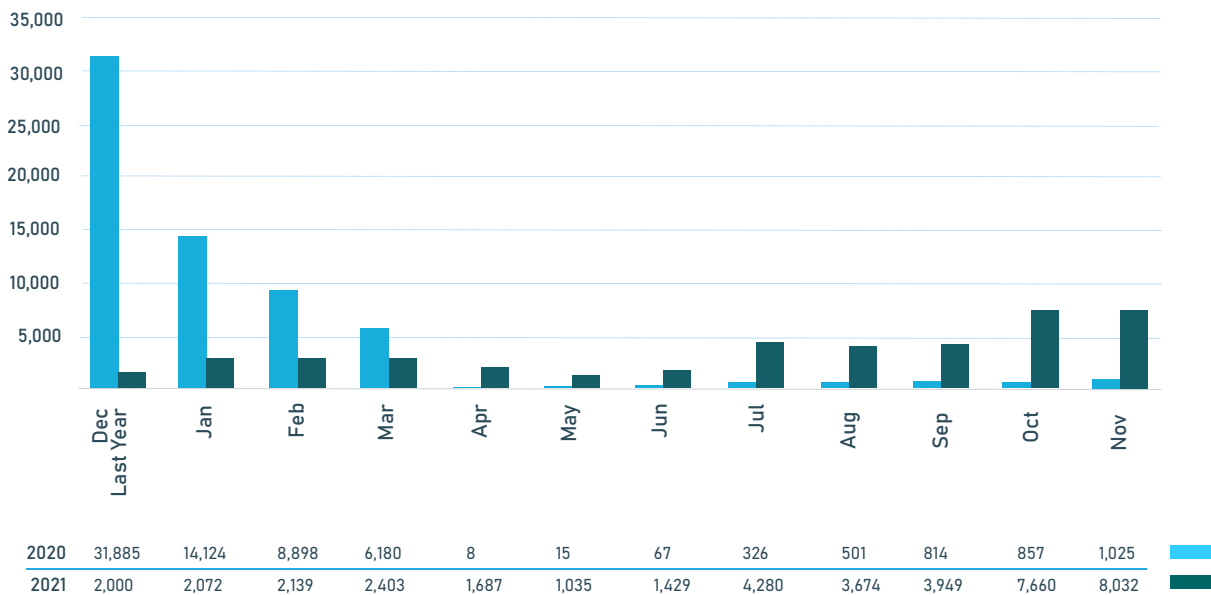
### Reported number of foreign passengers for the deadlines of 2020 and 2021

Compared to 2020, foreign departures subject to Airport Service Charge increased by 72%



### Reported number of local passengers for the deadlines of 2020 and 2021

Compared to 2020, Maldivian departures subject to Airport Service Charge fell by 40%.



# Activities carried out during the year

6

## 6.1 Activities carried out to improve tax administration

### Establishment of a Collection Centers in Atolls

To ensure ease and convenience of the taxpayers' in fulfilling their tax obligations, MIRA has gives importance to establishing collection centers and branch offices across different regions of the country. During the year 2021, 1 additional collection center was opened in ADh. Mahibadhoo. This brings the total number of MIRA offices to 19, which spans across 18 different atolls.



## 'Income Tax' information Sessions and Assistance Programs

Special information sessions on the Income Tax Act, under which taxation commenced in 2020, were conducted in 2021 as well. These sessions were opened for taxpayers and the general public. During the year 2021, a total of such 51 information sessions were held by MIRA.

In addition to this, a special program under the title of 'Income Tax Awareness Program' targeted at businesses, schools and persons earning all types of income, was carried out within the year, along with 'Income Tax Return Filing Assistance Program' targeted for small businesses to assist in Income Tax return filing.



## Registration Campaign

Taxpayer registration campaigns of 2020, conducted to assist and induct new taxpayers, continued until the end of 2021.

Under the Compliance Risk Management Plan, a registration campaign was conducted to assist persons who have not registered and are required to register in MIRA under tax laws and regulations. The registration process was made lenient for voluntary registrants, as they were given the option to register via email, by submitting the registration form along with required documents to the given email.

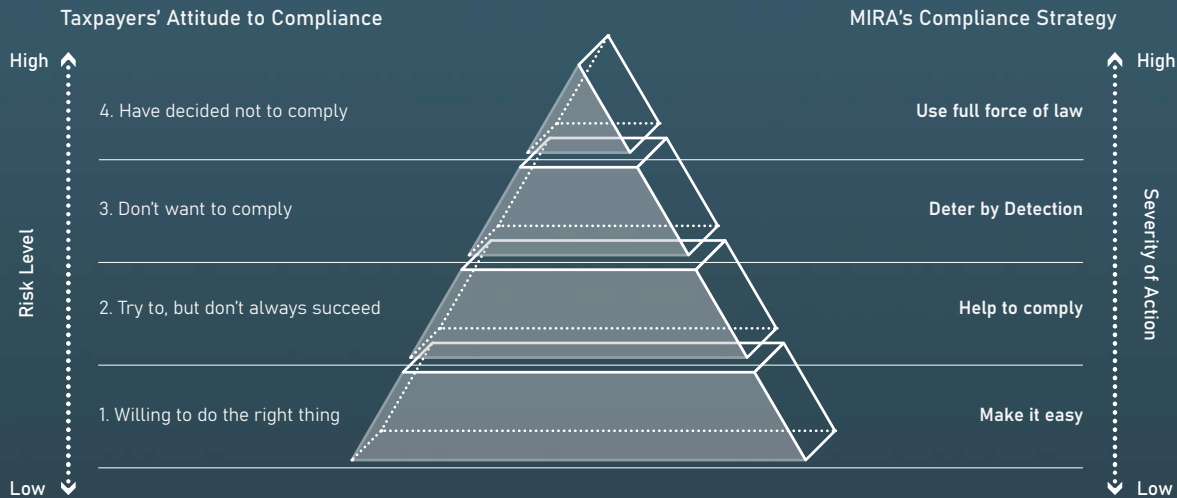
## Digital Stickers for Vehicle Annual Fee Payments

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MIRA facilitated digital sticker options for vehicle annual fee payments that were made online from 1st January 2021. This was also later extended to payments that were made to collection centers as well. Digital stickers are issued via email to the person making payment, however where requested, printed stickers are also issued from the counter. Furthermore, pursuant to Revenue Stamp Repeal Act in July 2021, Revenue Stamps were no longer issued from MIRA. Additionally, MIRA facilitated refunds for unused Revenue Stamps issued previously by MIRA, upon submission of MIRA 925 form.



## 6.2 MIRA's Compliance Risk Management Policy and Compliance Improvement Plan



Compliance Risk Management Policy published at the beginning of 2021 promotes voluntary compliance by facilitating convenient methods for taxpayers to fulfil their tax obligations and to deter non-compliance through regulated actions. To achieve this objective, a risk-based approach is applied through the Compliance Risk Management Framework, in which compliance risks are identified, assessed, differentiated and treated based on taxpayers' segment and their attitude to compliance.

The compliance model used in the framework identifies the differences in taxpayers' attitude to compliance, which is categorized into four levels and also provides the corresponding compliance strategy that best relates to each risk level. Gradually, the risk level of taxpayer attitude to compliance along the severity of compliance strategy increases at each level. Lowest tier of the compliance model/pyramid reflects the lowest risk level for taxpayers who are 'Willing to do the right thing', and is matched to compliance strategy which supports the respective taxpayer segment through simplified procedures, guides and e-services. The second tier on the pyramid is 'Try to, but don't always succeed'. Targeted facilitation, engagement and education efforts are part of the strategy to assist this tier. The third tier is 'Don't want to comply' category and the strategy to deal with this tier is deterring negative behavior through reviews and audits. The highest risk level, tier four, is 'Have decided not to comply'. The strategy for this tier is to use the full force of the law by the means of extensive audits, criminal investigations and arrears.

The Compliance Improvement Plan for 2021 published along with Compliance Risk Management recognizes the four key actions to improve tax compliance. The first action focuses on providing taxpayer facilitation and assistance in fulfilling income tax obligation, while the second action emphasizes on carrying out registration programs for targeted sectors. Moreover, third and fourth

actions include undertaking initiatives to mitigate the negative effects of COVID-19 on tax compliance and carrying out compliance interventions to treat risks of year 2018 and 2019, respectively. In addition, other compliance improvement activities such as simplifying the tax procedures, proposing amendments to tax laws to policymakers and introducing cash refund program are also highlighted in the plan.

## 6.3 Reviews of MIRA and the Maldivian Tax System

### International Reviews that MIRA took part in 2021

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In the continued effort to implement international tax standards in the Maldives, MIRA underwent two international reviews in the year 2021. These reviews pave the way to implement Exchange of Information on Request (EOIR) and Automatic Exchange of Information (AEOI) mechanisms. The main objective of these reviews is to identify the extent to which the domestic laws of Maldives allow for the exchange of information with foreign jurisdictions, and the confidentiality and security standards established within MIRA to ensure the confidentiality of information received.

The EOIR review was focused on the availability of information, access to information and exchange of information mechanisms. Accordingly, relevant government bodies and authorities provided support and collaborated with MIRA to provide required information for the EOIR review. In addition, the Confidentiality and Data Safeguards review looked at the level of security provided for information received by MIRA, the policies and procedures put in place to uphold the confidentiality of information received, the frequency at which SOPs are reviewed, and the measure of standards implemented by MIRA against international best practices.

### Exchange of Information on Request (EOIR) Review

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The EOIR review was conducted by the Peer Review Group (PRG) of the Global Forum. The Global Forum developed a handbook for peer reviews and published the Terms of Reference which provides a guideline against which the standards implemented by the country under review can be compared with the international tax transparency standards. The 3 elements this review was focused on includes:

1. Availability of legal ownership information, accounting information and banking information in the Maldives
2. Level of access MIRA has to the legal ownership information, accounting information and banking information held in the Maldives, and the rights and safeguards of taxpayers
3. Exchange of information mechanisms implemented

The Peer Review Group gives a rating based on the extent to which the 3 areas highlighted above are implemented. The 4 ratings include, “Non-Compliant”, “Partially Compliant”, “Largely Compliant” and “Compliant”. A rating will be given to each of the elements separately and an overall rating will be awarded to the Maldives based on the individual ratings. The result of this review will be published in the coming year.

## Confidentiality and Data Safeguards Review

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Automatic Exchange Information (AEOI) review provides for the exchange of financial account information between tax authorities under the Common Reporting Standards (CRS) and the exchange of information of Multi-National Enterprises under Country-by-Country Reporting (CbCR). As such, the Confidentiality and Data Safeguards review was focused on the level of security standards provided for information received by MIRA, the policies and procedures prepared and implemented to uphold confidentiality, the confidentiality trainings offered to staff and the extent to which the confidentiality standards have been implemented in MIRA. The exchange of information under Automatic Exchange of Information (AEOI) will be decided based on the result of this review.

In order to prepare for this review, MIRA staff were provided with training and awareness on the importance of maintaining confidentiality, internal policies of MIRA were reviewed with the assistance of the Global Forum and an Information Security Policy (ISP) has been developed.

## 6.4 Tax Regulations and Amendments

### Country-By-Country Reporting Regulation

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Country-By-Country Reporting Regulation was published on 20th January 2021. The regulation enables exchange of information related to Multinational Entities (MNEs) via 'Automatic Exchange of Information' between Maldives and other jurisdictions. This information will allow MIRA to tackle cases of tax evasion and identify taxpayers who under-report on their income. The main objective of this Regulation is to set forth the rules governing the submission of Country-by-Country Report (CbCR) to MIRA by multinational enterprises resident in the Maldives. The CbCR report includes information of the business operations and management of the group to which the enterprise belongs. Barring some very specific conditions, only the ultimate parent entities of multinational entities who are residents and who earn more than EUR 750 million are required to submit the report to MIRA under the regulation.

The regulation covers filing obligation of Country-by-Country Reports, notification of their 'identity' and 'tax residence' by any Constituent Entity of an MNE Group to MIRA and the content of Country-by-Country Report. Furthermore, the regulation also specifies the deadline for filing and penalties for failure to file.

### Fourth Amendment to the Tax Administration Regulation

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Fourth Amendment to Tax Administration Regulation was published on 15th March 2021. The amendment repealed Section 37, 'Matters that cannot be objected', and added 'Mutual Agreement Procedure' and 'Automatic Exchange of Information' as new Chapters, and 'Auditing', 'Information on beneficial ownership' and 'Amending tax rulings' as new sections.

In addition to that, the amendment revised the sections for 'Records to be maintained', 'Assessment by MIRA', 'Notice of Tax Assessment', 'Notice of objection' and 'Accepting payments in cheques'.

## **Advance Pricing Arrangement Regulation**

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The objective of this regulation is to establish policies and procedures for entering into an Advance Pricing Arrangement with regards to a transaction that a taxpayer intends to enter into with an associate.

The regulation details the process of applying for an Advance Pricing Agreement, specifying those who are eligible to apply, details pre-filing consultation and the Request for an Advance Pricing Agreement. In addition to that, the regulation lists the information required to be included in an Advance Pricing Agreement, the filing obligations under the regulation, followed by guidelines for revocation, revising and cancellation of an Advance Pricing Agreement. This regulation was published on 16th March 2021.

## **Second Amendment to the Income Tax Regulation**

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Second Amendment to Income Tax Regulation was published on 19th April 2021. The amendment repealed Section 97(c) of the regulation and added new sections which includes 'Lease payments under an operating lease', 'Borrowing costs capitalized', 'Change of election made under Section 28(a) of the Act', 'Commissioner General may require tax returns in certain cases' and 'Tax Avoidance'. In addition to that, the amendment revised 6 sections of the regulation.

## **Revenue Stamp Act Repeal Act**

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Published on 5th July 2021, the Act repealed the Revenue Stamp Act. Revenue Stamps are no longer required on documents submitted to MIRA, nor are stamps issued by MIRA from that date.

## **First Amendment to the Airport Taxes and Fees Act**

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First Amendment to the Airport Taxes and Fees Act was published on 11th July 2021. With this amendment, Departure Tax was introduced as of 1 January 2022, and Airport Service Charge was abolished. In addition to that, the amendment added 2 sections as 'Departure Tax' and 'Refund of taxes and fees collected in contravention of the law to the passengers' and revised 8 sections of the regulation.

## **First Amendment to the Income Tax Act**

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First amendment to the Income Tax Act was published on 20th July 2021. The amendment added 2 new sections, 'Special exemption from payment of tax' and 'Taxation of offshore indirect transfers'. In addition to that, the amendment added 15 subsections under 'Persons effected by this act', 'Tax rates for persons other than individuals and banks', 'Income derived from the Maldives' and 'Exempt income' along with 6 other sections. The amendment also revised 24 sections of the regulation.

## **Fifth Amendment to the Tax Administration Regulation**

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Published on 27 September 2021, the amendment revised the section 'Refund of amount paid in excess', enabling taxpayers to offset pending payments against refunds and to use eligible refund amounts for future payments or to offset pending payments of a third party. Furthermore, the amendment added 2 new sections as 'Payment of refund money into a bank account' and 'Refund currency'.

## **First Amendment to the Airport Taxes and Fees Regulation**

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First amendment to the Airport Taxes and Fees Regulation was published on 29 September 2021. The amendment repealed 4 subsections (c, d, e and f) under Section 12; 'Amending Tax Returns'. In addition to that, added new sections as 'Travel class upgrades' and 'Travel class downgrades'. The amendment also revised 'Airport Service Charge', 'Departure Tax', 'Registration for Airport Development Fee' and 'Mandatory online filing of Airport Taxes and Fees Return and payment of tax', along with 5 other sections.

## **Third Amendment to the Income Tax Regulation**

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Sixth Amendment to Tax Administration Regulation was published on 27th December 2021. The amendment added a new section as 'Computation of the periods' detailing the guidelines in inclusion of public and government holidays in the computing periods specified in the Regulation and Act. Furthermore, provisions related to 'Registration', 'Responsible person', 'Change of information', 'Penalty of the offence of non-registration', 'Assessment by MIRA', 'Amending the decision of MIRA', and 'Definitions' were reformed with this amendment. Section 25 of the regulation, (Changes to the amount determined by MIRA), was repealed under this amendment.

## **First Amendment to the Country-by-Country Reporting Regulation**

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First amendment to the Country-by-Country Reporting Regulation was published on 28th of December 2021. The amendment added a subsection under 'Filing obligation of Country-by-Country Reports' detailing an additional instance whereby the Ultimate Parent Entity of an MNE Group is not obligated to file a Country-by-Country Report with MIRA even if they are not obligated to file the resident jurisdiction.

## 6.5 Registration of Taxpayers and other persons

At the end of year 2021

**49,911** activities were registered at MIRA

**3,305** new registrants during the year 2021

**39** taxpayers deregistered during the year 2021

### GST registration at the end of 2021

	No. of Taxpayers
Total TGST Registrants at the end of 2021	3,356
New Registrants during the year 2021	376
De-registrants during the year 2021	72
Total CGST Registrants at the end of 2021	18,199
New Registrants during the year 2021	1,205
De-registrants during the year 2021	222

### Details of Income Tax registration at the end of 2021

	No. of Taxpayers
Bank Income Tax	8
Individual Income Tax	35,432
Income Tax - Companies and non-individuals	14,425
Employee withholding Tax (number of employers)	552
Employee withholding Tax (number of employees)	12,589

## 6.6 Taxpayer and Public Awareness

### Activities carried out to promote information

With the purpose of creating public awareness towards tax laws, regulations and tax administration, numerous activities were carried out during the year 2021. However, due to the covid-19 pandemic, most of these programs were conducted online during the year.

### Marketing carried out during the year 2021

Media interviews, various channels	<b>48 interviews</b>
News published	<b>16 news articles</b>
Ads related to marketing and awareness campaigns	<b>21 advertisements</b>
MIRA's 1415 Show	<b>8 episodes</b>
Social media posts	<b>580 posts</b>



## Activities undertaken to increase taxpayer awareness in 2021

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5 guides and 6 instruction sheets were published, and additional 10 guides and 9 instruction sheets were amended during the year.

Information sessions to new registrants	<b>43 sessions</b>
Information sessions on MIRAconnect	<b>26 sessions</b>
Income Tax information sessions	<b>51 sessions</b>
Non-Resident Withholding Tax information sessions	<b>1 session</b>
Green Tax information sessions	<b>4 sessions</b>
Information session conducted regarding changes to Airport Taxes and Fees for related parties	<b>1 session</b>
Information session on how to file the Income Tax Return	<b>30 sessions</b>
Employee Withholding Tax information sessions for Government Offices and Businesses	<b>2 sessions</b>
Information sessions for different government offices	<b>13 sessions</b>
Information sessions for different state-owned enterprises	<b>6 sessions</b>

Additionally, under the initiative of the regional offices of MIRA, 525 information sessions were conducted across the Maldives.

## Programs carried out by Maldives Tax Academy in 2021

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2 batches of Certificate 1 in Taxation with 36 participants

1 program of Continuous Professional Development (CPD) with 71 participants

Tax Seminar with 48 participants

Program for training Company Directors and Company Secretaries, organized by Capital Market Development Authority (CMDA) with 101 participants

Additionally, training programs were conducted for all staff of MIRA regarding updates to the tax system.

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

### Monitoring taxpayer compliance

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Educating taxpayers on the legal obligations imposed by the laws and regulations, monitoring the extent of taxpayer awareness and compliance levels and taking necessary actions with non-compliers, are vital for ensuring efficiency and competency of the tax administration.

MIRA's compliance department carries out several activities to identify the compliance level of taxpayers by monitoring timely submission and review of returns, identifying non-compliant businesses, and ensuring that tax laws and regulations are enforced accordingly. For this purpose, on one Saturday each quarter, the entire staff body of MIRA is committed to carry 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. Unlike the previous years, due to Covid-19 pandemic, the compliance day activities were only carried out in the fourth quarter of 2021. 3,938 compliance visits were conducted during the year 2021. This includes visits carried out within the atolls by the regional branches, collection centers and the Compliance Department.

Moreover, under MIRA's Enforcement Policy, 3 taxpayers were skip-traced during the year.

### Audits and Investigations

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As Maldives follow a 'self-assessment' system, in which taxpayers declare the amount of taxes they are liable to pay, it is important to have measures in place to determine the accuracy of returns declared by taxpayers. MIRA ensures the accuracy of information declared by taxpayers in their respective tax returns and ascertain taxpayers are making correct payments to MIRA through comprehensive audits carried out in accordance with the Maldivian tax laws and regulations. With the aim to further enhance efficiency of audits conducted, taxpayers are categorized per business type where four different audit departments focus on particular segment of business. These include, Small Taxpayer Audit, Medium Taxpayer Audit, and Large Taxpayer and International Tax Audit Department, and Risk Management and Investigation Department. Investigation of tax matters and extensive audits are carried out by the Risk Management and Investigation Department.

In addition, to ensure transparency and fairness, all audit cases are discussed and approved by the audit committee.

During last year, 332 audits of 406 taxpayers were carried out, resulting in a tax impact of MVR 332.92 million.

In the year 2021, 9 investigations were completed with MVR 7.017 million being declared as tax impact. This includes 3 criminal investigations completed during the year.

<b>Tax Type</b>	<b>Number of Audits conducted</b>	<b>Tax Impact (MVR, In millions)</b>
Business Profit Tax	123	64.487
General GST	95	228.850
Tourism GST	41	9.186
Income Tax – Non-Resident WHT	1	0
Withholding Tax	32	29.717
Green Tax	35	0.286
Airport Taxes and Fees	5	0.394
<b>Total</b>	<b>332</b>	<b>332.922</b>

### Taxpayer Objections

Pursuant to the provisions of Tax Administration Act, taxpayers have the right to object the Notice of Tax Assessment. 29 such cases were filed at MIRA during the year 2021.

34 objection cases were completed during the year. This includes 24 case without any adjustments to the assessed amounts, 7 cases that were partially accepted and 3 case of which the objection was fully allowed. No cases were withdrawn by taxpayers during this year.

In 2021, 6 cases were filed at the Tax Appeal Tribunal regarding the decisions made by objection section, which is 17.64% of the cases completed during the year.

<b>Tax Type</b>	<b>Cases received</b>	<b>Cases completed</b>	<b>Remaining</b>
General GST	6	10	2
Tourism GST	2	3	0
Withholding Tax	3	1	2
Business Profit Tax	13	13	5
Bank Profit Tax	2	2	0
Non-Audit related objections	3	5	2
<b>Total 2021</b>	<b>29</b>	<b>34</b>	<b>11</b>

## Arrears

Below table details the tax and non-tax arrears of the year 2021.

Dues	Principal amount (MVR)	Interest/Fines (MVR)	Total (MVR)
Tax Arrears	2,210,745,118.58	319,286,221.51	2,530,031,340.09
Non-Tax Arrears	879,013,058.85	705,235,236.56	1,584,248,295.41
<b>Total Arrears Incurred</b>	<b>3,089,758,177.43</b>	<b>1,024,521,458.06</b>	<b>4,114,279,635.50</b>

Below table details the cumulative tax and non-tax arrears as of the end of 202 and 2021.

Category	Year	Principal amount (MVR)	Fines (MVR)	Total (MVR)
Tax Arrears	2021	1,965,922,700.66	3,366,009,150.40	5,331,931,851.06
	2020	1,778,009,938.32	2,560,147,371.49	4,338,157,309.81
Non-Tax Arrears	2021	3,533,481,045.87	7,134,966,101.42	10,668,447,147.29
	2020	3,654,389,814.16	13,665,675,879.52	17,320,065,693.68
<b>Total Arrears</b>	<b>2021</b>	<b>5,499,403,746.54</b>	<b>10,500,975,251.82</b>	<b>16,000,378,998.35</b>
	<b>2020</b>	<b>5,432,399,752.48</b>	<b>16,225,823,251.01</b>	<b>21,658,223,003.49</b>

In 2021, Tax Arrears increased by 22.91% while Non-Tax Arrears decreased by 38.40% compared to the year 2020.

The main reason for the decrement in Non-Tax Arrears is the significant reduction made to late payment fine charged under the Regulation on Lease Rent of Tourist Islands, Lands and Lagoons. As per a change to the Regulation, the fine charged for outstanding rent, for each day of delay in making the payment is 0.493% and all late payments existing from 29 July 2019 onwards was recalculated at the respective rate. As a result, the total Non-Tax Fine Arrears is 35.38% lower compared to the year 2020. Similarly, the total arrears by the end of 2021 decreased by 26.12% relative to total arrears at the end of 2020.

## Enforcement Activities

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MIRA is continuously working on enforcing collection of revenue payable to the government. This includes both taxes and other non-tax revenues collected by MIRA. Enforced collection during the year totaled to MVR 1.59 billion and with this, the total enforced collection by MIRA over the years has reached to over MVR 11 billion.

During the year 2021, 8,966 dunning notices were issued to non-taxpayers and 25,568 notices were issued to non-filers. Among them, 4,340 taxpayers have responded to those notices. Total of MVR 870.25 million was recovered through dunning process.

MIRA was able to recover MVR 610.51 million through dues clearance procedures. Further arrangements were made with 486 taxpayers to settle their dues under an installment plan where payments are spread over an agreed period of time. A total of MVR 625.74 million was allowed under this plan. Moreover, MIRA granted fine relief for 5,815 cases worth MVR 210.83 million. However, during the year, MIRA temporarily halted bank account freezing and temporary discontinuation of government services for those who did not comply with dunning notices as a leniency given to taxpayers who were dealing with the negative impact of the Covid-19 pandemic.

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 person in the Civil Court. During the year 2021, MIRA filed 7 such cases while 60 cases were filed against MIRA; which includes 16 cases filed with Supreme Court, 30 cases filed with High Court, 7 cases filed with Civil Court and 7 cases filed with the Tax Appeal Tribunal.

From the decisions made by courts, 33 cases were decided in favor of MIRA. 16 cases were decided against MIRA.

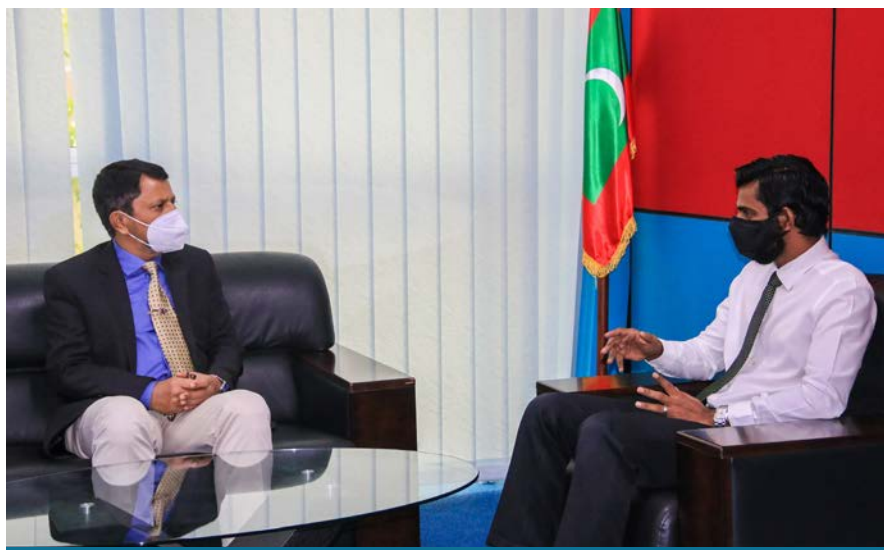
## 6.8 Activities carried out to establish beneficial relationships

### Establishing relationship with international bodies, tax authorities and local offices

Maldives has fully committed to implementing international tax standards and during the year several efforts were put forth to ensure Maldives was on the right track with implementation of such processes. Information sessions were conducted regarding Common Reporting Standard (CRS) in collaboration with Global Forum for financial institutions that will be directly reporting the financial information to MIRA. These comprehensive information sessions detailed the obligations and responsibilities of each party involved in the process.

In 2021, MIRA actively participated in and contributed to several international forums and platforms organized by OECD and its umbrella bodies. This has enabled MIRA to make sound decisions concerning tax policy and join global consensus building efforts in tax related issues.

During the year, MIRA has coordinated with the Tax Policy Unit (TPU) of Ministry of Finance, and provided technical support for formulating a tax treaty policy. In accordance with the tax treaty policy, MIRA and TPU has worked collaboratively in reviewing, revising and concluding agreements made with foreign jurisdictions. Furthermore, MIRA provided technical support to TPU in the administrative procedure for ratification of the Convention on Mutual Administrative Assistance in Tax Matters and in conclusion and ratification of the Double Tax Avoidance Agreement between Bangladesh and Maldives. MIRA has also provided technical support to the Attorney General's Office in relation to agreements signed with foreign countries.



## Maldives Inland Revenue Authority

MIRA signed an MOU with Ministry of National Planning Housing and Infrastructure (MNPHI), Labour Relations Authority, Ministry of Finance, and Ministry of Economic Development, which facilitated collection of non-tax revenue under the third amendment to Tax Administration Act. A joint MOU with Ministry of Finance and Ministry of Higher Education was also signed to permit MIRA to collect and recover loans disbursed for higher education purpose by the Government.



In addition to this, MIRA signed MOUs with Interpol National Central Bureau to ensure MIRA has access to relevant data from INTERPOL information system for analyzing and disseminating information concerning tax related activities and proceeds of crime.



## Tax treaties

2021 marks a major milestone for MIRA and the Maldivian tax system, as Maldives has successfully joined other developed and developing nations in the global efforts to curb tax evasion and avoidance. As such, Maldives joined the Convention on Mutual Administrative Assistance in Tax Matters (MAAC) on 11 August 2021, which provides an international legal framework for exchanging information and co-operation in tax matters. As a member of the Convention, various forms of administrative cooperation such as Exchange of information on request (EOIR), Automatic exchange of financial information (AEOI) and Spontaneous exchange of information will be implemented. These actions aid in combating non-compliance mainly through tax evasion and avoidance. The Convention entered in to force on 1 December 2021.



Maldives further signed two Competent Authority Agreements, which specifies the modalities for exchanging information. These Agreements include Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (CRS-MCAA) and Multilateral Competent Authority Agreement on the exchange of Country-by-Country Reports (CbC-MCAA).



Maldives also signed the second full-fledge Double Tax Avoidance Agreement with Bangladesh on 23 December 2021. The main purpose of DTA is to avoid double taxation of income from residents of both countries, ensure taxpayers equal rights and security, and to prevent evasion and avoidance of taxation.



# Strategic Plan 2020

## Strategic Plan 2020 – 2024

**Strategic Priority 1: Provide innovative and targeted education and awareness programs to support voluntary compliance.**

Key Performance Indicators	Status at the end of 2021
Ensure at least 75% of the taxpayers who take part in the annual taxpayer survey get 75% of the answers correct	MIRA's is working with USAid and Ministry of Finance to conduct a taxpayer perception survey. In 2021, a pilot survey was completed and the team is in the process of revising the questionnaires for the actual survey based on the pilot survey experience.

**Strategic Priority 2: Strengthen the use and accessibility of services provided by the tax administration**

Key Performance Indicators	Status at the end of 2021
Maintain an accurate and up-to-date registration database	A total of 1,975 taxpayers who were not required to be registered were deregistered during the year.
Ensure that 95% of returns are filed online and that 95% of collections are received online	94% of the returns submitted to MIRA were filed online and out of the payments collected, 93.53% of MVR collected and 99.84% of USD collected were paid online.
Establish physical presence in all atolls of Maldives	During the year, one collection centre was opened in ADh. Mahibadhoo. Including this centre, MIRA has now established a total of 19 offices in 18 atolls.
Administer the new income tax regime	'Income Tax Awareness Program' to educated taxpayers and the public commenced in March 2021. Awareness sessions on Income Tax were carried out and a total of 8 guides were published to assist in the Income Tax Return submission process. In addition, the Second and Third amendment of Income Tax Regulation, and the First amendment to the Income Tax Act were published during the year.

### Strategic Priority 3: Protect the revenue base by using targeted compliance improvement programs

Key Performance Indicators	Status at the end of 2021
Achieve 95% on-time filing and on-time payment rates for all revenue collected by MIRA	66% of the returns were filed on-time and 72% of payments were collected on-time during the period.
Increase accuracy of voluntary disclosures by taxpayers	Evaluation of accuracy of voluntary disclosures by taxpayers was not carried out during the year.
Establishment of a Compliance Risk Management	The Compliance Risk Management policy was introduced and published in January 2021, along with the annual Compliance Improvement Plan 2021. Compliance risks are centrally managed by a dedicated division under the governance of a Risk Management Steering Committee. In accordance with the annual plan, risk assessments are undertaken throughout the year to identify risky taxpayers and to assess their compliance risks. Treatment of the risks are determined based on the level of risks posed by the specific taxpayer or segment of taxpayers.

### Strategic Priority 4: Improve the management of debt collection

Key Performance Indicators	Status at the end of 2021
Reduce the arrears-to collection ratio of and work to maintain the ratio within internationally accepted range	Tax revenues arrears for the year (inclusive of fines) is 21.23% of tax collection and the non-tax revenue arrears (inclusive fines) is 41.31% of non-tax revenue collection .
Annually reduce the time to collect arrears from taxpayers	A mechanism to compute age analysis of arrears is being developed.

### Strategic Priority 5: Improve audit efficiency and results

Key Performance Indicators	Status at the end of 2021
Implement an automated risk profiling and audit selection system	Discussion meetings were held with SAP developers regarding the possible solutions for automating risk profiling through an SAP module.
Implement an integrated case management system	Information Technology Department is working on developing Investigation module of the case manager. The case review function was tested during December 2021.

## Strategic Priority 6: Adopt a risk-based approach throughout the organization

Key Performance Indicators	Status at the end of 2021
Identify the high-risk enterprise risks for programs and projects and ensure they are well-understood and actioned	Terms of Reference (TOR) for Enterprise Risk Management and the Business Continuity Plan committee were drafted during the year.
Assess organizational performance and allocate resources according to risk	Performance Review all quarters of 2021 were prepared and presented to MIRA Board and seniors.

## Strategic Priority 7: Enhance human resource capacity

Key Performance Indicators	Status at the end of 2021
Ensure at least 70% of the staff employed at MIRA hold graduate level qualification by the end of 2024	Graduate Employees ratio by the end of the year 2021 was 61.31%.
Ensure at least 40% of technical staff employed at MIRA to hold relevant professional qualifications by the end of 2024	Proportion of technical staff with a professional qualification at the end of 2021 was 67.44%
Train staff both locally and overseas to prepare them to face challenges and to develop annual training plans	During the year, a total of 49 training programs and workshops were carried out. This includes, 46 programs conducted by overseas parties. Moreover, 13 staff development programs and 4 induction trainings targeted towards new staff who joined MIRA were conducted. In addition, 17 seminars and conference sessions arranged by overseas parties were held during the year.
Increase the retention rate to 90% by the end of 2024	Staff retention rate for the year 2021 was 87%.

## Strategic Priority 8: Implement international standards in organizational processes

Key Performance Indicators	Status at the end of 2021
Establish an effective dispute resolution mechanism, one adhering to international standards	Arrangements for taxpayers to easily submit complaints have been established on MIRA website and Offence Reporting Form (MIRA 918).

**Key Performance Indicators**

Ensure areas of auditing, enforcement, risk management and information technology meet professional international standards

**Status at the end of 2021**

Throughout 2021, various tasks were carried out to meet professional international standards in these areas. International Monetary Fund (IMF) and Global Forum assisted in development of MIRA's compliance risk assessment mechanism, refund mechanism, information security mechanism and criminal investigations processes, adhering to international best practices. Moreover, assistance was received from IMF for compliance risk assessment specifically targeting income tax, and in the implementation of Advanced Pricing Agreement and Mutual Agreement Procedure programs in MIRA.

Secondly, assistance was received from Tax Inspectors Without Borders (TIWB) for capacity building for auditors on transfer pricing issues faced in auditing taxpayers in tourism and hospitality industry. Moreover, TIWB provided assistance in Criminal Investigations area, for which a workshop was held with participation from other relevant agencies.

Furthermore, fundamental audit training program was held for MIRA auditors in collaboration with Office of the technical assistance (OTA) of US Treasury. OTA team of experts also assisted other areas of MIRA including Enforcement and Human Resources.

**Strategic Priority 9: Provide state-of-the-art business solutions and technology**

**Key Performance Indicators**

Achieve the ISO9001 considered as the international benchmark of service quality by the end of 2024.

Develop an IT Capital Investment Plan and implement the plan in the equipment acquisition process, and ensure SAP system is upgraded

**Status at the end of 2021**

Due to limitations in budget, works of improving the service quality as per ISO9001 were not carried out during the year.

Discussion on budgetary figures for Capital Investment Plan and other investments were held.

**Strategic Priority 10: Ensure a safe and secure IT environment**

**Key Performance Indicators**

Develop a Data and Service Security Plan to maintain and improve on this area of service

**Status at the end of 2021**

Along with an overall security audit of MIRA, works of firewall installation at all branches were conducted.

**Key Performance Indicators****Status at the end of 2021**

Develop and implement a long-term business continuity plan

Works of finalizing the Business Continuity Plan was carried out during the year.

**Strategic Priority 11: Enhance international relations****Key Performance Indicators****Status at the end of 2021**

Build a network of tax treaties with strategic tax authorities

Several actions were taken throughout the year to build a network of tax treaties with strategic tax authorities. Notable highlights include, signing the Convention on Mutual Administrative Assistance in Tax Matters, signing the Multilateral Competent Authority Agreements to implement Common Reporting Standard (CRS) and Country-by-Country Reporting (CbCR), and the signing the DTAA with Bangladesh.

**Strategic Priority 12: Build a stronger relationship with the business community through a proactive consultative process****Key Performance Indicators****Status at the end of 2021**

Open a dialogue to communicate with the business community to identify potential issues and address any concerns that may be raised

Draft of Regulations and guides were opened for public comments prior to official publication. A total of 4 Regulations and 2 guides were posted on MIRA website for public comments during the year.

**Strategic Priority 13: Cooperate with other public sector bodies****Key Performance Indicators****Status at the end of 2021**

Improve the exchange of information with other public sector bodies by having an improved data integration mechanism

To improve the exchange of information with other public sector bodies and in accordance with the third amendment to the Section 50 of the Tax Administration Act, 7 Memorandum of Understanding (MoU) were signed in with various ministries and authorities. These include, Ministry of National Planning Housing and Infrastructure, Ministry of Finance, Ministry of Fisheries and Agriculture, Ministry of Economic Development, Ministry of Finance and Ministry of Higher Education, Labor Relations Authority and INTERPOL National Central Bureau for Maldives in Male'.

# Outlook 2022

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As the world slowly recovers from the impact of the Covid-19 pandemic, so are the businesses in Maldives. It is noted that leniencies provided by MIRA during 2021 eased the process for taxpayers in fulfilling tax obligations. The plan for 2022 is continue implementation of support measures and ensure swift response to the needs of taxpayers.

To ensure that MIRA is able to reach out to taxpayers in all the sectors and levels of the economy, engagement programs have also been planned to maximize voluntary compliance and facilitate means for taxpayers to reach out for assistance.

Furthermore, MIRA has been working proactively towards introducing a mechanism to provide tax certainty for taxpayers. As such, taxpayers would be able to request arrangements to pre-determine the transfer pricing methodology for eligible transactions with the implementation of Advance Pricing Arrangement, which has been planned for the year 2022. MIRA also has plans to implement the Mutual Agreement Procedure during 2022, where taxpayers will be provided with means for dispute resolution for transactions that fall within the purview of tax treaties signed by Maldives.

With the current efforts extended to preventing tax base erosion, MIRA's focus for 2022 is ensuring that taxpayers pay their fair share of taxes. Whilst the implementation work for Automatic Exchange of Information has been ongoing for the past few years from legislative to administrative and policy changes, 2022 would ultimately be the year MIRA will be exchanging information on a large-scale basis with foreign jurisdictions. This is an important step towards the strengthening the tax system of Maldives.

Staff development and empowerment is also another key area of focus for the upcoming year. MIRA has plans to put together individual development plans and implement succession planning during 2022, to ensure that each employee has equal opportunities for career development in MIRA and to increase staff retention in technical areas.

With the continuous efforts made by Maldivians in overcoming the profound effects of the pandemic, projections indicate economic progress for the upcoming year. Considering the current economic situation, it is estimated that MVR 15.59 billion will be collected as revenue in 2022. While the uncertainty of the pandemic is still at large, the staff and senior management of MIRA remains ready to assist taxpayers, and to overcome the challenges 2022 has in store.

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# Financial Statements

Financial Statements of 2022 is attached  
from Page 91

## Statement of Receipts & Payments

For the year ended 31st December 2021

	Note	Public & Other Bank A/c's	Grants Received / Expenditure	Public & Other Bank A/c's	Grants Received / Expenditure
		2021	2021	2020	2020
<b>Receipts</b>					
Expenses from Allocated Budget	3	99,266,280	-	84,862,340	-
Previous Year's Expenses paid during Current Financial Year		-	-	-	-
Receipts for the Government (After deducting Refunds)	4	15,685,594,452	-	10,476,682,955	-
Grants Received during the Current Year	15	-	-	-	-
<b>Total Receipts</b>		<b>15,784,860,731</b>	<b>-</b>	<b>10,561,545,295</b>	<b>-</b>
<b>Payments</b>					
Personal Emoluments	5	71,086,206	-	71,102,505	-
Pension and Redundancy	6	1,774,524	-	1,814,147	-
Travel Expenses	7	58,892	-	276,486	-
Supplies and Requisites	8	1,046,335	-	1,142,309	-
Operational Services	9	7,089,307	-	6,224,688	-
Training	10	234,446	-	373,192	-
Repairs and Maintenance	11	4,301,676	-	1,485,436	-
Grants, Contributions and Subsidies	12	3,155,645	-	1,270,204	-
Capital Furniture, Machinery & Equipments	14	10,515,566	-	1,177,058	-
<b>Total Payments (After Deducting Refunds from Deposits to Public Bank Account)</b>		<b>99,262,597</b>	<b>-</b>	<b>84,866,023</b>	<b>-</b>
Deposits to Public Bank Account from the Revenue Collected by the Authority for the Government	15	15,692,487,936	-	10,493,427,282	-
<b>Total Payments (Including Deposits to Public Bank Account)</b>		<b>15,791,750,533</b>	<b>-</b>	<b>10,578,293,305</b>	<b>-</b>
<b>Increase/Decrease of Cashier Float during the Current Year</b>		<b>(4,710)</b>	<b>-</b>	<b>1,250</b>	<b>-</b>
<b>Increase/Decrease of Cash Flow during the Current Year</b>		<b>(6,894,512)</b>	<b>-</b>	<b>(16,746,760)</b>	<b>-</b>
<b>Opening Balance of Cash</b>		<b>9,792,519</b>	<b>-</b>	<b>26,539,279</b>	<b>-</b>
Increase/Decrease of Cash Flow during the Current Year		(6,894,512)	-	(16,746,760)	-
<b>Closing Balance of Cash</b>		<b>2,898,008</b>	<b>-</b>	<b>9,792,519</b>	<b>-</b>

The Financial Statements are prepared and presented to the best of our knowledge, without any misleading or inaccurate information. On 10 May 2021, 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 &amp; Finance

## Statement of Budget & Expenditure

For the year ended 31st December 2021

	Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Variances
<b>Budget Received</b>				
Allocated Budget / (Actual Expenditure)	99,761,141	99,421,127	99,266,280	154,847
Allocated Budget for Trust Funds	-	-	-	-
Allocated Budget for Grants	-	659,372	-	659,372
Allocated Budget for Loans	-	-	-	-
<b>Total</b>	<b>99,761,141</b>	<b>100,080,499</b>	<b>99,266,280</b>	<b>814,219</b>
<b>Recurrent Expenditure</b>				
Personal Emoluments	72,005,352	71,119,087	71,086,206	32,881
Pension and Redundancy	1,957,778	1,774,524	1,774,524	-
Travel Expenses	3,604,008	58,892	58,892	0
Supplies and Requisites	2,407,129	1,047,192	1,046,335	857
Operational Services	8,244,275	7,796,255	7,089,307	706,948
Training	1,491,380	234,446	234,446	-
Repairs and Maintenance	3,114,007	4,304,591	4,301,676	2,915
Grants, Contributions and Subsidies	1,416,790	3,155,763	3,155,645	118
Losses on Exchange Rate	-	-	-	-
<b>Total Recurrent Expenditure</b>	<b>94,240,719</b>	<b>89,490,750</b>	<b>88,747,031</b>	<b>743,719</b>

<b>Capital Expenditure</b>				
Furniture, Machinery & Equipments	5,520,422	10,589,749	10,515,566	74,183
<b>Total Capital Expenditure</b>	<u>7,759,642</u>	<u>5,520,422</u>	<u>10,589,749</u>	<u>10,515,566</u>
<b>Other Expenditure</b>				
Expenditure from Grants Received	-	-	-	-
<b>Total Other Expenditure</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditure</b>	<u>99,761,141</u>	<u>100,080,499</u>	<u>99,262,597</u>	<u>817,902</u>
<b>Actual Budget Balance</b>				<u>817,902</u>

The notes on page 3 to 17 are an integral part of these financial statements.

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

As at 31 December 2021

### 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.

### 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.

### 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.

### 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. 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 2020, expenditure from the allocated budget, receipts by the Authority on behalf of the government 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.

### 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.

### 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.

### Comparatives

In addition to the 2021's Financial Statement figures, 2020's Financial Statement's figures are presented for comparison purposes.

### Information related to the budget

The 2021 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.

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

Details	2021	2020
Approved Budget for Maldives Inland Revenue Authority by People's Majilis	99,761,141	120,556,200
Additions/Deductions to Budget	(340,014)	(33,312,943)
<b>Final Budget</b>	<b>99,421,127</b>	<b>87,243,257</b>
<b>Total Expenditure from Final Budget</b>	<b>(99,266,280)</b>	<b>(84,862,340)</b>
<b>Increase/Decrease in Petty Cash during the Financial Year</b>	<b>3,683</b>	<b>(3,683)</b>
<b>Actual Budget Balance</b>	<b>158,530</b>	<b>2,377,234</b>

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

Revenue Accounts	Main & regional Offices Collection 2021	Revenue Clearing Collection 2021	Total Collection 2021	Total Collection 2020
<b>Tax Revenue</b>				
113001 Tourism Tax	-	-	-	-
113002 Land Sales Tax	-	37,500	37,500	1,064,713
113003 Corporate Income Tax	1,126,134,194	-	1,126,134,194	2,134,792,167
113004 Ownership Transfer Tax	6,514,450	-	6,514,450	-
113005 Bank Income Tax	675,071,083	-	675,071,083	953,699,643
113006 Non-Resident Withholding Tax	789,977,432	-	789,977,432	483,570,047
113007 Personal Income Tax	219,191,090	-	219,191,090	83,219,662
113008 Transport Operator Income Tax	-	-	-	28,180
114001 GST (Tourism)	5,249,593,167	-	5,249,593,167	2,220,384,680
114002 GST (General)	2,580,343,744	210,835	2,580,554,579	2,086,603,691
119001 Sale of Revenue Stamps	2,321,504	-	2,321,504	3,527,208
119002 Green Tax	802,115,146	-	802,115,146	351,994,635
119004 Airport Service Charge	473,428,444	-	473,428,444	283,339,591
119005 Remittance Tax	101,221	-	101,221	8,970,164
<b>Royalty</b>				
118001 Duty-Free Shop Royalty	45,588,711	-	45,588,711	25,837,392
118007 Fuel Re-Export Royalty	128,501	-	128,501	98,883
<b>Non-Tax Revenue</b>				
121001 Company Annual Fee	18,234,430	287,500	18,521,930	15,595,620
121002 Restaurant, Café, Canteen Fee	-	-	-	600
121003 Non-Fisheries Vessel Fee	26,185,273	235,625	26,420,898	25,054,858
121043 Sale of Tender documents	1,106,040	-	1,106,040	69,120
121055 Flat Maintenance	460,191	-	460,191	408,101
121075 Sale of Pass	2,561,088	-	2,561,088	2,336,864
121076 Resident Permit	50,155,620	-	50,155,620	243,551,560
121079 Import Trade Fee	-	45,463	45,463	2,935
121085 Co-operative Society Annual Fee	5,400	1,200	6,600	7,000

121086	Co-operative Society Registration Fee	-	1,200	1,200	600
121088	Trade Registry Fee	1,369,000	572,800	1,941,800	1,662,620
121089	Foreign investment administration annual fee	6,985,619	-	6,985,619	3,196,225
121092	Lease Period Extension	230,200,000	-	230,200,000	153,500,000
121093	Construction Period Extension Fee	-	-	-	-
121094	Airport Development Fee	483,012,009	-	483,012,009	285,888,291
121095	Corporate Social Responsibility Fee	6,232,955	-	6,232,955	21,566,315
121096	Tourism Administration Fee	-	-	-	-
121999	Other fees & charges	1,342,048	-	1,342,048	196,383
123001	Company Registration Fee	2,472,691	962,865	3,435,556	3,496,482
123002	Partnership Registration Fee	-	387,000	387,000	462,000
123004	Guest House Registration Fee	1,263,500	-	1,263,500	519,000
123007	Dive School Registration Fee	105,000	-	105,000	130,000
123012	Work Permit Fee	325,392,200	52,500	325,444,700	-
123014	Motor Vehicle License Fee	112,703,883	253,912	112,957,795	102,958,057
123017	Motor Vehicle and Vessel Registration Fee	120,000	-	120,000	95,000
123019	Bank Mortgage Registration Fee	510,000	-	510,000	620,000
123034	Sole Trader Registration Fee	1,548,200	932,900	2,481,100	2,315,800
123036	Online Business and Activity Registration Fee	2,551,000	5,500	2,556,500	1,029,500
123999	Other Registrations & License Fees	8,304,883	-	8,304,883	6,301,806
125001	Rent from Goifaalabba, Hinna	5,436,562	11,600	5,448,162	3,136,309
125002	Rent from Government Buildings	1,841,373	-	1,841,373	1,689,040
125003	Rent from Resorts	2,072,265,269	-	2,072,265,269	702,974,718
125004	Rent from Land for Commercial Purposes	86,918,559	-	86,918,559	48,186,505
125005	Rent from Land for Industry	396,692	-	396,692	5,695,467
125008	Rent from Islands for Long Term Agriculture	15,057,208	-	15,057,208	9,002,292
125009	Rent from Floating Jetty	24,000	-	24,000	52,000
125012	Land Acquisition and Conversion fee	28,475,740	-	28,475,740	3,933,798
131002	Sale of Government Building	299,623	-	299,623	364,927
131003	Sale of Government Land	11,622,802	149,411	11,772,213	8,773,300
126001	Fine-Breach of Law	92,075,023	30,466	92,105,489	64,922,385
126002	Fine-Breach of Regulation	8,396,878	9,000	8,405,878	18,650,447
126003	Fine-Breach of Agreement	53,357,131	-	53,357,131	6,670,476
126006	Traffic Violation Charges	27,369,500	173,560	27,543,060	37,452,043
126999	Other Fines and Penalties	13,924	-	13,924	27,666
129002	Reimbursement from Previous Year Budget	15,043	-	15,043	35,613
129001	Cash Received for Which Purpose Is Unknown	25,407	16,100	41,507	81,442
129998	Revenue Clearing Account	-	-	-	222,390
<b>Zakat Collection</b>					
129013	Zakat-Al-Mal	86,047,153	5,347,508	91,394,661	60,805,348
129008	Donation and Sadaqah	485,714	9,014	494,729	228,800
		<b>15,743,453,322</b>	<b>9,733,460</b>	<b>15,753,186,782</b>	<b>10,480,777,968</b>
<b>Non-Government Revenue Collected</b>					
513010	Security Deposits	2,497,162	-	2,497,162	1,117,333
631003	Loans & National Student Loans	339,532	-	339,532	208,129
		2,836,694	-	2,836,694	1,325,463
<b>Total Receipts by the Authority</b>		<b>15,746,290,016</b>	<b>9,733,460</b>	<b>15,756,023,476</b>	<b>10,482,103,431</b>

## Maldives Inland Revenue Authority

Refunds Issued		2021	2020
113002	Land Sales Tax	(17,318,277)	(103,455)
113003	Corporate Income Tax	(48,727,425)	(802,283)
113007	Personal income Tax	(2,070,584)	(19,782)
114001	GST (Tourism)	(49,284)	(232,660)
119002	Green Tax	(589,758)	(220,395)
121001	Company Annual Fee	(1,349,677)	(1,000)
121003	Non-Fisheries Vessel Fee	(718)	(109,463)
121075	Sale of Pass	-	-
121096	Tourism Administration fee	(87,999)	-
123014	Motor Vehicle License Fee	-	(3,906)
123999	Other Registration & License Fees	-	(270,012)
125001	Rent from Goifaalabba, Hinna	(18,579)	(143,337)
125003	Rent from Resorts	(150,247)	(2,290,735)
125004	Rent from Land for Commercial Purposes	(52,922)	-
125008	Rent from Islands for Long Term Agriculture	(5,452)	(100,000)
126006	Traffic Violation Charges	-	(9,750)
129001	Cash Received for Which Purpose Is Unknown	(4,103)	-
131003	Sale of Government Land	(4,000)	(516,500)
513006	Foreign Trade Deposits	-	(357,197)
513010	Security Deposits	-	(240,000)
<b>Total Refunds Issued</b>		(70,429,024)	(5,420,475)
<b>Total Receipts by the Authority (After deducting Refunds)</b>		<b>15,685,594,452</b>	<b>10,476,682,956</b>

Revenue to be transferred to Special Funds		Trust Fund	Trustee	2021	2020
129013	Zakat Al-Mal	Zakat Fund	Ministry of Islamic Affairs	91,394,661	60,805,348
129008	Donations / Sadaqah	Zakat Fund	Ministry of Islamic Affairs	494,729	228,800
119002	Green Tax	Maldives Green Fund	Ministry of Environment	802,112,616	351,774,240
121095	Corporate Social Responsibility Fee	Tourism Promotion Fund	Ministry of Tourism	6,232,955	21,566,315
<b>Total</b>				<b>900,234,961</b>	<b>434,374,703</b>

### 3. Expenditure on Personal Emoluments

Details		Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
211001	Salaries and Wages	27,968,250	25,287,526	25,440,188	27,050,953
211002	Overtime pay	5,718,582	5,718,582	5,565,920	5,943,910
212005	Ramazan Allowance	1,026,000	1,026,000	888,700	900,000
212009	Special Allowance (Car Allowance)	90,000	90,000	90,000	90,000
212011	Committee Allowance	1,176,000	1,176,000	1,176,000	-
212014	Dependants' Allowance	9,679,830	9,679,830	10,641,619	10,073,415
212017	Annual Leave Cancellation Allowance	-	-	223,167	141,225
212023	Exclusive Job Allowance	13,789,995	13,789,995	15,166,549	14,329,075
212024	Phone Allowance	307,350	307,350	284,980	297,765
212025	Risk Allowance	466,560	466,560	171,720	212,520
212027	Service Allowance	11,782,785	13,577,245	11,469,915	12,261,205
212999	Other Allowances (Late fine)	-	-	330 (32,881)	(168,564) (28,999)
		<b>72,005,352</b>	<b>71,119,087</b>	<b>71,086,206</b>	<b>71,102,505</b>

### 4. Expenditure on Pension and Redundancy

Details		Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
213006	Contribution to Maldives Retirement Pension Scheme	1,957,778	1,774,524	1,774,524	1,814,147
		<b>1,957,778</b>	<b>1,774,524</b>	<b>1,774,524</b>	<b>1,814,147</b>

### 5. Expenditure on Travel Expenses

Details		Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
221001	Travelling Expenses - Local Sea Travel	960,109	22,760	22,760	29,064
221002	Travelling Expenses - Local Land Travel	2,000	2,210	2,210	750
221003	Travelling Expenses - Local Air Travel	887,376	33,922	33,922	55,514
221004	Travelling Expenses - Overseas	1,754,523	-	-	191,158
		<b>3,604,008</b>	<b>58,892</b>	<b>58,892</b>	<b>276,486</b>

## 6. Expenditure on Supplies and Requisites

Details		Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
222001	Stationery and Office Requisites	1,187,792	601,053	601,053	661,165
222002	IT Related Materials	438,409	118,318	118,317	90,012
222003	Fuel and Lubricants	58,599	23,306	22,448	28,088
222004	Meals for Employees During Office Hours	130,552	82,786	82,786	42,902
222005	Electrical Items	53,245	26,931	26,931	59,723
222007	Uniform items	196,898	7,950	7,950	9,101
222008	Supplies for Office Cleaning	154,364	82,066	82,066	70,497
222009	Utensils and Accessories	6,500	8,199	8,199	1,626
222010	Office Decoration Materials	-	-	-	-
222011	Curtains, Table Cloths Etc	2,000	-	-	-
222999	Other Administrative Supplies	178,770	96,584	96,584	179,196
		<b>2,407,129</b>	<b>1,047,192</b>	<b>1,046,335</b>	<b>1,142,309</b>

## 7. Expenditure on Operational Services

Details		Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
223001	Telephone, Fax and Telex	247,732	229,651	229,651	240,828
223002	Electricity	394,155	579,318	579,318	264,581
223003	Drinking water and sewerage	3,840	12,814	12,814	4,137
223004	Leased Line and Internet	1,396,126	1,577,346	1,577,346	1,377,270
223005	Building rent and Land rent	2,460,735	2,460,734	2,460,734	2,460,734
223006	Hiring Charges	24,000	3,498	3,498	7,208
223008	Cleaning Services and Waste Disposal	210,480	255,064	245,100	135,290
223009	Postage & Message	60,000	4,677	4,677	18,565
223010	Announcements, Subscriptions and Advertisements	516,507	770,024	770,024	434,271
223011	Carriage and Conveyance	60,000	28,086	28,086	53,792
223012	Meeting or Seminar Related Expenses	56,078	17,171	17,171	16,722
223013	Official competitions and ceremonies	360,000	33,791	33,791	-
223014	Social Development Programs	230,000	6,500	-	-
223016	Consultancy, Translation & Other Related Services	526,536	299,900	299,900	-
223017	Expenses on Foreign Dignitaries	30,000	32,257	32,257	9,310
223018	Visa, Work permit Fees of Expatriate Staff	20,250	1,500	1,500	3,000
223019	Fees to the Government	15,298	12,798	12,798	12,150
223020	Printing Services	1,021,948	151,182	121,353	992,652
223023	Participation in Fairs	25,000	-	-	18,786

223024	Bank Charges and Commission	435,000	210,529	209,330	52,097
223025	Insurance	81,250	76,350	76,350	74,150
223999	Other Administrative Services	69,340	373,693	373,609	49,146
		<b>8,244,275</b>	<b>7,136,883</b>	<b>7,089,307</b>	<b>6,224,688</b>

## 8. Expenditure on Training

Details	Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
225001	Scholarship and Fellowship Assistance	-	-	-
	Short Course Fees & Expenses - Overseas Training	500,000	-	75,850
225002	Workshops Related Expenses	-	-	-
	Course Fees & Related Expenses - Local Training	500,000	226,046	294,162
225003	Conducting Training Courses	-	-	-
225004	Staff training	491,380	8,400	3,180
		<b>1,491,380</b>	<b>234,446</b>	<b>373,192</b>

## 9. Expenditure on Repairs and Maintenance

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
226002	Repairs - Non-Residential Buildings	500,000	312,621	330,688
226009	Repairs - Furniture & Fittings	175,000	71,448	11,392
226010	Repairs - Machinery and Equipment	99,000	54,970	58,844
226012	Repairs - Communication Infrastructure	-	-	-
226013	Repairs - Computer Software	2,230,007	1,654,302	1,039,979
226014	Repairs - IT-Related Hardware	45,000	2,147,337	21,821
226016	Repairs - Motor Vehicles	65,000	63,914	22,713
		<b>3,114,007</b>	<b>4,304,591</b>	<b>1,485,436</b>

## 10. Expenditure on Grants, Contributions and Subsidies

Details	Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
228007	Subscriptions & Fees to International Org.	1,416,790	3,155,763	1,270,204
		<b>1,416,790</b>	<b>3,155,763</b>	<b>1,270,204</b>

### 11. Exchange rate losses & gains

Details	Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
281003 Losses on Exchange Rate	-	-	-	-
	-	-	-	-

### 12. Capital Expenditure

Details	Allocated Budget 2021	Final Budget for 2021	Total Expenditure 2021	Total Expenditure 2020
423001 Furniture & Fittings	206,061	297,735	297,735	59,319
423002 Machinery and Equipment	256,500	284,683	284,683	32,189
423005 Reference Books & Exhibition Goods	-	-	-	-
423006 Communication Infrastructure	172,700	169,218	169,218	4,800
423007 Computer Software	136,500	741,830	667,647	179,142
423008 IT Hardware	4,748,661	9,096,283	9,096,283	901,608
423999 Other Equipments	-	-	-	-
	<b>5,520,422</b>	<b>10,589,749</b>	<b>10,515,566</b>	<b>1,177,058</b>

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

Details	2021	2020
Deposits to Public Bank Account from the Total Revenue Received for the year ended 31 December 2021	15,692,487,936	10,493,427,282
	<b>15,692,487,936</b>	<b>10,493,427,282</b>

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

Details	2020	2019
Balance of cashier Float	57,338	62,048
Balance of Petty Cash In hand	5,250	1,567
Undeposited Collections to Public Bank Account	2,176,049	9,069,534
Balance of Cash Payments in hand, unable to hand over at the end of year	-	-
Balance of Grants Received during the Current Year	659,372	659,372
	<b>2,898,009</b>	<b>9,792,521</b>
Deduct: Liabilities	-	-
	<b>2,898,009</b>	<b>9,792,521</b>
Balance of Cash Payments in hand, unable to hand over at the end of year	-	-
Balance of Grants Received during the Current Year	659,372	659,372
	<b>2,898,009</b>	<b>9,792,521</b>
Deduct: Liabilities	-	-
	<b>2,898,009</b>	<b>9,792,521</b>

## 15. 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 2021 and ending on 31 December 2021.

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.

### Reconciliation of Total Receipts for the year ended 31 December 2021

<b>Total Expenditure as per Statement of Budget &amp; Expenditure</b>	<b>99,266,280</b>
<i>Add:</i>	
Total Revenue Collection	15,685,594,452
Balance of Petty Cash In hand	(3,683)
<i>Deduct:</i>	
Grants	-
<b>Total Receipts as per Statement of Receipts &amp; Payments</b>	<b>15,784,857,049</b>

### Reconciliation of Total Payments for the year ended 31 December 2020

Total of Expenditure as per Statement of Budget & Expenditure	99,262,597
<i>Add:</i>	
Deposits to Public Bank Account from the Total Revenue Received for the year ended 31 December 2021	15,692,487,936
<b>Total Expenditure as per Statement of Receipts &amp; Payments</b>	<b>15,791,750,533</b>

## Grants Received during the Current Fiscal Year

Details	Grants/ Expenses 1 - 2021	Grants/ Expenses 2 -2020
Opening Balance of Grants received b/f from Previous Year	659,372	659,372
Grant Received	-	-
<b>Total Grants Received</b>	<b>659,372</b>	<b>659,372</b>
<b>Expenditure from Grants</b>		
Travelling Expenses	-	-
Operational Services	-	-
	-	-
<b>Balance of Grants after Deducting Expenses*</b>	<b>659,372</b>	<b>659,372</b>

## Statement of Assets as at 31st December 2021

	Note	2021	2020
<b>Non-Current Assets</b>			
Closing Balance of Fixed Assets	4	109,060,768	101,041,196
<b>Total of Non-Current Assets</b>		<b>109,060,768</b>	<b>101,041,196</b>
<b>Current Assets</b>			
Cash Receivables	2	9,285,312,495	13,919,562,757
Outstanding Payables	3	-	-
Cash-In-Hand Balance at the end of Year	5	2,898,009	9,792,521
<b>Total of Current Assets</b>		<b>9,288,210,504</b>	<b>13,929,355,278</b>
<b>Total Assets</b>		<b>9,397,271,272</b>	<b>14,030,396,474</b>

## Statement of Capital & Liabilities as at 31st December 2021

	Note	2021	2020
Outstanding Payables	3	-	-
Fixed Assets	4	109,060,768	101,041,196
Cash Receivables	2	9,285,312,495	13,919,562,757
Cash-In-Hand Balance at the end of Year	5	2,898,009	9,792,521
		<b>9,397,271,272</b>	<b>14,030,396,474</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 2020. 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 2021	Doubtful and Disputed Cases from dues 2021	Dues receivable 2021	Dues receivable 2020
<b>Tax Revenue</b>					
113001	Sale of items at auction	623,677.32	(623,677)	-	-
114001	Goods and Services Tax (Tourism)	351,064,753	(158,910,908)	192,153,845	224,032,062
114002	Goods and Services Tax (General)	814,954,750	(405,405,040)	409,549,710	395,777,299
113003	Corporate Income Tax	462,587,893	(203,345,612)	259,242,281	324,235,252
113006	Non-Resident Withholding Tax	168,796,778	(161,379,766)	7,417,012	-
113007	Individual Income Tax	11,147,912	(615)	11,147,297	-
119002	Green Tax	65,567,552	(32,083,947)	33,483,605	46,090,000
119004	Airport Tax and Fee	91,179,386	(48,482,408)	42,696,978	24,988,574
119005	Remittance Tax	-	-	-	-
<b>Non-Tax Revenue</b>					
121001	Company Annual Fee	39,615,000	(18,566,000)	21,049,000	-
121002	Restaurant, Café, Canteen Fee	675,650	(675,650)	-	-
121003	Non-Fisheries Vessel Fee	23,467,858	-	23,467,858	-
121055	Property Maintenance fee	959,400	-	959,400	854,400
121078	Partnership Annual Fee	274,000	(274,000)	-	-
121079	Import Trade Fee	2,813,500	(2,813,500)	-	-
121085	Co-operative Society Annual Fee	218,000	-	218,000	-
121089	Foreign Investment Administration Fee	185,040	(185,040)	-	-
121999	Other Fees and Charges	90,301	-	90,301	-
123006	Foreign Trading Approval Fee	354,959	(354,959)	-	-
123014	Guest House Registration Fee	113,880,986	-	113,880,986	-
125001	Fees on Administration of Inhabited Islands	1,690,844	(299,600)	1,391,244	3,314,953
125002	Rent from Government Buildings	8,725,531	(5,688,645)	3,036,886	954,063
125003	Rent from Resorts	3,175,700,774	(699,497,807)	2,476,202,967	2,766,167,047
125004	Rent from Land for Commercial Purposes	38,081,574	(26,385,970)	12,143,435	(63,854,535)
125008	Long Term Agricultural Lease	19,729,883	(12,180,698)	7,549,185	4,735,331
126001	Fine-Breach of Law	3,492,775,534	(3,408,527,140)	84,248,394	315,015
126002	Fine-Breach of Regulation	10,233,629	-	10,233,629	-
126003	Fine-Breach of Agreement	6,997,966,088	(1,484,159,873)	5,513,806,215	10,088,602,416
131002	Sale of Government Building	1,114,838	-	1,114,838	1,032,388
131003	Sale of Government Land	7,127,879	-	7,127,879	4,462,513

631003	Domestic Lending Repayment - Individuals	7,956,085	-	7,956,085	4,939,024
<b>Royalties</b>					
118002	Foreign Trade Royalty	4,592,489	(4,592,489)	-	-
118003	Foreign Fishing Royalty	776,854	(776,854)	-	-
118009	Yellowfin Tuna Export Royalty	2,387,739	(2,387,739)	-	-
	<b>Total</b>	<b>16,000,378,998</b>	<b>(6,715,066,503)</b>	<b>9,285,312,495</b>	<b>13,919,562,757</b>

### 3. Details of Payables to Vendors

There no payables for the Fiscal Year 2021

### 4. Summary of Assets

		Year Opening Balance	Acquisitions during 2021	Value of Assets transferred to another organization during 2021	Value of Assets (on Historical Cost Convention Basis) at the end of 2021
<b>Details</b>					
423001	Furniture & Fittings	8,340,858	296,092	(11,968)	8,624,982
423002	Machinery and Equipment	3,262,764	522,138	-	3,784,903
423005	Reference Books & Exhibition Goods	88,047	88,047	-	88,047
423006	Communication Infrastructure	628,423	169,218	-	797,641
423007	Computer Software	48,587,321	741,830	-	49,329,152
423008	IT Hardware	36,700,242	6,302,261	-	43,002,503
423999	Other Equipments	23,780	-	-	23,780
424001	Motor Vehicles	3,409,761	-	-	3,409,761
451012	Minor Extensions to Non-residential Buildings	-	-	-	-
		<b>101,041,196</b>	<b>8,031,540</b>	<b>(11,968)</b>	<b>109,060,768</b>

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

Details	2021	2020
Collections not deposited to Public Bank Account	2,176,049	9,069,534
Balance of Petty Cash (In-hand)	5,250	1,567
Balance of Cashier Float	57,338	62,048
Balance of Cash Payments in hand, unable to hand over at the end of year	-	-
Balance of Grants Received during the Current Year	659,372	659,372
	<b>2,898,009</b>	<b>9,792,521</b>

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