



MALDIVES
INLAND REVENUE
AUTHORITY

Annual Report

2023

Maldives Inland Revenue Authority

www.mira.gov.mv

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Annual Report 2023

Maldives Inland Revenue Authority

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Introduction

2023 started with MIRA heading towards a new direction, overcoming the challenges faced during Covid-19 pandemic. The policy measures commenced at the beginning of the pandemic were ceased and more emphasis was made on rebuilding operations with the adoption of digital solutions and strengthening tax collection. With this, the strategic plan of 2020-2024 was revised to further strengthen the policies of MIRA and expand its vision and activities.

The main strategic objectives set for 2023 to 2024 include:

Strengthen the use and accessibility to services provided by the tax administration

Improve on-time filing and payment rate

Improve voluntary compliance through a compliance risk management framework

Implement benchmark practices in organizational process

Ensure a safe and secure IT environment

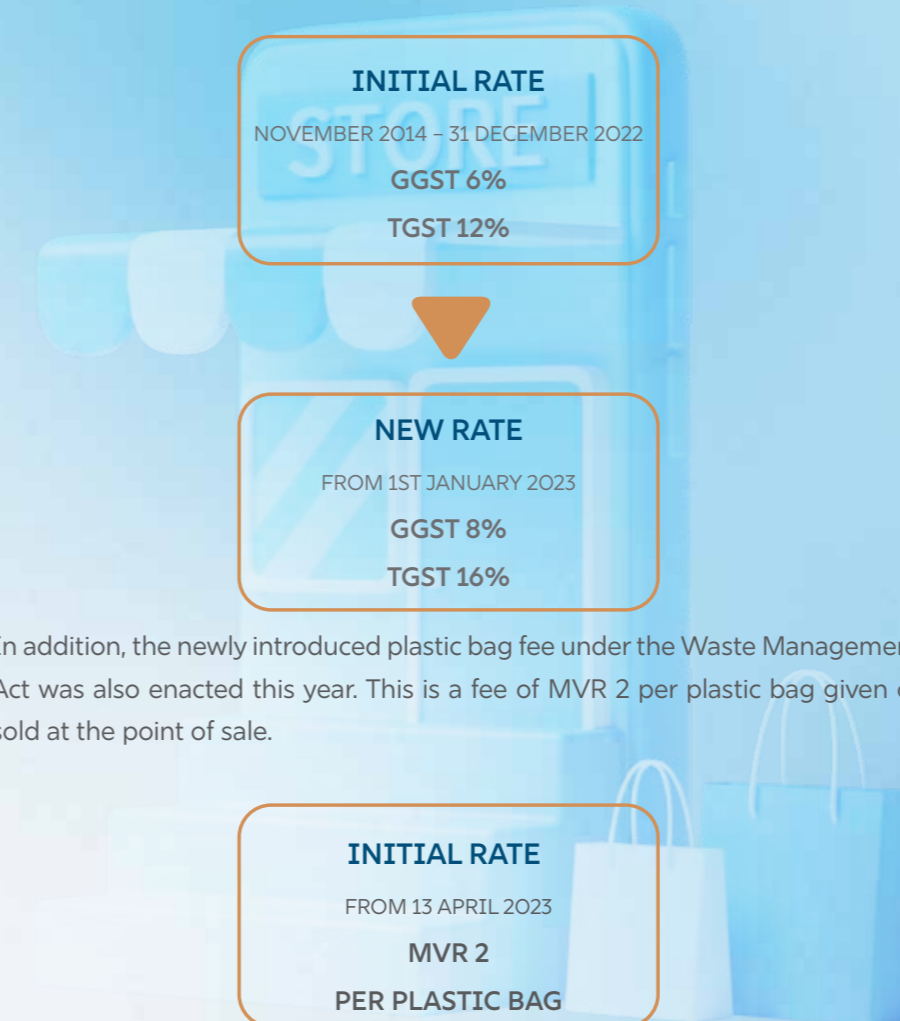
Deter non-compliance through regulated actions

Improve the management of debt collection

Enhance Operational Efficiency and Information Security

Highlights of 2023:

With the 6th Amendment to the Maldives Goods and Services Tax Act, effective from 1st January 2023, the General Sector Goods and Service Tax (GGST) and Tourism Sector Goods and Services (TGST) was revised as follows:



In addition, the newly introduced plastic bag fee under the Waste Management Act was also enacted this year. This is a fee of MVR 2 per plastic bag given or sold at the point of sale.

The growing digitalization of the economy requires integrating tax processes with systems used in daily lives, facilitating automation and enhancing trust in data use and system security. During the year, MIRA has established a digital transformation roadmap with a wider strategy to streamline the tax administration process. Through this project MIRA aims to adapt to the changing technological landscape to ease taxpayers obligations.

During the year, MIRA collected over MVR 24.86 billion in tax making it the highest revenue collected by MIRA.

97.8%
OF PAYMENTS WERE ACCEPTED
BY ELECTRONIC MEANS

COLLECTED
MVR
24.86
BILLION IN REVENUE

This report details the revenue performance of MIRA during 2023 and administrative activities carried out by MIRA during the year to govern the tax system of the Maldives.

Ahmed Saruvash Adam

Chairperson

In recent years, the world, including the Maldives, has faced numerous challenges, from the repercussions of the Covid-19 pandemic to the impacts of global conflicts, climate change, and natural disasters. Despite being faced with multiple crises, the Maldives has shown resilience and agility, swiftly rebounding from economic downturns, and surpassing pre-pandemic levels of GDP in 2023. However, vulnerabilities in fiscal and foreign reserves persisted, necessitating urgent corrective measures at the onset of the year.

In mid-2022, a robust fiscal strategy was devised to address these challenges, aiming for a fiscal adjustment of 6% of GDP, with revenue measures accounting for 3%. The year 2023 began with changes to GST rates for the tourism and general sectors, implemented by the Maldives Inland Revenue Authority (MIRA). Efficient implementation of these changes, coupled with increased taxpayer awareness, exemplified the crucial coordination between revenue policy and administration.

Another significant development was the introduction of the Maldives' first environmental tax in 2023, targeting plastic bag usage.

Another significant development was the introduction of the Maldives' first environmental tax in 2023, targeting plastic bag usage. This initiative aimed to induce behavioural change among the public, resulting in a noticeable shift towards eco-friendly alternatives. The behavioural change was evident as shops transitioned from plastic bags to more environmentally friendly options, and customers increasingly started carrying reusable shopping bags. Despite being a relatively new concept to Maldives with lessons learned in its design and implementation, this levy represents a commendable step towards behavioral taxation.

One such emerging issue within tax administration is the gradual decline in tax buoyancy, indicating compliance issues among taxpayers. MIRA has responded with tightened enforcement actions and initiatives to improve voluntary compliance, such as the Fansa-aahi campaign.

Alongside policy changes, MIRA recorded a revenue collection of MVR 24.78 billion in 2023, surpassing previous years and underscoring its pivotal role in implementing fiscal reforms. However, revenue collection alone cannot address all fiscal challenges faced by the nation. As planned in the fiscal strategy, comprehensive reforms, including expenditure rationalization and financing mobilization, are imperative for fiscal sustainability, in addition to tactfully addressing emerging issues within the tax system.

One such emerging issue within tax administration is the gradual decline in tax buoyancy, indicating compliance issues among taxpayers. MIRA has responded with tightened enforcement actions and initiatives to improve voluntary compliance, such as the Fansa-aahi campaign. MIRA also published a compliance improvement plan that addresses various compliance risks and has targeted efforts to increase voluntary compliance among taxpayers. These efforts are expected to yield higher compliance levels in the future.

In 2023, there were also significant achievements in international taxation, as Maldives hosted the Commonwealth Tax Administrator's Conference for the first time. This event showcased MIRA's excellence and dedication in serving the international community.

As an institution, MIRA's adaptability and strength were evident in its response to recent economic challenges. Building upon this, the institution is

actively pursuing a digital transformation project to further enhance efficiency and taxpayer services while safeguarding data integrity.

I extend my gratitude to MIRA's leadership, management, and staff for their dedication, professionalism, and achievements in 2023. With their continued efforts, MIRA remains a beacon of excellence in service delivery. I also thank the members of the MIRA board for their guidance and support in fostering a service-oriented institution.

Looking ahead, MIRA is committed to continuous improvement, strengthening taxpayer morale, and fostering voluntary compliance. This underscores the dedication of MIRA's leadership and staff to achieving strategic objectives and enhancing MIRA's reputation as a premier service institution.

Fathuhulla Jameel

Commissioner General of Taxation

Introduction

In the year 2023, numerous efforts were made to increase compliance levels and strengthen the tax regime of the Maldives. This is well evidenced by the high levels of revenue collected by MIRA during the year. Many of the goals I set out to accomplish upon taking the helm as the Commissioner General of Taxation in 2019, have been effectively completed during the past four years of my term. It gives me great pride to report that, during my tenure, extensive work was carried out to bolster the tax system of the Maldives, improve MIRA's operational framework, introduce cutting-edge techniques and processes from experienced counterparts, and transform the tax system to adopt a more taxpayer-friendly approach in efforts to boost voluntary compliance. MIRA's work has been designed and structured to consider taxpayer compliance risks while formulating actions to generate the best possible outcomes. This strategy has also been adopted in conducting taxpayer audits and in taking all forms of enforcement actions as well.

The year 2023

Reflecting on significant achievements from the past year, the changes brought to the Goods and Services Tax (GST) rates following the Sixth Amendment to the GST Act are particularly noteworthy. The rate for the General Goods and Services Tax (G-GST) changed from 6% to 8%, and the Tourism Sector Goods and Services Tax (T-GST) increased from 12% to 16%. The seamless implementation of these changes is evidenced by the increase in GST collections at the end of 2023. In addition, starting from 18 April 2023, a fee for plastic bag was introduced under the Waste Management Act. MIRA published relevant

regulations and conducted multiple taxpayer engagement and awareness campaigns. To minimize the additional burden on taxpayers, provisions were made for them to report the fee charged for plastic bags without the need to submit any additional statements.

As part of MIRA's efforts to further modernize its services, a new website and mobile application, available on both Android and iOS platforms, was launched in January 2023. The newly launched MIRA website enables taxpayers to conveniently submit application forms and engage in online chat support. These platforms have streamlined the process and improved accessibility to MIRA services, ensuring convenience and ease of use for taxpayers.

In reviewing MIRA's engagement in the international arena, it is noteworthy that the Maldives successfully hosted the 43rd Annual Technical Conference of the Commonwealth Association of Tax Administrators in July 2023. This conference was attended by representatives from 28 countries and 6 international agencies, and it provided a platform to discuss key tax related topics, share diverse country experiences, and promote collaboration among tax authorities.

As a member of the Global Forum on Tax Transparency and Exchange of Information for tax Purposes (OECD), Maldives effectively concluded the assessment conducted as part of the Confidentiality and Data Safeguards Review in May 2023. I am confident that the positive outcome of this review would significantly boost taxpayer confidence in the organization.

In addition, within the past year, Maldives also signed a double tax avoidance agreement with Malaysia. This Agreement is expected to alleviate tax burdens for taxpayers engaged in business activities with Malaysia.

Outlook

Technological advancements have transformed business interactions, and the way taxpayers engage with tax administrations. Taking full advantage of these developments and staying at the forefront of new opportunities is essential.

Hence, moving forward, special attention will be given to strengthening the digital services and activities of MIRA with the help of technology. In this effort, we have now successfully developed MIRA's digital transformation roadmap. The endeavor to coordinate with relevant government agencies and international donors to implement and achieve all goals outlined in the roadmap will continue in the upcoming year. It is also my hope that the OECD's vision of modern tax systems, "Tax Administration 3.0: The Digital Transformation of Tax Administration", will be achieved with the completion of MIRA's digital transformation project. Further, to improve the investigative capacity of MIRA, together with support from the Asian Development Bank (ADB), work has commenced to build and set up a fully equipped Digital Forensic Laboratory in MIRA. To further strengthen the tax system and tax regulations, MIRA will also continue to provide necessary support to relevant authorities. MIRA is also committed to actively implementing changes to tax administration and improving the tax system as stipulated in the Strategic Action Plan of MIRA.

Conclusion

I am pleased to acknowledge the successful efforts made over the past year in implementing tax laws and strengthening the tax system of the Maldives. It is with pride and gratitude that I thank the tireless efforts of MIRA employees in achieving this success. With the grace of Allah, we will persist in our efforts to achieve similar successes in the upcoming year as well. I express my heartfelt gratitude to the Board of Directors for their invaluable guidance and counsel in formulating policies and enhancing the administrative management of MIRA. I would also like to convey my sincere appreciation to the Deputy Commissioner General for her assistance in carrying out our responsibilities and to all government agencies for their cooperation. I further extend my appreciation to all taxpayers and the general public of the Maldives as well. I wish MIRA and the Maldives continued success and even greater prosperity in the future.

Management

4.1 Board of Directors

Left to right:

Husham Waheed-Director, Mumthaz Abdul Rasheed-Director, Aishath Asha Ali-Director, Fathuhulla Jameel-Commissioner General of Taxation, Ahmed Saruvash Adam-Chairperson, Leena Mohamed Zahir Hussain-Deputy Chairperson, Makhzoom Saleem-Director



Activities of the Board

Throughout the past year, a variety of issues related to enhancing the tax system and improving the administration of MIRA were brought up for consideration by the Board. These discussions encompassed the formulation of new regulations, finding solutions to ease the burdens on taxpayers in meeting their obligations under existing regulations and policies, and exploring ways to improve voluntary compliance. Furthermore, productive deliberations were held to monitor the key indicators outlined in MIRA's Strategic Action Plan, with a focus on developing and sustaining a capable and professional institution.

Following are some of the key issues deliberated on and decisions made during the Board meetings held in 2023.

- Finalizing the Seventh amendment to the Tax Administration Regulation
- Finalizing the Thirtieth amendment to the Goods and Services Tax Regulation
- Finalizing the Tax Ruling on claiming input tax within a period of 12 months
- Finalizing the Regulation on Collecting Plastic Bag Fee by Persons Registered for GST
- Finalizing the Plastic Bag Fee Record Keeping Regulation
- Finalizing the first amendment to the Installment Policy
- Finalizing the Policy on Recovery of Tax from Third Parties
- Finalizing the Second amendment to the Name and Shame Policy

The Board of Directors of the MIRA is appointed in accordance with the Section 4(a) of the Tax Administration Act (Act No. 3/2010), with the purpose of determining the administrative policies of the MIRA pursuant to the Act.

Meetings and Attendance

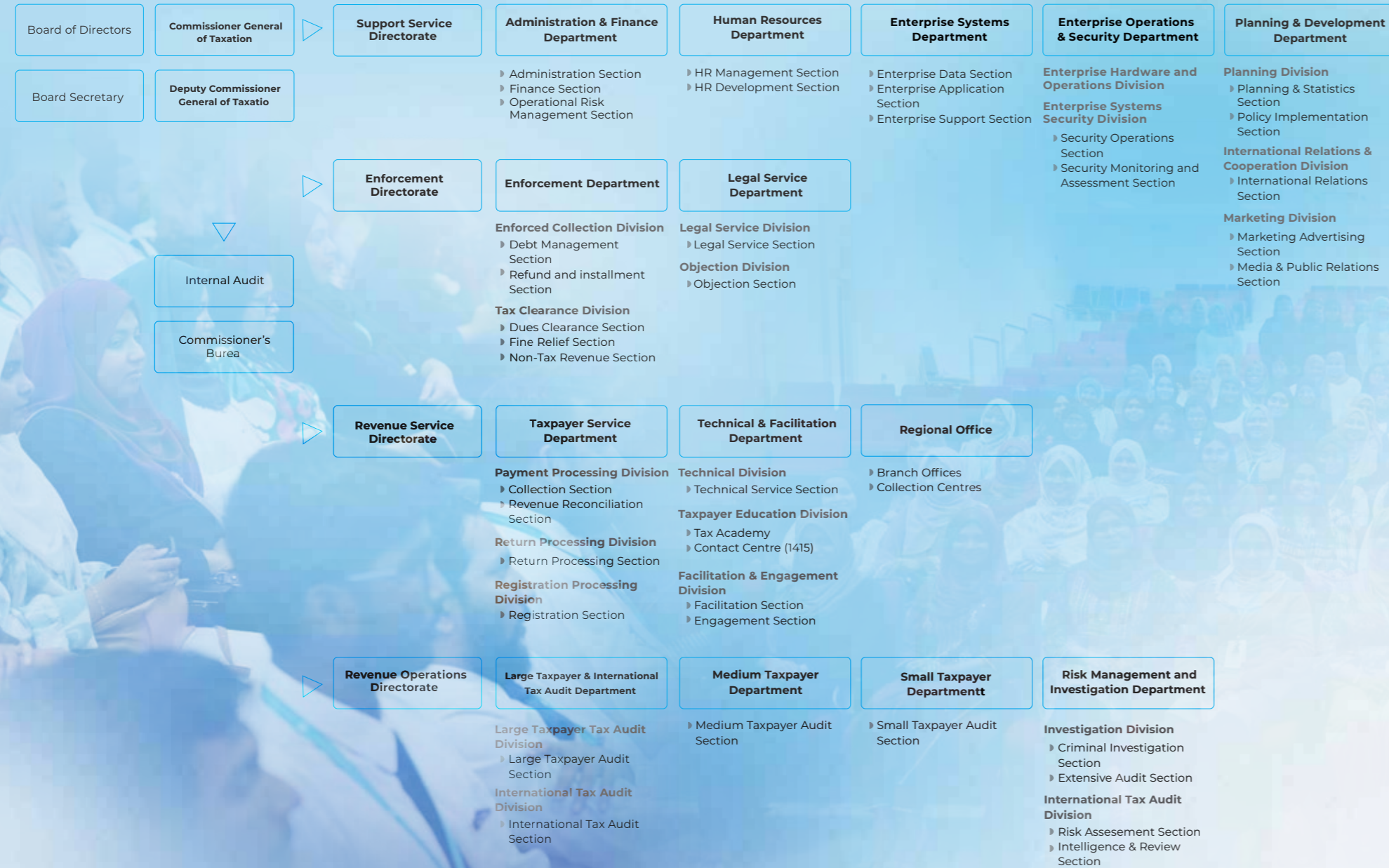
Name	Meetings held	Attended	Attendance
Ahmed Saruvash Adam	14	13	93%
Leena Mohamed Zahir Hussain	14	13	93%
Fathuhulla Jameel	14	14	100%
Aishath Asha Ali	14	14	100%
Makhzoom Saleem	14	14	100%
Husham Waheed	14	14	100%
Mumthaz Abdul Rasheed	14	12	86%

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

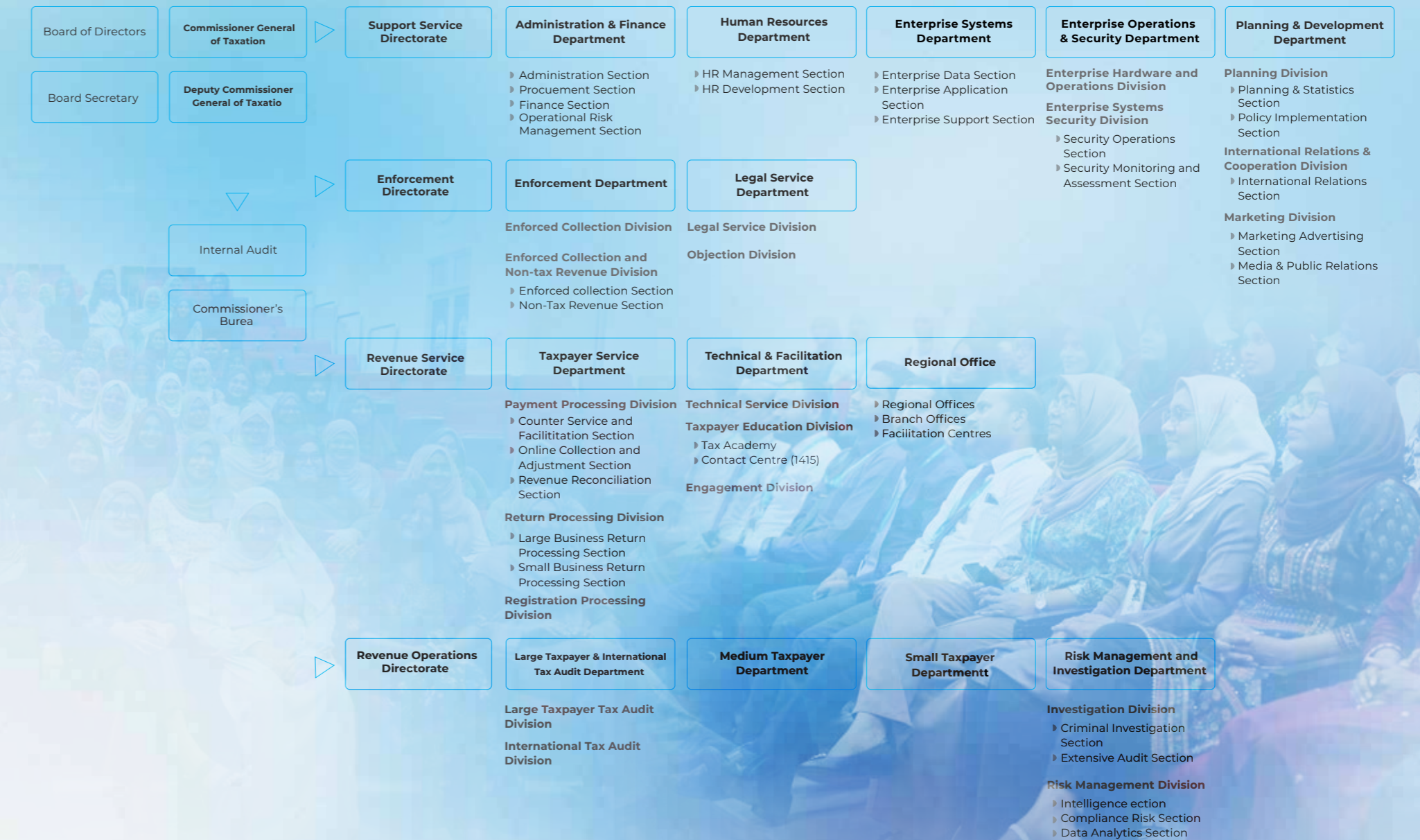
As per Section 7(e) of the Tax Administration Act, Ms. Mariyam Juwairiyya, Fiscal Executive, Ministry of Finance, served as the secretary of the Board.

4.2 Organizational Structure

Organizational Structure at the beginning of 2023



Organizational Structure from August 2023 onwards



The amendment to the organizational structure in August 2023 brought the following changes:

- A new section was formed in the Administration and Finance Department, under the administration division, called the Procurement Section.
- A new section under the Payment Processing Division called Counter Service and Facilitation Section was formed. Additionally, the Collection Section was renamed as Online Collection and Adjustments Section.
- Return Processing Division was split into two new sections, Large Business Return Processing Section and the Small and Medium Business Return Processing Section.
- The Technical and Facilitation Department was renamed Technical, Engagement and Education Department, and it now comprises of Technical Service, Taxpayer Education, and Engagement Divisions.
- A new section called Facilitation Centers was formed under Regional Operations.
- Enforcement Department was reformed, and now has two new divisions, Enforced Collection Division, and Enforced Collection and Non-Tax Revenue Division.
- Risk Management Division's sections were changed to Intelligence Section, Compliance Risk Section, and Data Analytics Sections.

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 include handling the administrative and financial operations of MIRA, and overseeing the work environment of office premises. The responsibilities of the staff of this department include administrative management, budgetary work, procurement of materials required for the work of MIRA, protocol work and all matters relating to office maintenance. In addition, the department is primarily responsible for identifying and managing business continuity challenges to ensure the smooth running of MIRA's day-to-day operations.



Human Resource Department

The Human Resource Department is entrusted with managing MIRA's most valuable asset; our staff. The main responsibility of this department is to recruit the most qualified employees for the work of MIRA and to manage all the activities required for the training and development of the employees. The Human Resource team plays an important role in planning and implementing activities to create a positive working environment for the 316 employees at MIRA.



Planning and Development Department

The Planning and Development Department has a major responsibility in ensuring that MIRA's activities are in line with its strategic direction. The functions of the Department include providing comprehensive tax information to taxpayers through various social media platforms, campaigns, and roadshows. In addition, functions of this department includes estimating, analyzing, and maintaining statistics on the revenue received to MIRA, while also publishing revenue collection and statistical

information. Moreover, this department reviews the performance of all departments of the organization to ensure achievement of the targets which are set to bring the work of MIRA in line with international standards. This Department's work also includes obtaining technical assistance from foreign tax authorities, tax-related associations, and organizations, negotiating tax treaties, and exchanging tax information between countries.



Information and Technology:

Enterprise Systems Department

The main functions of this Department are to develop applications for MIRA, to manage and maintain enterprise data, provide technical support for information exchange with other agencies and software support for other departments. All software applications used in MIRA's administrative functions are developed by MIRA's skilled Enterprise Systems team. The department also maintains and implements these applications.

Enterprise Operations and Security Department

The Department is primarily responsible for procuring and maintaining MIRA hardware, maintaining network security, assisting MIRA staff to resolve IT issues, and ensuring the security of information stored on MIRA's network. In addition, system security assessments are conducted with the assistance of external technical experts to identify and implement security improvement measures.



identifies and assists in the registration of persons who need to register for taxes, provides services to those who need to be de-registered and updating the register of taxpayers. In addition, the department is responsible for maintaining taxpayer accounts, receiving and processing tax returns, receiving payments and reconciling payments.



Technical, Engagement and Education Department

The staff of this Department carries out the work of preparing laws, regulations and other technical documents in accordance with changes to tax laws. In addition, the department is responsible for working with taxpayers to help them meet their obligations and to raise tax awareness among taxpayers and the public. This department also prepares the information required to provide technical advice on tax policies, plans and implements such policies while also managing the MIRA hotline 1415 and support email 1415@mira.gov.mv.



Regional Operations

Regional operations play a crucial role in receiving collections and providing tax related services in the atolls. The functions of this department include overseeing the work of regional branches, regional facilitation centers and collection centers of MIRA. This includes conducting tax awareness sessions in the atolls, collecting payments and returns, undertaking compliance activities and assisting taxpayers to meet their tax obligations.



Revenue Operations Directorate

Large Taxpayer and International Audit Department

The Department has the key responsibility of auditing the large businesses to ensure that they are fulfilling their tax responsibilities. Providing tax assistance to those who need it, and auditing whether taxpayers are calculating their tax liabilities in accordance with laws and regulations are also functions of this department. In addition, Large Taxpayer and International Audit staff play an important role in ensuring that the cross-border business activities are reported as per the Tax Laws and Regulations.



Medium Taxpayer Audit Department

This Department oversees audits and related tasks of companies classified as medium taxpayers. The main functions of this Department include ascertaining whether tax computation of the taxpayers is in accordance with the tax laws and regulations.

Support Service Directorate

Taxpayer Service Department

Taxpayer Service Department team works closely with taxpayers to ensure that the assistance required by taxpayers in fulfilling their tax obligations are provided on a timely manner. Among other things, the department



Small Taxpayer Audit Department

The main responsibilities of this Department include carrying out audits and tasks related to individuals classified as small taxpayers. The Department ascertains whether the tax computation of the taxpayers is in accordance with laws and regulations.



Risk Management and Investigation Department

The staff of the Risk Management and Investigation Department plays an important role in empowering taxpayers and increasing public confidence in the tax system. This includes designing and implementing MIRA's strategies to identify taxpayer compliance with laws and regulations. Additionally, taxpayer risk profiling, criminal investigation and 'extensive audit' functions, including collection of 'intelligence' information needed to manage compliance risks, are under the mandate of this department.



Enforcement Directorate

Enforcement Department

Enforcement Department team plays a key role in maintaining the integrity and fairness of the tax system. Thus, the department is responsible for

recovering taxes and other defaults received by MIRA, taking action against defaulters or non-filer of tax returns, issuing certificates of tax clearances and refunding dues to taxpayers.



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

Internal audit is a separate and independent function. The main function of internal audit is ensuring the accuracy of the information in the revenue and expenditure reports prepared by the Authority, reporting any problems in the reports, and ensuring that the Authority is in compliance with relevant laws, regulations, policies and other procedures.



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 on various matters.



At the end of 2023, the committees in place were:

- Human Resource Committee
- Investigation Committee
- Objection Committee
- Technical Committee
- Bid Evaluation Committee
- Audit Committee
- Fine Relief Committee
- Name and Shame Steering Committee
- “Technical Support To Legal Team” Committee
- Risk Management Steering Committee
- Review Committee
- WhistleBlower Protection Committee
- Committee for Gender Equality Complaints Review
- Prevention of Sexual Harassment Committee
- Business Continuity Management Committee
- Internal Audit Committee



4.4 Senior Management



Fathuhulla Jameel
Commissioner General of Taxation



Asma Shafeeu
Deputy Commissioner General of Taxation



Ahmed Shareef
Assistant Commissioner General,
Revenue Service

Fathimath Ameenah
Assistant Commissioner General,
Enforcement

Ahmed Shafneez

Director General
Administration and Finance



Fathimath Shifaza

Director General
Human Resource



Mohamed Najiz

Chief Technology Officer

Mohamed Ali Waheed

Director General
Engagement and Education



Nahshal Mohamed

Deputy Director General
Enterprise Systems



Nafa Waheed

Deputy Director General
Medium Taxpayer Audit



Ibrahim Rasheed

Deputy Director General
Risk Management and Investigation



Left to right:

Fathimath Shiuma-Deputy Director, Mariyam Himmath Hassan-Deputy Director, Hussain Amir-Deputy Director, Shifa Thaufeeq-Director, Ikram Ibrahim-Deputy Director, Azha Ahmed-Deputy Director, Abdul Matheen Abdul Sattar, Deputy Director



Left to right:

Ibrahim Faisal-Senior Director, Adha Amir-Director, Ali Naseer Ibrahim-Director, Aishath Suha-Director, Ahmed Zakariyya-Senior Director, Yoosuf Shiraz-Senior Director



Left to right:

Mohamed Jinah Ibrahim-Director, Mariyam Yasha-Deputy Director, Samahath Abdulla-Deputy Director, Ahmed Hussain-Deputy Director, Aminath Shiyana-Director, Ahmed Manik-Deputy Director



4.5 Human Resources Management and Development

Effective human resource management in MIRA is crucial for the smooth functioning of the tax administration. MIRA ensures that qualified staff are recruited, who possess the necessary skills and expertise to handle the complexities of tax-related matters. MIRA also focuses on retaining existing employees by providing training programs to enhance their capabilities.

Employees



Gender Ratio



M:F Ratio

0.73:1

Additionally, to undertake a special task, 4 interns worked during the year 2023.

Staff Educational Level



Bachelor's Degree or equivalent level qualification

119 Staff **38.51%**

Master's Degree or equivalent level qualification

67 Staff **21.68%**

Staff Training



Induction programs held for new staff

03
programs

Staff development programs held

51
programs

Local programs held

05 **23** participants
seminars / conferences / meetings

45

trainings / workshops

Were held by overseas parties

450 participants

38

seminars / conferences / meeting

Were held by overseas parties

185 participants

At the end of 2023

15

staffs were studying on ACCA sponsorships

Seminars and Conferences conducted by local parties

Internal Audit Conference
01 - 02 March 2023

Ministry of Finance

National HR Convention and Expo
04 - 05 March 2023

Maldives Association of Human Resource Professionals (MAHRP)

International Conference on Islamic Economics

08 - 09 March 2023

Islamic University of Maldives



Cyber Security Conference
04 - 05 October 2023

National Center for Information Technology (NCIT)



Learning and Development Conference

02 December 2023

Maldives Association of Human Resource Professionals (MAHRP)



Overseas parties planned and conducted the following:

Session	Number	Number of participants
Conferences	8	15
Seminars	2	3
Meetings	14	44
Webinars	12	97
Forums	2	3
Trainings	22	230
Workshops	22	243
Virtual	24	145
In-person	58	490

Total Participants: 635 (Includes employees who attended multiple trainings.)

4.6 Technical Assistance Received



International Monetary Fund (IMF)

Auditing the Banking Sector

17
staff trained



US AID

Revenue Forecasting

Technical Assistance Provided to the Planning and Development Department on



United Nations Development Program

Enterprise Risk Management and Development of Business Continuity Policy

Technical Assistance Provided to the Operational Risk Management Section on



Tax Inspectors Without Borders (TIWB)

Transfer Pricing Mission Focused on the Tourism and Hospitality Industry

48 staff trained

Criminal Investigation Mission

60 staff trained



Asian Development Bank (ADB)

Compliance Risk Management Project

30 staff trained

Digital Transformation Project of MIRA

32 staff trained



Asian Development Bank (ADB)

SAP basis and Systems Security Activities

Technical Assistance Provided to the Enterprise Systems Department and Enterprise Operations & Security Department on

Procuring Digital Forensic Equipment

Assistance Provided to the Criminal Investigations Section in





US Treasury – Office of Technical Assistance (OTA)

Fundamentals of Auditing

50

staff trained

Debt Collection

29

staff trained

Succession Planning and Staff Development

Technical Assistance Provided to the Human Resources Department on



Support Voluntary Compliance, Taxpayer Service and Education

Technical Assistance Provided to the Engagement Division to



'Construction Audit' Program

63

staff trained



4.7 Administrative Expenditure

Total Expenditure
MVR **105.57**
Million

- ▶ 5.1% higher compared to 2022
- ▶ Expenditure is higher because of increase in recurrent expenditure compared to previous year

Administrative Expenditure



Total Expenditure:

98% Recurrent Expenditure

An increment of MVR 6.97 million compared to 2022

Recurrent Expenditure of **77.6%** was spent on salaries and allowances of employees.

An increment of 0.7% compared to 2022

MVR **2.09** Millions

63.4% of the capital expenditure was spent on purchasing information technology hardware required by MIRA.

An increment of MVR 1.84 million compared to 2022

Administrative Expenditure



For every MVR **100** collected by MIRA **42** Laari was spent

For every MVR **1** spend by MIRA MVR **235** was collected as revenue

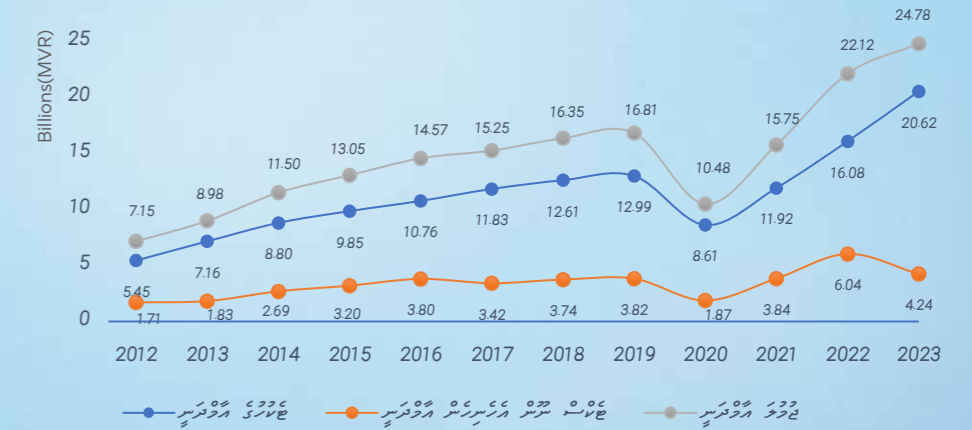
Revenue

5.1 Total Collections

Total Revenue MVR **24.86** Billion

- ▶ 12.4% higher compared to 2022
- ▶ 7.0% higher compared to projection for 2023

Total Revenue Collection 2012 -2023



The increase in Goods and Services Tax rates effective from 1st January 2023, attributed to the increase in the collection of revenue in 2023. The rate for tourism sector has been increased to 16%, while the tax rate for the general sector has been increased to 8%.

Tax revenue collected during the year 2023

MVR **20.62**
Billion

- ▲ 28.2% higher compared to 2022
- ▲ 4.9% higher compared to projection for 2023

Non-tax revenue collected during the year 2023

MVR **4.24**
Billion

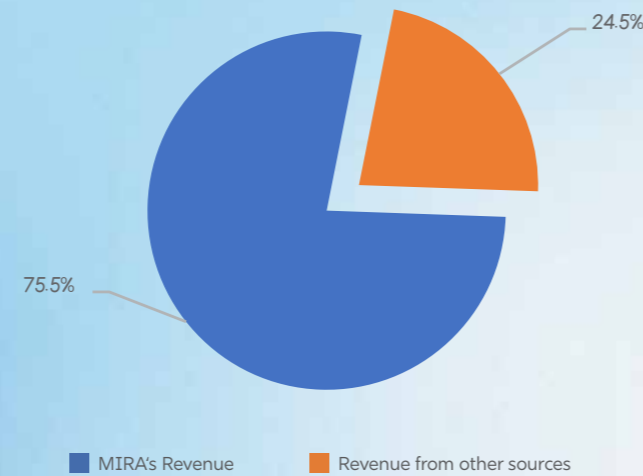
- ▼ 29.8% lower when compared to 2022
- ▲ 18.9% higher compared to projection for 2023

MIRA's revenue share in total government revenue

MIRA collected

75.5%

of the government's revenue in 2023.



5.2 USD Collection

Total USD Collection 2023

USD **949.74** Million

58.6% of the total revenue

- ▶ Equivalent to MVR 14.57 Billion
- ▶ 6.1% higher compared to 2022

The increment in USD collection in 2023 compared to 2022, was driven by higher revenues from TGST and Airport Taxes and Fees. Higher TGST rate coupled with the surge in tourist arrivals by 12.83%, in comparison to past year, led to this favourable outcome in USD collection.

Total USD Collection



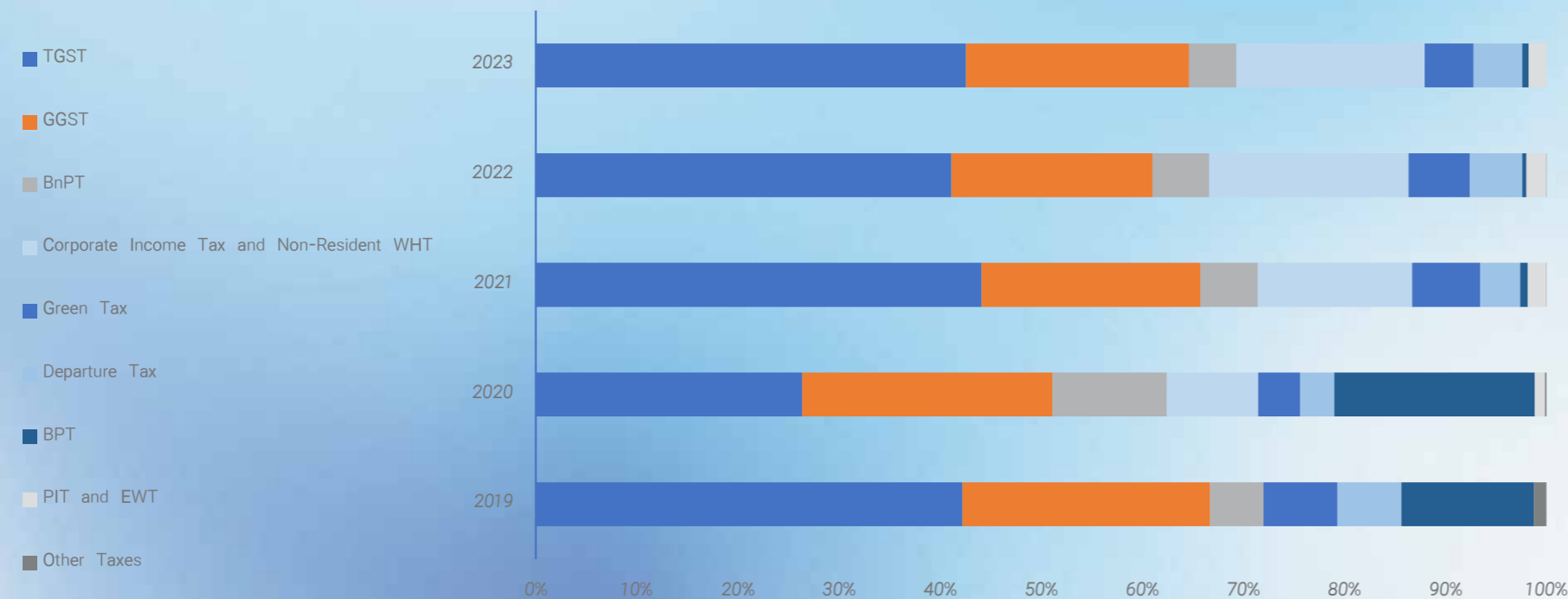
5.3 Tax Revenues

Tax revenue collected during the year 2023

MVR **20.62** Billion

▲ 28.2% higher compared to 2022

▲ 4.9% higher compared to projection for 2023



- During this year, TGST rate was increased to 16% and the GGST rate was increased to 8%.
- Upon the commencement of the Income Tax Act on 1 January 2020, Business Profit Act was repealed and this revenue was no longer projected. In 2023, only arrears of BPT and Withholding tax under BPT Regime from previous periods were collected.
- Among the tax revenues, Remittance Tax, Land Sales Tax, Revenue Stamp and Tourism Tax were abolished. No dues were collected in 2023.

Comparison of tax revenues against previous year and against projection

T-GST



▲ 33.0% higher compared to 2022

▼ -2.5% lower compared to projection

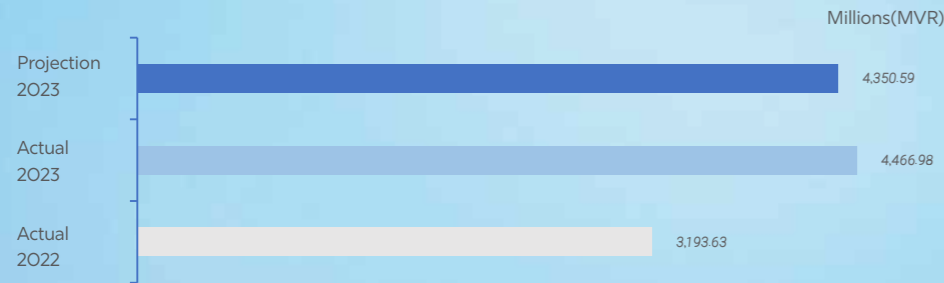
Reason for increment / decrement compared to 2022

- With the enactment of the 6th amendment to the GST Act, the TGST rate has increased to 16% from 1st January 2023 which led to the increase in the revenue collected.
- Prior to the tax rate change on 1st January 2023, taxpayers raised the tax invoices in advance and reported tax liability for December 2022 and made payments in January 2023, which contributed to the substantial increase in TGST.
- Tourist arrivals for the taxable period of 2023 are 12.83%, higher than the corresponding period of last year.
- There is a slight increment in taxable sales (excluding output tax) by 2.3% compared to the previous year.

Reason for increment / decrement compared to projection

- Compared to projection, TGST is slightly lower due to non-payment from some taxpayers. Tax payable reported for the tax year 2023 is MVR 9.14 billion. Out of this 1.09 billion remains to be collected. 95.4% of the MVR 9.01 billion collected in 2023, was towards the deadlines of the year, and the remaining 4.6% of the collection consists of the dues from past periods.

G-GST



▲ 42.2% higher compared to 2022

▲ 4.4% higher compared to projection

Reason for increment / decrement compared to 2022

- GGST rate has increased from 6% to 8% from the beginning of this year, which resulted in a higher collection
- 90.9% of GGST collection were payments for deadline while the remaining 10.6% of the collection consists of recovered dues and assessed tax.

Reason for increment / decrement compared to projection

- Projection of GGST is based on GDP growth and average collection of GGST for the past years
- GGST reported for 2023 is MVR 5.26 billion. Out of which 77% (MVR 4.06 billion) was collected during this year. MVR 404.98 million was received as dues from past deadlines and assessed tax, which led to the increment in collection compared to projection.

Income Tax (Companies and non-individuals)



▲ 33.8% higher compared to 2022

▲ 32.0% higher compared to projection

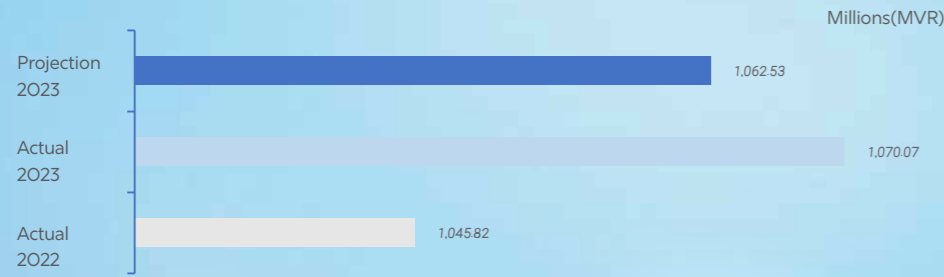
Reason for increment / decrement compared to 2022

- Income Tax reported as payable for tax year 2022, is 33.1% higher compared to the tax payable for tax year 2021.
- Highest increment was observed for Tourism Sector (+MVR 466.11 million), Trade Sector (+MVR 159.99 million) and Accommodation and food service activities (+MVR 91.85 million).
- For tax year 2021, 1007 taxpayers reported the taxable income, above the tax-free threshold (MVR 500,000). For tax year 2022, the number of taxpayers had increased to 1139 taxpayers.

Reason for increment / decrement compared to projection

- Tax payable reported for 2022 has increased significantly and surpassed projection due to the significant increment observed for Tourism Sector. This is an increment 2.05 times the tax payable reported by Tourism Sector for the tax year 2021.

Non-resident Withholding Tax



▲ 2.3% higher compared to 2022

▲ 0.7% higher compared to projection

Reason for increment / decrement compared to 2022

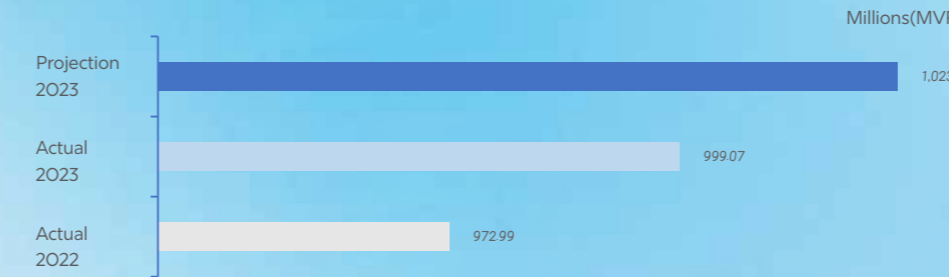
- Non-resident withholding tax reported during this year has increased by 8.68% compared to previous year. Compared to 2022, the highest increment was observed for 'Rent in relation to immovable property situated in the Maldives', 'Royalty' and 'Interest' categories,.

Taxable Category	2022	2023	-/+
Rent in relation to immovable property	84.35	144.73	60.39
Royalty	77.90	114.07	36.17
Interest	72.79	88.67	15.88

Reason for increment / decrement compared to projection

- The increment in reported liability and the timely receipt of payments led to the increment in collection compared to the projection.

Green Tax



▲ 2.7% higher compared to 2022

▼ 2.4% lower compared to projection

Reason for increment / decrement compared to 2022

- Green Tax levied 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 increased during this year compared to 2022.
- The increment in tourist arrivals by 12.83% in 2023, compared to 2022, led to this increment in Green Tax.

Reason for increment / decrement compared to projection

- Compared to the forecasted bednights, the taxable bednights had increased by 3.92%, which led to a higher Green tax collection.
- However, 496 taxpayers had not settled MVR 145.02 million by deadline, which led to a slight decrement in collection compared to projection

Departure Tax



▲ 19.0% higher compared to 2022

▲ 12.3% higher compared to projection

Reason for increment / decrement compared to 2022

- Pursuant to the 1st amendment to Airport Taxes and Fees Act, Departure Tax is levied on passengers departing from the Maldives based on the class of travel.
- The increase of 12.83% in tourist arrivals compared to 2022 resulted in a favorable outcome for Departure Tax collection.
- In addition, there is an increment of 19.51% in departures compared to 2022.

Reason for increment / decrement compared to projection

- There is an increment of 14.7% in departures compared to projection. Highest increment is from departures of Economy class – an increment of 13.9%.

Bank Income Tax



▲ 7.4% higher compared to 2022

▲ 7.1% higher compared to projection

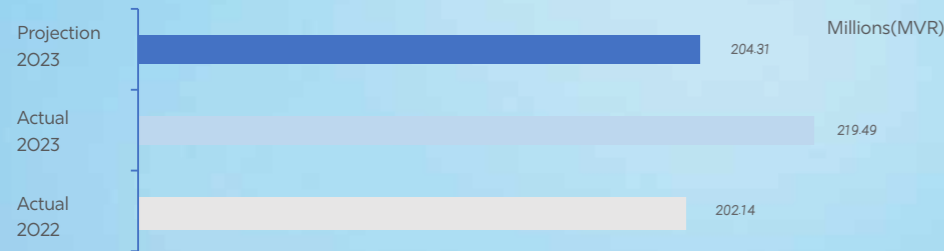
Reason for increment / decrement compared to 2022

- There is an increment in profits reported by most of the banks in 2023, compared to 2022. Bank Income Tax paid in 2023 increased by MVR 66.41 million compared to 2022.

Reason for increment / decrement compared to projection

- Projection for Bank Income Tax is based on the GDP growth of financial sector. Compared to 2022, there is an increment of 3.76% in financial sector's GDP during this year, which led to the increment in tax reported by the commercial banks.

Employee Withholding Tax



▲ 8.6% higher compared to 2022

▲ 7.4% higher compared to projection

Reason for increment / decrement compared to 2022

- The tax payable reported for this year has increased by 7.9% compared to last year.
- 52.6% of the employee withholding tax was declared from Tourism Industry

Industry	Collection (MVR in millions)
Tourism	115.45
Wholesale and Retail Trade	24.48
Human health and social work activities	15.55
Construction	12.44
Information and communication	10.56
Others	41.01

Reason for increment / decrement compared to projection

- Employee withholding tax withheld from salaries was projected to increase by 10% on the monthly average collection of last year.
- The projected monthly average for 2023 is MVR 17.25 million while the monthly average collection for this year is MVR 18.29 million.
- Highest increment was observed from Construction sector, Health and social work activities and other service activities compared to the projection.

Personal Income Tax



▲ 25.5% higher compared to 2022

▲ 15.5% higher compared to projection

Reason for increment / decrement compared to 2022

- Under the Income Tax Act, individuals are taxed on their income at rates ranging from 0% to 15% based on their income brackets.
- The tax payable for 2022, reported in 2023, is 34.6% higher than last year.
- Among sole proprietorships and individuals who filed tax returns of 2021, 1083 taxpayers reported taxable income above the tax-free threshold of MVR 720,000, this number has increased to 1269 taxpayers for the tax returns of 2022, which led to the increment in PIT.
- Highest increment was observed for Educational Sector followed by Wholesale and retail trade and Real estate activities:

Industry	2K21	2K22	-/+
Education	48.92	71.99	+23.07
Wholesale and retail trade	37.67	54.15	+16.48
Real estate activities	24.01	28.03	+4.01

Reason for increment / decrement compared to projection

- GDP growth and compliance level of the taxpayers were used as indicators in the Personal Income Tax projection.
- With the increment in taxable income reported for tax year 2022 and increase in the number of taxpayers, the collection of Personal Income Tax has surpassed projection.

5.4 Non-tax Revenues

Non-tax revenue collected during the year 2023

MVR **4.24** Billion

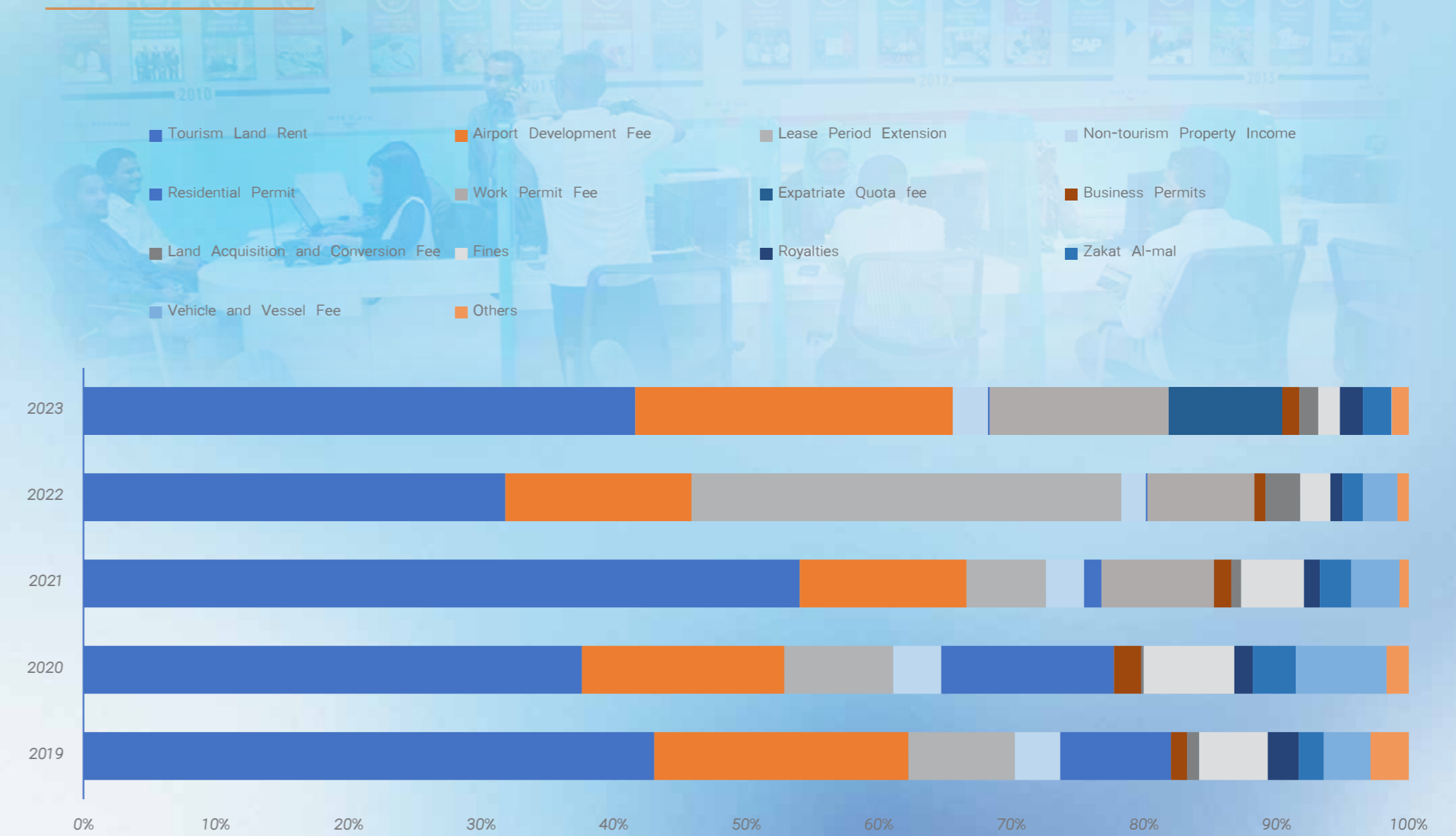
▼ 29.8% lower compared to 2022

▲ 18.9% higher compared to projection for 2023

- From 1st January 2023, MIRA had ceased the collection of Vehicle Fee, Vessel Fee and Traffic violation charges, except for USD payments. These fees are now collected by the Transport Authority.
- Pursuant to the Lease Period Extension Fee (LPEF) Regulation, leniency in payment and rate of LPEF were tied to the statutory deadline of December 2022, and as the rate of LPEF increases after this deadline. Most payers chose to pay before the statutory deadline and no payments were received in 2023. This fee is not included in the projection as the payment options are entirely at the discretion of the taxpayers.



Multi-year Non-Tax Revenues



Comparison of non-tax revenues against previous year and against projection

Tourism Land Rent



▼ 8.1% lower compared to 2022

▲ 1.5% higher compared to projection

Reason for increment / decrement compared to 2022

- In 2022, 16% were dues collected from past deadlines, including rent deferred during the covid-19 lockdown. In contrast, only 2% of the Land Rent collections in 2023 were from past deadlines from the total collection of Tourism Land Rent. As a result, revenue from tourism land rent received this year has declined compared to the previous year.

Reason for increment / decrement compared to projection

- New taxpayers commenced Land Rent payments as per their schedule, which led to an increase in revenue collection compared to the projected revenue.

Airport Development Fee



▲ 19.6% higher compared to 2022

▲ 15.4% higher compared to projection

Reason for increment / decrement compared to 2022

- Effective from 1st January 2022, Airport Development Fee is levied based on passengers' flying class
- The increase of 12.83% in tourist arrivals compared to 2022, resulted in a favorable outcome for Airport Development Fee collection.
- 98.3% of Airport Development Fee collection were payments received towards this year's deadline while the remaining 1.7% are dues recovered from past deadlines.

Reason for increment / decrement compared to projection

- There is an increment of 14.7% in departures compared to projection. Highest increment is from departures of Economy class – an increment of 13.9%

Work Permit Fee



▲ 17.9% higher compared to 2022

▲ 23.9% higher compared to projection

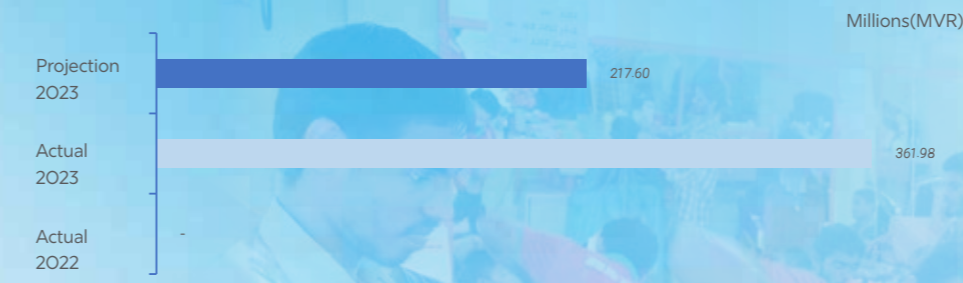
Reason for increment / decrement compared to 2022

- A fee of MVR 350/- per month is levied as work permit fee by foreign or expatriate employees.
- With the increase in the number of payers, there is an increment in collection of work permit fee compared to 2022.

Reason for increment / decrement compared to projection

- There is an increment of 25% in the number of payers compared to projection, which resulted in the increment in revenue.

Expatriate Quota Fee



▲ 66.4% higher compared to projection

Reason for increment / decrement compared to 2022

- The approval of quota for expatriate employees is subject to an annual payment of MVR2,000. The regulation was gazetted on 1st July 2021.
- After the completion of the configurations required to the systems by the Ministry of Economic Development, collection of this fee commenced from March 2023.

Reason for increment / decrement compared to projection

- Projection for this fee is based on the number of quotas issued. Employers have the option to settle the payment on installment basis as approved by MED. Since many employers opted to settle the dues in installments, collection has surpassed the projection significantly.

Non-tourism Property Income



▲ 0.2% higher compared to 2022

▲ 37.3% higher compared to projection

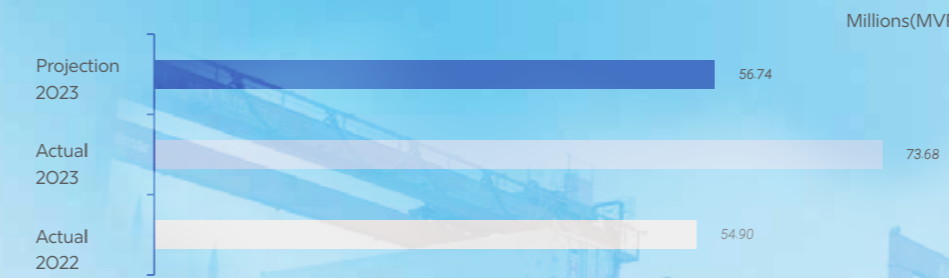
Reason for increment / decrement compared to 2022

- There is an increment of MVR 170,980 in non-tourism property income compared to 2022.
- A slight increment in revenue was realized for the year, as most fees under this revenue were assigned to local councils

Reason for increment / decrement compared to projection

- Along with the payments for deadline, receipt of dues from past deadlines, and advance payments for the upcoming deadlines led to the increment in collection compared to the projected revenue.

Royalties



▲ 34.2% higher compared to 2022

▲ 29.9% higher compared to projection

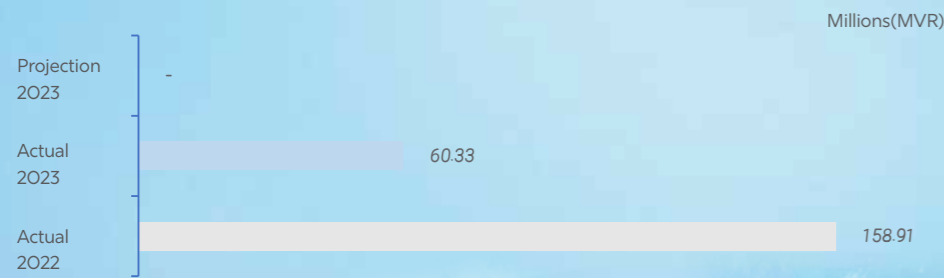
Reason for increment / decrement compared to 2022

- In 2023, only Duty-free Royalty was collected
- The increment in Duty Free Royalty collection is attributed to the surge in the number of tourist arrivals by 12.83% compared to 2022, which resulted in a higher sales reported by the duty free shops at the airport.

Reason for increment / decrement compared to projection

- Projection of Royalty is based on tourist arrivals.
- With the increment in arrivals by 3.92% compared to the estimated arrivals and with the increase in revenue of duty free shops, collection of Royalties surpassed the projection.

Land Acquisition and Conversion Fee



62.0% lower compared to 2022

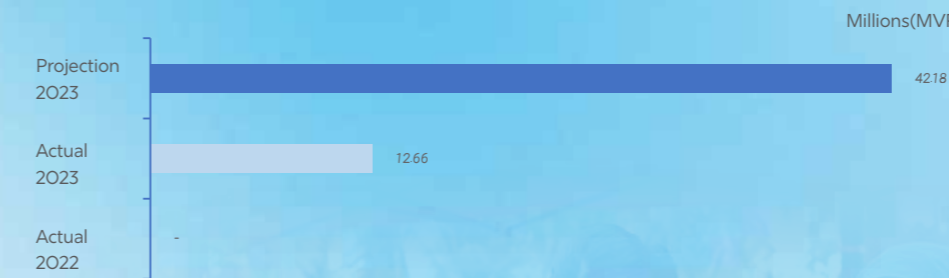
Reason for increment / decrement compared to 2022

- 92.8% of Land Acquisition and Conversion Fee collection were payments from newly leased islands, 3.4% are receipt of subsequent fees and the remaining 3.8% are from the islands leased by the Ministry of Economic Development.
- There is a decrement of 63.6% (MVR 6.38 million) from the newly leased islands compared to 2022. 3 taxpayers made payments during this year, while 4 taxpayers made payments last year.
- Additionally, receipt of subsequent fees under this revenue code decreased by 59.1% compared to the previous year

Reason for increment / decrement compared to projection

- No forecast is done for this fee, as this fee is not required to be paid under a specific schedule.

Plastic Bag Fee



70.0% higher compared to projection

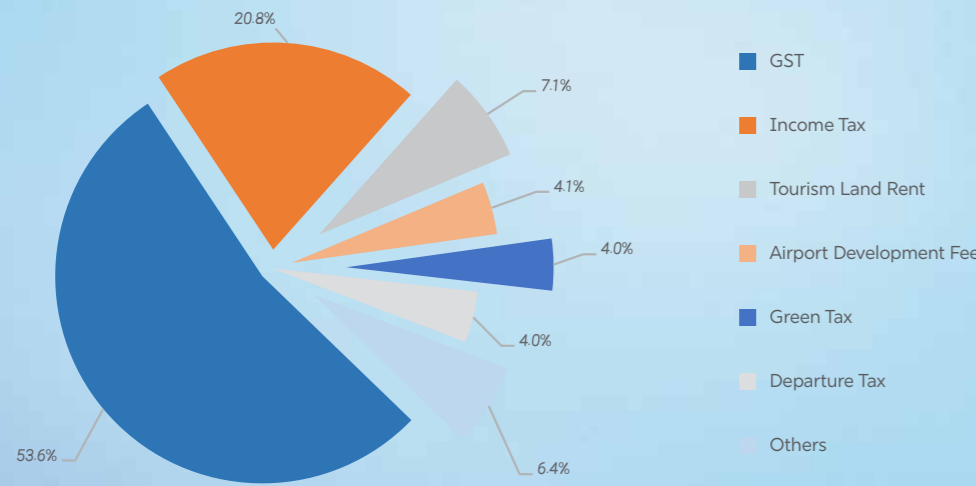
Reason for increment / decrement compared to 2022

- Plastic Bag Fee is a fee collected under the Waste Management Act (No: 24/2022) by the businesses operating in the Maldives on plastic bag fees provided free of charge or sold at the point of sale at the rate of MVR 2 per plastic bag, pursuant to the regulation no: 2023/R-76 Plastic Bag Fee collected by a GST registered person ought to be paid to MIRA.
- This regulation was effective from 18 April 2023, and the collection of plastic bag fee commenced from May 2023 onwards.

Reason for increment / decrement compared to projection

- Plastic Bag Fee reported by GST registered persons (from April to November 2023) sums upto MVR 8.65 million. This is lower than the projected revenue.
- Among the taxpayers that reported plastic bag fee, 317 taxpayers have not settled MVR 1.54 million at the end of the year.

Top revenue contributors



- GST
- Income Tax
- Tourism Land Rent
- Airport Development Fee
- Green Tax
- Departure Tax
- Others

GST

Total GST revenue 2023

MVR **13.32** Billion

▲ **36.0% higher compared to 2022**

▼ **0.3% lower than projection for 2023**

The top 6 revenue contributors for 2023 are GST, Income Tax, Tourism Land Rent, Airport Development Fee, Green Tax and Departure Tax.

GST share from tourism sector is 66.3% while all other sectors contributed 33.7% to the total GST revenue.

Total GST collection 2012 to 2023



TGST

Total TGST collection 2012 to 2023



Total sales (excluding tax) reported via TGST returns for 2022 and 2023

Table below shows the total sales (excluding sales) reported by different categories in 2023. This amount will differ from collection.

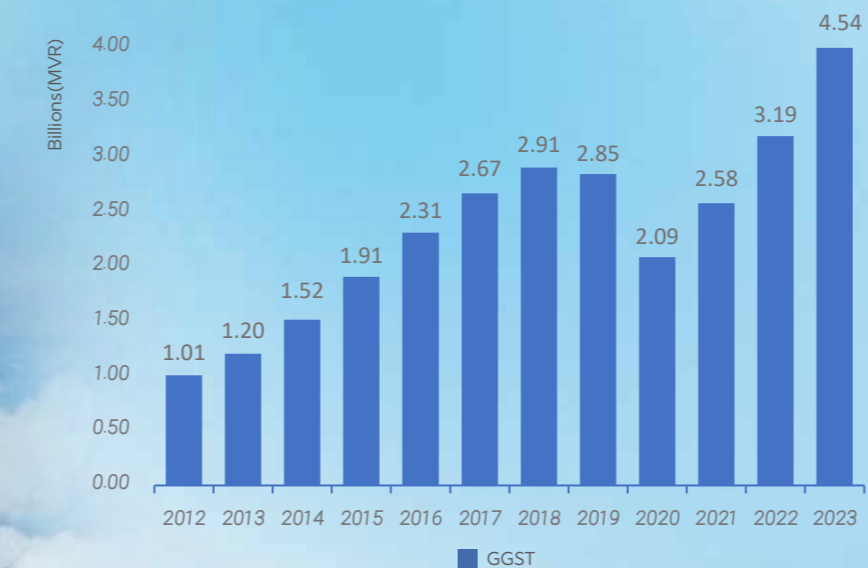
Industry	2022 MVR in Millions	2023 MVR in Millions	+/-
Tourist resort	63,917.43	64,656.19	+1.2%
Water sports facility	295.77	306.08	+3.5%
Other Facility	286.07	331.48	+15.9%
Tour operator	5,937.20	6,054.85	+2.0%
Foreign tourist vessel's agent	110.75	112.07	+1.2%
Domestic air transport	4,189.45	4,638.98	+10.7%
Home Stay Tourist Guesthouse	0.03	0.31	+875.6%
Tourist hotel	931.07	968.75	+4.0%
Tourist guest house	905.58	1,125.21	+24.3%
Tourist vessel	701.00	736.62	+5.1%
Diving School	1,055.92	1,089.60	+3.2%
Shops	280.97	366.10	+30.3%
Spa	245.83	265.64	+8.1%
Net sales reported	78,857.06	80,651.88	+2.3%

- Deadlines in 2022: December 2021 to November 2022 and 21Q4 to 22Q3
- Deadlines in 2023: December 2022 to November 2023 and 22Q4 to 23Q3

* Amount reported in USD converted to MVR at the rate of 15.36

GGST

Total GGST collection 2012 to 2023



Total Sales (excluding tax) reported via GGST returns for 2022 and 2023

The table below shows the total sales (excluding tax) reported by different categories in 2023. This amount is different from collection amount.

Industry	2022 MVR in Millions	2023 MVR in Millions	+/-
Construction	15.75	22.65	+43.84%
Wholesale and retail trade; repair of motor vehicles and motor cycles	77.32	78.73	+1.81%
Administrative and support service activities	3.30	4.48	+35.76%
Other service activities	4.86	5.82	+19.78%
Electricity, gas, steam and air conditioning supply	4.87	5.74	+17.87%
Accommodation and food service	3.73	4.27	+14.58%
Transportation and storage	13.25	13.70	+3.35%
Others	16.65	16.52	-0.81%
Net sales reported	139.73	151.90	+8.71%

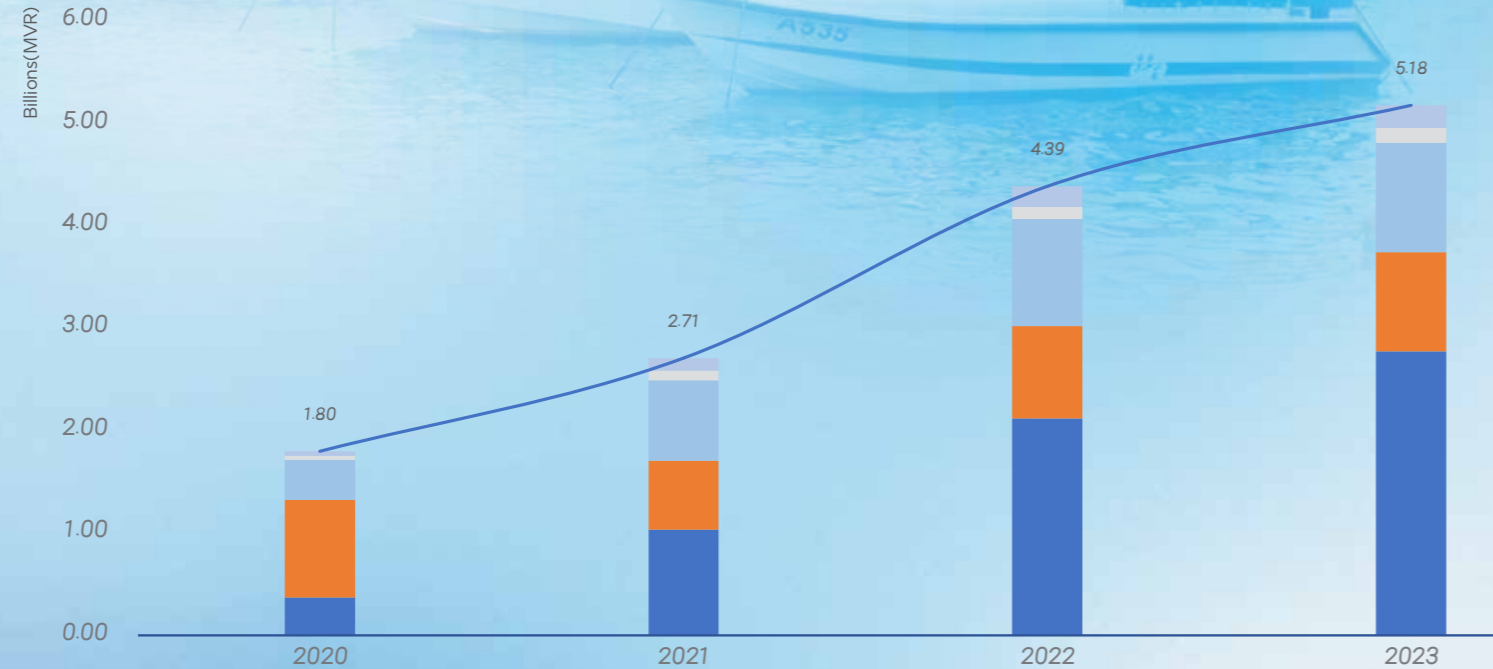
- Deadlines in 2022: December 2021 to November 2022 and 21Q4 to 22Q3
- Deadlines in 2023: December 2022 to November 2023 and 22Q4 to 23Q3

Income Tax

Income Tax collection 2010 to 2023

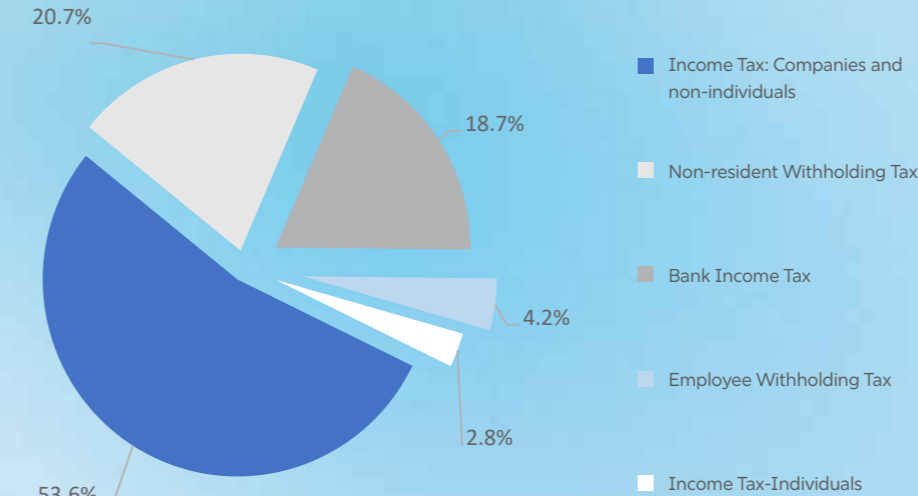
The highest income tax contributor in 2023 is Income Tax from Companies and Non-individuals, followed by Non-resident Withholding Tax, Bank Income Tax, Employee Withholding Tax and Individual Income Tax.

Additionally, compared to 2022, the highest increment was recorded for the income tax paid by the companies and non-individuals.



	2020	2021	2022	2023
Employee Withholding Tax	42,123,987	122,411,429	202,138,104	219,493,973
Individual Income Tax	41,007,280	96,779,161	116,096,604	145,644,995
Non-resident Withholding Tax	390,869,393	782,233,442	1,045,820,161	1,070,080,644
Bank Income Tax	953,699,643	675,071,083	901,259,957	967,668,298
Income Tax: Companies and non-individuals	370,490,477	1,032,057,063	2,120,552,430	2,773,979,147
Total Income Tax Collection	1,798,190,780	2,708,552,178	4,385,867,256	5,176,867,057

Breakdown of Income Tax collection



Income Tax – Companies and non-individuals

In 2023, 4,310 taxpayers submitted Income Tax return. Breakdown of filers based on their legal form is provided below:

Legal Form	No. of TPs
Private Company	3,963
Partnership	326
Cooperative Society	9
Public Limited Company	7
Others	5
Total	4,310

Reported tax payable for 2023 and 2022

Industry	Tax Payable for 2022 MVR in Millions	Tax Payable for 2023 MVR in Millions	+/-
Tourism Sector	444.36	909.15	+104.6%
Wholesale and retail trade; repair of motor vehicles and motor cycles	382.47	524.40	+37.1%
Accommodation and food service	5.30	95.76	+1707.1%
Construction	129.95	162.51	+25.1%
Financial and Insurance activities	32.27	51.55	+59.8%
Transportation and Storage	212.34	229.01	+7.8%
Information and Communication	242.28	253.85	+4.8%
Others	576.93	469.49	-18.6%
Grand Total	2,025.90	2,695.73	+33.1%

* These are the tax payable reported in tax returns, and would differ from the revenue collected.

Non-Resident Withholding Tax

Non-residents deriving any of the income from Maldives are taxed, as specified under Section 55 of the Income Tax Act. The obligation to withhold and pay the tax to MIRA falls on the person carrying on business in the Maldives who makes the payment to the non-resident.

Reported Non-Resident Withholding Tax 2022 - 2023

Taxable Categories for Non-Resident Withholding Tax	2022 MVR in Millions	2023 MVR in Millions	+/-
Rent in relation to immovable property situated in the Maldives	84.35	144.73	+71.6%
Royalty	77.90	114.07	+46.4%
Interest	72.79	88.67	+21.8%
Dividends	73.82	82.99	+12.4%
Fees for technical services	0.72	0.41	-43.0%
Commissions paid for services provided in the Maldives	100.65	100.11	-0.5%
Payments for performances by public entertainers in the Maldives	19.64	18.59	-5.4%
Payments for carrying research and development in the Maldives	7.28	5.78	-20.6%
Payments to a contractor	499.61	488.93	-2.1%
Insurance premium paid	32.03	8.61	-73.1%
Reported Total Withholding Tax	968.79	1,052.89	+8.7%

▪ Taxable period: December 2021 to November 2022 and December 2022 to November 2023

* These are the tax payable reported in tax returns, and would differ from the revenue collected.

Bank Income Tax

Bank Income Tax Collection 2012 - 2023



This year, 58% of Bank Income Tax are paid by local banks while the remaining 42% are receipts from foreign banks operating in Maldives.

Employee Withholding Tax

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.

Employee Withholding Tax rates with the monthly remuneration brackets are as below.

Remuneration subject to Employee Withholding Tax (Monthly)	Tax rate	Tax payable 2023
MVR 60,000 or less	0%	-
More than MVR 60,000 but less than or equal to MVR 100,000	5.5%	62,662,332
More than MVR 100,000 but less than or equal to MVR 150,000	8%	3,504,600
More than MVR 150,000 but less than or equal to MVR 200,000	12%	31,723,761
More than MVR 200,000	15%	90,333,159

Reported Employee Withholding Tax 2022 - 2023

Industry	2022 MVR in Millions	2023 MVR in Millions	+/-
Construction	7.94	13.67	+72.1%
Human health and social work activities	11.65	15.30	+31.4%
Other service activities	5.46	8.93	+63.6%
Wholesale and retail trade; repair of motor vehicles and motor cycles	22.58	24.80	+9.8%
Accommodation and food service activities	1.09	2.63	+141.7%
Administrative and support service activities	7.07	8.55	+21.0%
Financial and Insurance activities	7.71	8.58	+11.4%
Others	138.80	135.86	-2.1%
Grand Total	202.29	218.33	+7.9%

Taxable period:

- 2022: December 2021 to November 2022
- 2023: December 2022 to November 2023

*These are the tax payable reported in tax returns, and would differ from the revenue collected.

Income Tax – Individuals

Below table shows the aggregate tax reported by Individuals during 2023 based on the tax rates and brackets applicable to the total taxable income of the respective individual.

Annual Taxable Income (MVR)	Tax Rate	Tax reported
MVR 720,000 or less	0%	-
More than MVR 720,000 but less than or equal to MVR 1,200,000	5.5%	6,486,245
More than MVR 1,200,000 but less than or equal to MVR 1,800,000	8%	15,269,249
More than MVR 1,800,000 but less than or equal to MVR 2,400,000	12%	16,883,316
More than MVR 2,400,000	15%	153,662,327

Filing statistics of Personal Income Tax Return

In comparison to last year, taxpayers who filed Personal Income Tax Returns in 2023 have increased by 4.9%.

Tax bracket at 0%	Tax bracket at 5.5%	Tax bracket at 8%	Tax bracket at 12%	Tax bracket at 15%	Grand Total
1316	490	295	127	176	2404
1240	566	329	160	227	2522

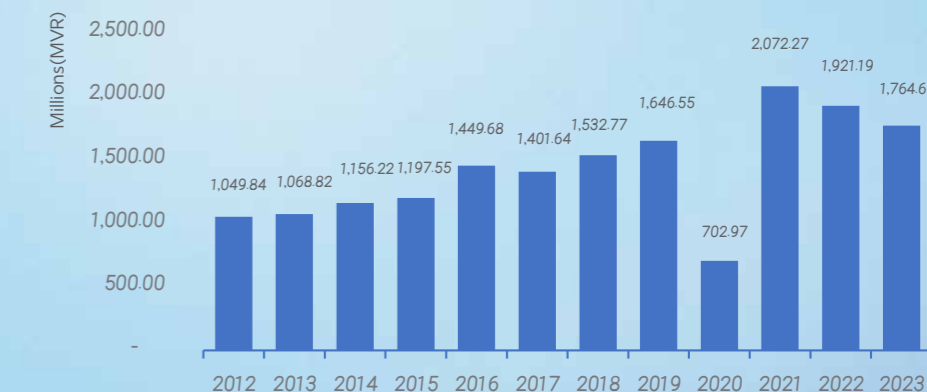
Reported Tax payable 2023 and 2022

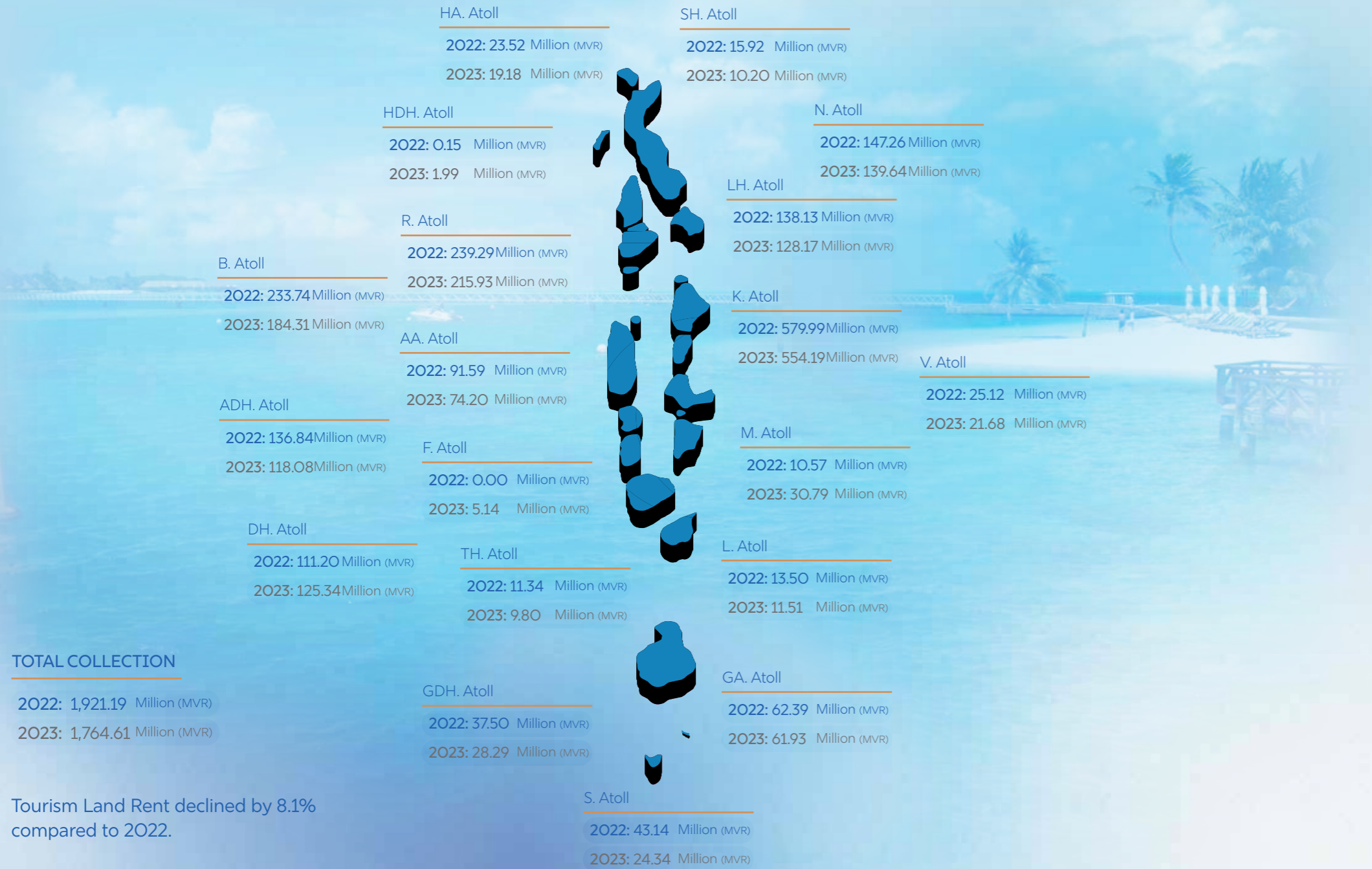
Industry	Tax Payable for 2022 (MVR in Millions)	Tax Payable for 2023 (MVR in Millions)	Variance %
Education	33.91	54.78	61.6%+
Wholesale and retail trade; repair of motor vehicles and motor cycles	35.33	53.39	51.1%+
Real estate activities	24.24	32.29	33.2%+
Agriculture, forestry and fishing	2.43	4.98	105.0%+
Accommodation and food service	1.86	3.25	74.9%+
Tourism Sector	10.03	11.35	13.2%+
Construction	0.13	0.54	319.5%+
Others	34.29	30.80	10.2%-
	142.22	191.38	34.6%+

Tourism Land Rent

During the year 2022, 16% of the Tourism Land Rent collection were dues of past years, including the rent deferred due to covid-19 lockdown, whereas the share of dues collected in 2023 is 2% of the collection.

Tourism Land Rent Collection 2012 - 2022





TOTAL COLLECTION
 2022: 1,921.19 Million (MVR)
 2023: 1,764.61 Million (MVR)

Tourism Land Rent declined by 8.1% compared to 2022.

Airport Development Fee

Airport Development Fee Collection 2017 - 2023



Airport Development Fee payable for 2023 from foreign passengers increased by 45.0% compared to the taxable period of 2022.

ADF Payble by Foreigners





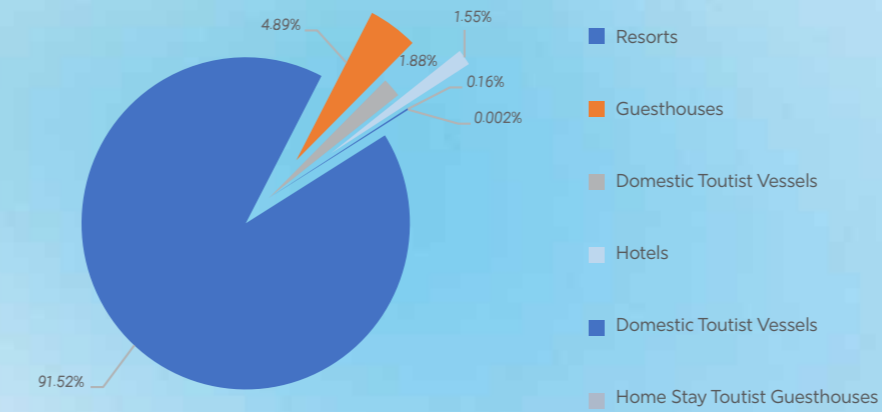
Airport Development Fee payable for 2023 from Maldivian passengers increased by 45.0% compared to the taxable period of 2022.

Green Tax

Green Tax collection 2015 - 2023



Green Tax by Categories



In the year 2023, Green Tax was reported for the periods from December 2022 to November 2023. Similarly, the taxable periods of 2022 are from December 2021 to November 2022

Category	2022	2023	+/-
Guesthouse	3,802,881	6,315,484	+66.1%
Home Stay Tourist Guesthouse	525	1,668	+217.7%
Tourist Hotel	989,460	1,105,998	+11.8%
Tourist Resort	58,553,984	58,781,726	+0.4%
Tourist Vessel	1,276,548	1,345,710	+5.4%
Grand Total	64,623,398	67,550,586	+4.5%

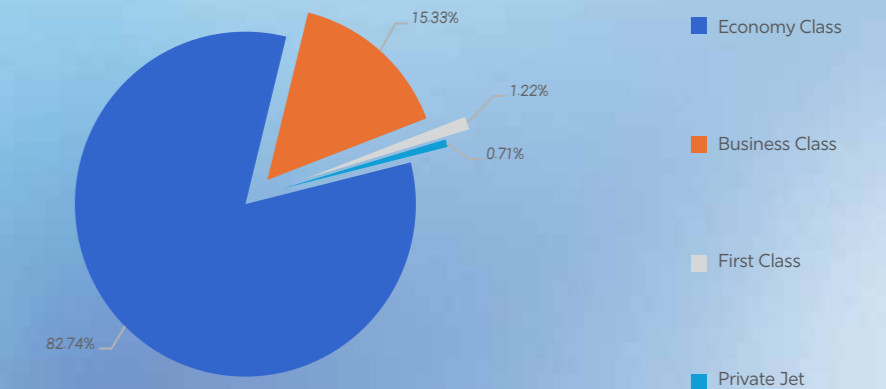
*These are the amounts reported in tax returns, and is different from collected amount.

Departure Tax

Departure Tax collection 2017 - 2023



Breakdown of the flying class for the departure tax reported in 2023.



Activities carried out during the year

6.1 Activities carried out to improve tax administration

Launching of new website and mobile application

- MIRA's new mobile application and website were launched on 18 January.
- Through the new MIRA mobile application, tax returns can be submitted and paid, tax deadlines can be set as reminders on the phones calendar, token numbers can be obtained from MIRA counters, tax information can be obtained and appointments can be made for information sessions.
- New services introduced on the new website include completion and submission of all forms through the website and access to information through the 'Live Chat' function.



Publication of Compliance Improvement Plan of 2023-2024

- The Compliance Improvement Plan for 2023-2024 has been published on MIRA's website under MIRA's Compliance Risk Management Policy.
- The Compliance Improvement Plan is designed to include tax payment risks from individual industries as well as actions to be taken to address those risks.
- The plan includes familiarizing taxpayers and the public, visiting taxpayers around the country to facilitate completion of tax obligations, conducting tax trainings for specific individuals and making filing of tax returns more convenient.
- Identifying non-compliers and tax evaders, and taking appropriate measures to prevent such situations are an integral part of the plan.

Launching of Fansa'aahi Campaign

- MIRA's 2023 campaign, called 'Fansaahi', aimed to improve tax compliance and the on-time filing rate.
- Under this campaign, 2385 taxpayers who are not required to file returns were assisted in the de-registration process via email.
- 321 taxpayers consented via email to be de-registered.
- 1,154 business activities were visited by MIRA officials to conduct the physical verification process required under the de-registration process
- 431 taxpayers were contacted by a reminder call to submit their tax returns before the deadline.
- The total on-time filing percentage by the end of October 2023 was 70.25%, an increase of on-time filers by 4.81%, compared to the on-time filing rate at the beginning of the campaign.

Digitalization Transformation of MIRA

- In May 2023, with the assistance of the Asian Development Bank (ADB), MIRA developed a roadmap identifying the requirements for digitization and automation of MIRA's processes and services.
- Under the six different areas on which this roadmap is based, further assessments and process mapping will be conducted. MIRA aims to implement the activities included in the roadmap within the next five years.



Income Tax return filing assistance program 2023

MIRA launched a special program to assist those who have an income of MVR 10 million or less to file their income tax returns. The program was conducted using telephone, email and other online tools.

105

Out of them 33 taxpayers were provided with assistance to file their returns.

MIRA initiated to provide assistance to **1361** taxpayers

754 taxpayers who participated in the program submitted tax returns on program completion day.

55% of income taxpayers have filed returns by the end of the program.

Regulations and Guides published in 2023

MIRA publishes detailed guides on how to prepare tax returns every year to facilitate taxpayers in complying with their tax obligations. In 2023, existing regulations have also been amended and changed along with the changes to tax laws.

38 updated guides were published **4** guides were translated

4 new English Tax Guides published **1** Dhivehi Tax Guide published

Guides published in 2023 include:

- Guide to Situations Requiring Filing of 2022 Income Tax Return (English)
- Guide to Mutual Agreement Procedure (English)
- Guide to Limitations on Interest Deductions (Draft) (English)
- GST Fact Sheet - Foreign Tourist Vessels holding a Charter License (English)
- Plastic Bag Fee Guide (Dhivehi)



6.2 Amendments to Policies over the year 2023

First Amendment to the Installment Policy (2023/G-26)

The Installment Policy (2022/G-8) was formulated to provide taxpayers with the choice to pay tax dues and other non-tax dues according to installment plans. The policy was formulated according to section 3 of the Tax Administration Act (Law number 3/2010) and with reference to the section 42, 43 and 44 of the Tax Administration Regulation (no: 2013/R-45).

The First Amendment to the Installment Policy was published on 9th August 2023. The amended policy includes revisions to the section 3 (a), 4 (a), 5 (a), 6 (b), 7 (a), 7 (d), 8 and 9. Additionally, subsection 7 (h) and 8 (g) were inserted.

Second Amendment to the Name and Shame Policy (2023/G-23)

The Name and Shame Policy was formulated according to section 44 of the Tax Administration Regulation (no: 2013/R-45). The Second Amendment to the policy was published on 7th August 2023. The amended policy includes revisions to section 2 (a)(1), 2(a)(3), 5, 6 (a), 6 (c). Additionally, a subsection 4 (e) was included which mentions that the Commissioner General can decide on a date to publish the name and shame list, other than the dates included in section 4 (a) and 4 (b) of the policy.

Policy on Recovery of Tax from Third Parties (2023/G-24)

This policy was published on gazette on 7th August 2023. It was formulated under section 47 of the Tax Administration Act (Law number 3/2010), with reference to section 44 of the Tax Administration Regulation (no: 2013/R-45).

The policy was implemented to recover taxes, fines, or any other type of payment from related third parties. The policy highlights the process of sending notice to a third party, types of third parties MIRA can contact and the process to be followed if the taxpayer makes the payment.



6.3 Reviews of MIRA and the Maldivian Tax System

AEOI Confidentiality and Data Safeguards Review

The AEOI Confidentiality and Data Safeguards Review conducted by the Global Forum on Transparency and Exchange of Information for Tax Purposes (OECD) assesses the confidentiality and security standards implemented by MIRA to safeguard information received via exchange mechanisms. The assessment evaluates the security measures in place, the effectiveness of policies and procedures in maintaining information confidentiality, the regularity of Standard Operating Procedures (SOPs) reviews, and also assesses MIRA’s standards against international best practices.

The Confidentiality and Data Safeguards assessment comprised of two components, an initial desk-based CDS pre-exchange assessment completed by way of teleconference in February 2022 and a subsequent onsite visit was concluded by an OECD Mission in May 2023.

A team of Information Security Management (ISM) experts visited the MIRA offices to conduct the onsite visit and verify the findings of the desk-based assessment report. Following the evaluation, a pre-exchange confidentiality and data safeguards assessment report was prepared by the team. MIRA did not receive any hard recommendations and is considered cleared for automatic exchange of information. The assessment report was sent for approval by written procedure to the APRG+ in December 2023.



6.4 Tax Regulations and Amendments

Seventh Amendment to the Tax Administration Regulation (No. 2023/R-88)

Published on 09 March 2023, the seventh amendment revised Section on “Penalty for the offense of nonregistration”, “Submitting documents via email”, “Accepting documents”, “Records required to be maintained”, “Audit report”, “Assessment by MIRA” “Imposition of civil penalties, and recurrence of interest charges on late or unpaid taxes”, “Imposition of civil penalties, and recurrence of interest charges”, “Withdrawal of objection”, “Accumulation of fines and interest related to taxes”, “Common Reporting Standard Report”, “Cooperation”, “Death of a taxpayer” and “Repealed tax rulings’. Additional amendment was also made to the heading of Chapter Two “SENDING, SUBMITTING, AND ACCEPTING DOCUMENTS”.

Further, new sections were inserted under Section 11-1 (Deemed delivery

of documents), Section 13-1 (Signing documents), Section 13-2 (Notices), Section 16-1 (Penalties for failure to maintain documents and financial accounts), Section 21-1 (Penalties for failure to submit requested documents), Section 75-3 (Amending tax rulings) and inserted a definition under Section 77 (c). New subsections were also inserted under Section 10 (c) and (d) (Submitting documents via email) and Section 64-11 (a).

This amendment also repealed section 73, 74 and 75 of this regulation.

Publication of Regulation on Collecting Plastic Bag Fee by Persons Registered for GST (No. 2023/R-76)

This regulation was issued on 22nd February 2023 pursuant to the authority granted to the Maldives Inland Revenue Authority by Section 35(b) of the Waste Management Act (Law Number 24/2022). This regulation details on the computation and collection of plastic bag fee, declaration of plastic bag fee information on the return and making payment. It also explains the penalties for failure to submit plastic bag fee information and payment. Further, the obligation to keep proper records and definitions are also detailed under this regulation.



Publication of Plastic Bag Fee Record Keeping Regulation (No. 2023/R-96)

The Plastic Bag Fee Record Keeping Regulation was published on 17th April 2023 specifying the records to be maintained by persons to whom Chapter 8 of the Act applies excluding those registered with MIRA for GST under the Goods and Services Tax Act (Law number 10/2011), to ascertain the accuracy of the amount collected by such persons as plastic bag fee, and to set out a detailed procedure to be followed in keeping proper records by such persons.



Thirtieth Amendment to the Goods and Services Tax Regulation (No. 2023/R-160)

The Thirtieth amendment of Goods and Services Tax regulation was published on 25th September 2023. This amendment repealed Section 104-1 (b). Additional changes were brought to the sections detailing the “Prohibiting collection of GST without registration”, “Preparing a tax invoice or receipt”, “Goods and services exported from the Maldives” and “Goods and services supplied in the Maldives”.

Further, subsections were added under Section 5 (Persons required to register), Section 13 (Prohibiting collection of GST without registration), Section 104 (Goods and services supplied in the Maldives) and Section 107(Value of charter). This amendment also added a Subsection under section 105 as “Business conducted continuously or permanently”.

Tax ruling on Goods and Services Tax: Claiming input tax within a period of 12 months (No. TR-2023/G49)

This ruling is issued pursuant to the authority granted under Section 84 of the Tax Administration Act (Law Number 3/2010). This ruling explains the rules for setting off input tax, which has not been set off against output tax in the GST return for that taxable period, within a period of 12 (twelve) months. The ruling is subject to Section 46 of the Regulation.

This ruling was published on 21st December 2023. This ruling is effective from 1st February 2024.

6.5 Registration of Taxpayers and other persons

By the end of 2023

66,753

businesses were registered at MIRA.

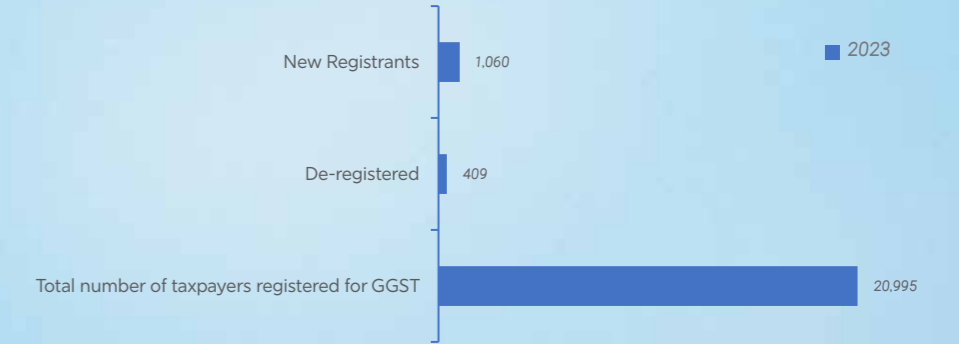
▶ **8,527** Activities were newly registered (including persons registered for Income Tax)

▶ **1,198** Activities were deregistered.

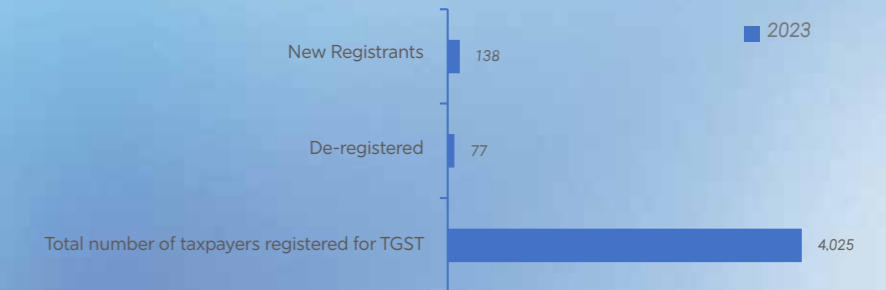
Income Tax



GGST



TGST



6.6 Taxpayer and Public Awareness

By the end of 2023

17,019 employees were registered

662 employers were registered



Activities carried out to promote information

Marketing activities carried out during the year 2023

20 Media interviews, various channels

27 News published

11 Ads related to marketing and awareness campaigns

788 Social media posts

Social Media Insights for the year 2023

795

4,156,708

Impressions

3,070,182

106,539

followers

Activities carried out to promote information

04 guides

02 interactive guides

01 instruction sheets

38 guides and

59 instruction sheets were amended

Session	No. of sessions	No. of Participants
Information sessions on Income Tax	48	142
Information sessions on GST	55	165
Information sessions on MIRAcconnect	18	274
Information sessions on Withholding Tax	7	40
Tax awareness information sessions conducted to school students	17	1,008
Tax awareness information sessions conducted to staff of government offices	14	387
Tax awareness information sessions conducted to university students	1	70
Tax awareness information sessions conducted to staff of government companies	5	253
Training sessions to specific sectors and professions	6	111
Information sessions to micro/small taxpayers on record keeping requirements of specific sectors	1	11

Activities conducted under the initiative of the regional offices of MIRA

1,263

One-to-one session

26

Sessions conducted for offices

59

Sessions conducted for schools

01

Sessions conducted for public

Programs carried out by Maldives Tax Academy in 2023

36

Sessions

Certificate 1 in Taxation

26 Participants

02

Sessions

Continuous Professional Development (CPD)

117 Participants

08

Sessions

Program for training company directors and company secretaries organized by Capital Market Development Authority (CMDA)

133 Participants

training programs conducted for staff of MIRA regarding updates to the tax system.

10

Sessions

118 Participants

55

Sessions

'Kiyavamaa' sessions conducted for new staff of MIRA
64 Participants

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

Monitoring taxpayer compliance

Compliance Day activities

3524

MIRA staff visited taxpayers

1275

were reached taxpayers via phone call.

Compliance Inspections

9442

compliance inspections were conducted in Male'

1846

compliance inspections were conducted

Enforcement actions taken under the enforcement policy

01

taxpayer's skip tracing work is ongoing

1189

non-compliant taxpayer's names were published under the name and shame policy.



Assisting Taxpayers

134 information sessions were provided to **525** participants.

172 complaints were received to MIRA.

167 complaints were attended.



Audits and Investigations

Audits conducted

321 audits of **282** taxpayers were completed.

Resulted in a tax impact of **MVR 430.88** Million

Tax type	No. of audits completed	Tax Impact (MVR)
Airport Taxes and Fees	1	0.26
Business Profit Tax (Repealed)	149	327.75
WHT (Repealed)	1	2.34
Income Tax: corporates and non-individuals	29	19.95
Employee Withholding Tax	14	0.53
GGST	93	68.18
TGST	18	10.04
Green Tax	4	0.93
Non-resident Withholding Tax	4	0.01
Personal Income Tax	8	0.89
Total	321	430.88

Investigations conducted

20 investigative audits conducted.

10 of these cases were convicted of criminal offenses.

Resulted in a tax impact of **MVR 12.94** Million

Taxpayer Objection

Completed Objections

68 audit related objections were completed.

09 non-audit related objections were completed.

06 objections were fully allowed.

17 objections were partly allowed.

54 objections were disallowed.

Taxpayer Objections

48 audit related objections were filed.

11 non-audit related objections were filed.

Tax Types	Pending cases at the start	Cases received	Cases completed	Pending cases at the end
GGST	5	14	9	5
TGST	2	6	4	2
WHT	-	-	1	-
BPT (USD)	5	21	16	5
BPT (MVR)	6	23	17	6
Income Tax – Non-Resident	2	2	-	2
Withholding Tax				
Income Tax – Employee	1	1	-	1
withholding Tax				
Green Tax	-	1	1	-
Subtotal 2023	21	68	48	21
Non-audit related objections	-	9	11	-
Total 2023	21	77	59	21

27 cases filed against MIRA at the Tax Appeal Tribunal regarding the decisions made by the objection section.

Enforcement Activities

Enforcement actions

38,314 notices were issued to non-filers.

4,194 taxpayers filed their returns according to the notices.

22,371 notices were issued to non-payers.

4,637 taxpayers paid their taxes according to the notices.

Installment plans were arranged for **795** taxpayers.

MVR **3.92** Billion was recovered through enforcement actions.

Details	Number of taxpayers	Amount (MVR)
Installment plans granted	795	1,903,465,381.75
Recovery from Installment plans granted	3,123	1,236,658,293.62

Details	Number of taxpayers	Amount (MVR)
Through dunning notice	10,013	2,155,640,563.70
Through Reminder Calls / emails	32	3,052,390.50
Dues clearance	6,234	1,407,063,678.17
Name and Shame	473	259,476,808.54
Account Freezing Policy	285	90,342,439.29
Through legal action	20	335,429.45
Total enforced collection	17,057	3,915,911,309.64

Taxpayer Objections

- 48** cases filed in Civil Court.
- 05** execution of judgement cases.
- 16** cases filed in High Court.
- 04** cases filed in Supreme Court.
- 25** cases filed in Magistrate Court.

Cases filed against MIRA

- 03** cases filed in Civil Court.
- 02** execution of judgement cases.
- 09** cases filed in High Court.
- 03** cases filed in Supreme Court.
- 27** cases filed in Tax Appeal Tribunal.

Cases completed in courts

- 65** cases completed in favour of MIRA.
- 04** 4 cases decided partly in favour of MIRA.
- 18** cases decided against MIRA.
- 01** case dismissed without grounds for appeal or contribution.
- 06** cases withdrawn.
- 12** cases settled through mutual agreements.
- 10** Judgment passed for other cases which does not fall into any category.

6.8 Activities carried out to establish beneficial relationships

Establishing relationship with international bodies, tax authorities and local offices

Taking part in international conferences and platforms:

Maldives has made significant efforts to actively cooperate with the international tax community in implementing and ensuring adherence to international taxation standards. As such, Maldives participated and contributed to several international platforms and conferences organized by the OECD and its umbrella bodies. This enabled Maldives to voice out its concerns with regards to better implementing tax policy and further, join global consensus building efforts in tax related issues.



15th International Conference on Tax Administration
4 - 5 April 2023

ADB - Strategic Workshop Innovative Tax Administration

27 - 29 March 2023



Fourth Asia Initiative Meeting

27 - 28 April 2023



10th Global Forum Competent Authorities Conference

15 - 16 May 2023



92nd Management Committee meeting of the Commonwealth Association of Tax Administrators

27 - 29 March 2023



IFA: 6th Asia Pacific Regional Meeting

16 - 17 August 2023



ECD Ministerial Council Meeting

7 June 2023



Wilton Park Conference on Use of Information Technology for Tax Administration

24 - 26 July 2023



2nd NTO Technical Conference

5 - 7 September 2023

18th ATAIC Technical Conference
3 October 2023



High Level Regional Tax Conference 2023 and the Regional Consultation on International Tax Matters for Asia-Pacific
8 November 2023



Fifth High-level Meeting of the Asia initiative and the 16th Global Forum Plenary Meeting
28 November 2023



Joining international and regional initiatives

Maldives Joined the Addis Tax Initiative
November 2023



Taxation and SDGs Columbia Dialogues
14 November 2023



6th OECD Forum on Tax and Crime
5 December 2023

Double Tax Avoidance Agreements

During the year, MIRA coordinated with the Tax Policy Unit (TPU) of Ministry of Finance, and provided technical support in the negotiations and signing of Double Tax Avoidance Agreement (DTAA) with countries in the region.

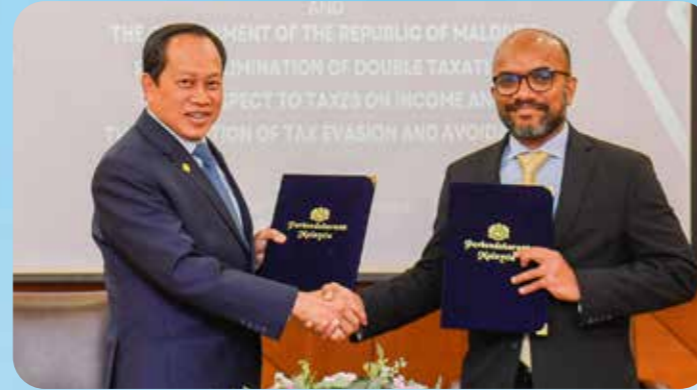
Second Round of Double Tax Avoidance Agreement Negotiations with Sri Lanka

27 - 28 February 2023



6 Maldives signs a Double Tax Avoidance Agreement with Malaysia

24 May 2023



Reviews conducted to ensure that functions of MIRA are in line with the international standards

OECD Confidentiality and Data Safeguard Review

23 - 24 May 2023



Memorandum of understanding signed with government agencies

A Joint-Intelligence Sharing Agreement signed pursuant to the existing MOU between MIRA and the MMA Financial Intelligence Unit

5 July 2023



Drafted a high-level roadmap to digitalize the tax system

Drafted a high-level roadmap to digitalize the tax system with consultants from ADB

7 May 2023





CATA
43rd Technical Conference
Maldives
2023

43rd Commonwealth Association of Tax Administration (CATA) Technical Conference

First International Tax Conference held in the Maldives by MIRA

The Commonwealth Association of Tax Administrators (CATA) consists of 47 member countries. Each year, one of the member countries hosts an annual conference dedicated to promoting collaboration and knowledge exchange among participating tax administrations. In 2023, MIRA had the honor of hosting the 43rd CATA Technical Conference in the Maldives. This prestigious event was held from 10 July – 13 July 2023 at Villa Nautica Resort Maldives. Being the first international tax conference held in the Maldives, the hosting of this conference marks a significant milestone for both MIRA and the Maldives.



29 Member Countries Participated

- | | | |
|--|--|---|
|  Australia |  Kenya |  Samoa |
|  The Bahamas |  Lesotho |  Seychelles |
|  Barbados |  Malawi |  Sierra Leone |
|  Botswana |  Malaysia |  Singapore |
|  Brunei |  Maldives |  Sri Lanka |
|  Cameroon |  Mauritius |  Swaziland/Eswatini |
|  Canada |  Nigeria |  Tanzania |
|  The Gambia |  Pakistan |  Trinidad & Tobago |
|  Ghana |  Papua New Guinea |  United Kingdom |
|  India |  Rwanda |  Zambia |

06 Participating International Organizations

-  Inter-American Center for Tax Administrations (CIAT)
-  (Organization for Economic Development and Cooperation (OECD))
-  International Monetary Fund (IMF)
-  West African Tax Administration Forum (WATAF)
-  National Tax Service (Republic of Korea)



Conference Theme

“Role of Data in Tax Compliance Management and Taxation of Hospitality Industry”

Panel Discussions

The 43rd CATA Technical Conference featured 9 panel discussions, organized around 5 main topics related to the main conference theme.

Topic 1: Information sharing for effective tax administration

Panel Session 1: Inter-agency cooperation to reduce non-compliance

Panel Session 2: Importance of accessing financial information

Panel Session 3: Importance of third-party data: public and private (platforms, vendors) sector information



Topic 2: Effective use of exchange of information between jurisdictions

Panel Session 4: EOI to combat non-compliance and ways to improve administrative tax co-operation in the field of VAT

Panel Session 5: Effective usage of CRS as a part of tax compliance risk management, tax audits, investigations, and other tax compliance activities

Topic 3: Strengthening the tax administration through automation

Panel Session 6: Establishing a centralized data management system (automatic data sharing, data warehouse) for better risk management

Panel Session 7: Benefit of e-invoicing and pre-filled tax returns to reduce compliance burden



Topic 4: Mitigating international tax risks in the hospitality industry

Panel Session 8: MNEs in the hospitality industry

Topic 5: Tax and the environment

Panel Session 9: Implementation of green tax and establishment of green fund: Maldivian experience

CATA Night

The 3 day official conference was concluded with a cultural night known as CATA Night. The gala night was held at the beach area of Villa Nautica Resort Maldives. This wholesome celebration of culture and traditions were kicked off by a special performance from the Maldives. Many member countries followed suit by presenting a number of colorful items showcasing their traditions. Countries such as Malawi, Malaysia, Mauritius, Pakistan, Papua New Guinea, Samoa, Botswana, Nigeria and Zambia are among those with noteworthy performances.



Excursion Event

To showcase the beauty of Maldives and allow visiting delegates a chance to learn about the local way of life, the 4th day of the conference included an excursion event to K. Huraa. Delegates had the opportunity to tour the island, visit the mangrove and experience the local Maldivian lifestyle and cuisine. This excursion event was organized in collaboration with the Ministry of Finance and K. Huraa council.



The success of the conference was driven by the active engagement of key groups undertaking leadership responsibilities for various activities. These included the CATA Secretariat, CATA Sub-Committee, MIRA steering committee and the International Relations Division of MIRA.

Local Organizations and Companies



Strategic Plan 2020 – 2024 updates

Strategic Priority 01 Provide innovative and targeted education and awareness programs to support voluntary compliance

Key Performance Indicators	Status at the end of 2023
Equip taxpayers with the knowledge they need to fulfill their obligations	<ul style="list-style-type: none"> Based on the USAID taxpayer perception survey conducted in 2021, a new survey is to be conducted in 2024 to identify the taxpayer knowledge of basic tax information. The survey will also identify taxpayer's views on the services provided by MIRA and their ideas.

Strategic Priority 02 Strengthen the use and accessibility of services provided by the tax administration

Key Performance Indicators	Status at the end of 2023
Maintain an accurate and up-to-date registration database	<p>Removed from MIRA's Registry</p> <ul style="list-style-type: none"> Under the Fansa'ahi campaign, which was held in 2023, a total of 1,869 GST CO's associated with non-filing and late filing were deregistered.

Key Performance Indicators	Status at the end of 2023
Maintain an accurate and up-to-date registration database	<ul style="list-style-type: none"> Deregistration of inactive taxpayers will be continued on a quarterly basis from the late filers and non-filers list.
	<p>Added to MIRA's Registry</p> <ul style="list-style-type: none"> 5,291 business activities were registered in MIRA based on new activities registered at Maldives Economic Development (MED) on 2023. 3,868 sole proprietorships and 2,188 entities were registered for Income Tax. <p>Other updates to MIRA's Registry based on information received from other agencies</p> <ul style="list-style-type: none"> 89 companies which commenced process of winding up and 43 companies which dissolved in 2023 were updated in MIRA's registry based on information provided by MED. The taxable period of 207 taxpayers were changed based on GST sales data in SAP. The status of 161 deceased taxpayers were updated on SAP and dunning/fine locks were activated where necessary.

Key Performance Indicators	Status at the end of 2023
Increase the use of online filing and payment by taxpayers	<ul style="list-style-type: none"> 96.82% of the returns submitted to MIRA in 2023 were filed online. 99.29% of the payments were received via online platforms.
Ensure that MIRA has a presence in all atolls	<ul style="list-style-type: none"> No new collection centers or branches were opened during the year. As of 2023, MIRA is providing its services in a total of 19 offices in 18 atolls of the Maldives.
Facilitate tax administration changes stemming from legislative development	<ul style="list-style-type: none"> During the year, the GST rate was changed, and the Plastic Bag Fee was implemented. Necessary changes were brought to MIRA's systems, and education and awareness programs were conducted, including information sessions and other outreach programs including a Road Show. During the year 166 information sessions were conducted to 1,990 participants. <ul style="list-style-type: none"> 58 information sessions on Income Tax with 142 participants 55 information sessions on GST with 165 participants. Plastic Bag Fee guide was published.

Strategic Priority 03 Improve voluntary compliance through a compliance risk management framework

Key Performance Indicators	Status at the end of 2023
Implement a Compliance Risk Management Framework	<ul style="list-style-type: none"> Compliance Risk Management Framework is in effect from February 2020 onwards. Under this Framework, a Multi-year Compliance Improvement Plan (CIP) for the year 2023 and 2024 was prepared under which activities were carried out by the relevant departments. The Risk Management Division completed 67.44% of the risk assessments which were assigned during the year. From the risk assessments conducted, 43,243 taxpayers were selected for treatment based on the level of risks posed by the specific taxpayers or segment of taxpayers. Out of this, 366 cases were sent for auditing.
Implement automated risk profiling for targeted compliance treatments	<ul style="list-style-type: none"> Work conducted in 2023 regarding automation of risk profiling. The majority of filing and payment risk assessment procedures and one of the reporting risk assessments have been automated. Automation of several stages of industry specific reporting risk assessments using analytical tools has progressed during the year.

Key Performance Indicators	Status at the end of 2023
Increase accuracy of voluntary disclosures by taxpayers	<ul style="list-style-type: none"> During the year, 311 returns were amended. <ul style="list-style-type: none"> 139 returns were with increased liability. 148 returns were with reduced liability. 24 returns were with no change in liability. 321 audits were completed with a tax impact of MVR 430.88 million.
Increase the on-time filing and payment rates	<ul style="list-style-type: none"> The on-time filing rate for 2023 was 66.78%. <ul style="list-style-type: none"> ATF – 86.44% Income Tax – 80.12% Green Tax – 68.58% GST – 63.39% The on-time payment rate for 2023 was 72.36%. <ul style="list-style-type: none"> Income Tax – 87.78% ATF – 83.64% Green Tax – 77.70% GST – 61.07% Plastic Bag fee – 62.66%

Strategic Priority **04** Improve audit efficiency and results

Key Performance Indicators	Status at the end of 2023
Improve risk-based audit approach	<ul style="list-style-type: none"> To enhance the risk based audit approach, updates have been made to the tax audit manual and training sessions are scheduled to brief auditors on the changes implemented in the audit manual. A subject specialist team is working on Industry Guidance Note and preparation of manual. Drafting of Transfer pricing manual commenced in 2023
Increase audit coverage	<ul style="list-style-type: none"> To increase the audit coverage, MIRA has started conducting audits of the newly introduced Income Tax and fast track audits of non-filers. EWT and NWT pilot audits have been completed during 2023.

Key Performance Indicators	Status at the end of 2023
Improve quality of audit processes	<ul style="list-style-type: none"> A Tax Inspectors Without Borders (TIWB) program is ongoing, which is focused on providing assistance for capacity building to auditors on Transfer pricing issues faced in auditing taxpayers in the tourism and hospitality industry. Auditors are working on the work plan of the construction industry with assistance from the US Treasury the Office of the Technical Assistance (OTA).

Key Performance Indicators	Status at the end of 2023
Improve quality of audit processes	<ul style="list-style-type: none"> Technical assistance for auditing telecom industry within OTA mission commenced in December 2023. A total of 18 knowledge enhancement sessions were carried out during the year. <ul style="list-style-type: none"> 15 sessions - carried out by the Seniors. 3 sessions - carried out by the TIWB consultants. Staff participated in Transfer Pricing and Exchange of Information (EOI) trainings.

Strategic Priority **05** Deter abuse of the system through regulated actions

Key Performance Indicators	Status at the end of 2023
Improve detection of serious non-compliance and abusive practices	<ul style="list-style-type: none"> A mechanism was established to determine a priority level for the non-compliance cases after analyzing the magnitude of risks involved in the complaints received. Detection of serious non-compliance and abusive practices has further improved with the establishment of the joint intelligence arrangement with FIU in July 2023.

Key Performance Indicators	Status at the end of 2023
Improve quality of criminal investigations	<ul style="list-style-type: none"> During the year, MIRA submitted four cases for prosecution to address taxpayers exploiting the tax system, aiming to create a deterrent effect on other non-compliers. To strengthen the capabilities of investigators in tackling tax evasion, the investigation team members participated in the following training sessions, acquiring essential skills to strengthen their proficiency. <ul style="list-style-type: none"> Combatting the Professional Enablers of Tax and Other Financial Crimes (Specialty) Programme Conducting Financial Investigations (Foundation) Pilot Programme IRS Financial Investigative Techniques Workshop Capacity Building Program on Anti-Corruption training: Evidence Act Training

Strategic Priority **06** Improve the management of debt collection

Key Performance Indicators	Status at the end of 2023
Reduce the arrears-to-collection ratio of the collectible core tax arrears	<ul style="list-style-type: none"> Arrears to collection ratio of the collectible core tax arrears at the end of 2023 is 10%. Arrears to collection ratio of the collectible core tax arrears at the end of 2022 is 13%.

Key Performance Indicators Status at the end of 2023

- Reduce annually the time to collect arrears from the taxpayers
- Enforcement actions taken to recover Tax revenue.
 - Sent 40,408 Notices.
 - Sent 20,277 Final Notices.
 - In order to reduce the time to collect the tax arrears, 984 taxpayers were name and shamed.
 - 145 taxpayer cases were sent for account freezing.
 - 45 cases were sent for legal action.
 - 1,041 installment agreements were signed.
 - Enforcement actions taken to recover Non-tax revenue.
 - 29 taxpayers were name and shamed
 - Monthly arrear reports were shared with relevant ministries.
 - Additionally, an analysis of the current debt portfolio is planned to be conducted during the last quarter of 2024.

Key Performance Indicators Status at the end of 2023

- Identify the high-risk enterprise risks for programs and projects and ensure they are well-understood and actioned
- The consultant provided recommendations based on the exercise and these recommendations have been recorded for further improvement and to test them in the next exercise.
 - During the year, 3 Business Continuity Committee (BCC) meetings were held.
 - A post tabletop report was presented to BCC and senior Management, along with updated Risk Registers and Risk Action Plans.
 - It was decided to incorporate newly discovered/occurred risks to the existing Risk Registers once they are presented to the BCC.
- Develop and implement a long-term business continuity plan
- Development of a long-term Business Continuity Plan (BCP) is ongoing with the help of a consultant.
 - An inception report for the consultant was developed and a report updating the institutional risk register of MIRA was prepared.
 - The BCP consultant also reviewed the current Business Continuity Management (BCM) policy of MIRA and concluded that no changes need to be brought to the current policy and emphasized the implementation of this policy.

Key Performance Indicators Status at the end of 2023

- Assess organizational performance and allocate resources according to risk
- The Performance Review of all departments of MIRA were completed and presented to the Senior Executives and the Board every quarter during 2023.
 - Resource allocation according to the risks has not been carried out thus far.

Strategic Priority **07** Adopt a risk-based approach throughout the organization

Key Performance Indicators Status at the end of 2023

- Identify the high-risk enterprise risks for programs and projects and ensure they are well-understood and actioned
- 2 Tabletop exercises were carried out during the year to test the existing cyber security controls of MIRA.
 - One tabletop exercise was carried out with assistance from an IT consultant.

Strategic Priority **08** Enhance human resource capacities

Key Performance Indicators Status at the end of 2023

- Empower staff to engage with taxpayers and their representatives at an equal level by promoting professional training and education
- Proportion of technical staff with a professional qualification at the end of the 2023 is 18.75%.
Note: It should be noted that currently, only ACCA Fellowship, members, affiliates, and CMA are considered as professional qualifications.
- Train and develop staff to meet the challenges of the future
- During the year, 45 overseas trainings / workshops were held as well as 38 overseas seminars and conferences.
 - 3 induction programs were held for new staffs.
 - 51 staff development programs.
 - 05 local seminars and conference were held during the year.
- Retain our well-trained and professional staff
- Staff retention rate at the end of 2023 is 84.09%.

Strategic Priority **09** Implement benchmark practices in organizational processes

Key Performance Indicators Status at the end of 2023

- Enhance accountability and transparency
- MIRA published its first Operation Plan in December 2023.
 - The Operational Plan includes all the main activities which are going to be carried out during 2024.
 - MIRA published 12 monthly reports and 4 quarterly reports during the year, as well as the Annual Report of 2022.
- Maintain modern tax administration standards and approaches
- During the year, 27 training programs were conducted to meet the professional international standards.
- Asian Development Bank (ADB) and Global Forum
- MIRA received technical assistance in areas of compliance risk management, transfer pricing, Digital Transformation and assistance in strengthening cybersecurity and moving to SAP S4 HANA.
- Tax Inspectors Without Borders (TIWB)
- Assistance for capacity building for auditors on transfer pricing issues faced in auditing taxpayers in tourism and hospitality industry.
 - Assistance was provided with capacity building for auditors on cashing pooling and controlled foreign entities.
 - A workshop was held with participants from other relevant agencies to provide assistance in criminal investigation.

Key Performance Indicators	Status at the end of 2023
Maintain modern tax administration standards and approaches	<p>The Office of Technical Assistance (OTA)</p> <ul style="list-style-type: none"> Provided assistance in areas of audit, enforcement and human resources. Quality review of internal audit function was commenced and assisted compliance teams to identify and treat non-compliance. <p>Inland Revenue Authority of Singapore (IRAS)</p> <ul style="list-style-type: none"> Experience sharing workshop was held by the criminal investigation team of (IRAS) to the MIRA staff. <p>International Monetary Fund</p> <ul style="list-style-type: none"> Technical assistance to improve the quality of audits conducted in the Banking sector. <p>United Nations Development Program (UNDP)</p> <ul style="list-style-type: none"> Initiation to improve Enterprise Risk Management and Business Continuity Planning.

Key Performance Indicators	Status at the end of 2023
Providing digital solutions to facilitate taxpayers	<ul style="list-style-type: none"> Email option for OTP on VaaruPay was implemented to facilitate taxpayers. Development of a two-factor authentication on MIRAconnect is ongoing. API integrations were completed between MIRA and Ministry of Economic Development (MED) to automate quota process based on taxpayer sales figure. A KYC update on MIRAconnect was implemented to update contact and address information targeted for specific taxpayers.

Key Performance Indicators	Status at the end of 2023
Automating 90% of MIRA's operational processes by the end of 2024	<p>MIRA's Digital Transformation Project</p> <ul style="list-style-type: none"> A digital transformation roadmap was created with the help of ADB to envision the changes needed for MIRA systems. An on-site mission was conducted in which some technological aspects of the Digital Transformation were discussed with the relevant staff of MIRA. Meetings were held with the consultants throughout the year to provide updates and get assistance with various aspects of the project.

Strategic Priority **10** Provide state-of-the-art business solutions and technology

Key Performance Indicators	Status at the end of 2023
Providing digital solutions to facilitate taxpayers	<ul style="list-style-type: none"> Lunch of the new MIRA website in which all forms can be submitted through the website and a live chat function for taxpayers where they can communicate with MIRA staff. Launch of MIRA Mobile application.

Key Performance Indicators	Status at the end of 2023
Automating 90% of MIRA's operational processes by the end of 2024	<ul style="list-style-type: none"> Regional Case manager introduced to automate and manage the administrative tasks related to return and payment verification at regional offices. Started automatic reminder calls to taxpayers for return filing. MIRA is engaged with Microsoft to improve staff's office 365 adaptability and to provide training to staff. MIRA file share application launched which enables sharing of financial information between MIRA, MMA, and banks. An automated extractor tool for pdf files created to convert PDF information into excel for audit analysis of travel operators' data. Dunnings for student loans to remind them to fulfill their payment obligations is in development. SSRS report server launched to facilitate bulk reporting data which can be extracted by the relevant business owners.

Key Performance Indicators	Status at the end of 2023
Develop and implement an IT strategy for the acquisition of hardware and software tools	<ul style="list-style-type: none"> All necessary equipment and licenses were purchased accordingly to ensure smooth operations. MIRA is working with Ministry of Finance (MoF) on the ICT Master plan to produce an implementation plan for SAP Hana.

Key Performance Indicators	Status at the end of 2023
Implement an integrated case management system	<ul style="list-style-type: none"> A TOR to hire a consultant for the purposes of building a case manager was prepared.

Key Performance Indicators	Status at the end of 2023
	<ul style="list-style-type: none"> Multiple case managers which were used by audit departments were merged into one case manager.

Strategic Priority **11** Ensure a safe and secure IT environment

Key Performance Indicators	Status at the end of 2023
Implement an IT governance plan	<ul style="list-style-type: none"> Implementation of IT governance plan to be carried out once the Digital Road Map is finalized and Data governance framework is completed.
Assessment under the digital transformation maturity model	<ul style="list-style-type: none"> Digital Transformation Maturity Model assessment to be carried out in 2024.

Strategic Priority **12** Enhance Operational Efficiency and Information Security

Key Performance Indicators	Status at the end of 2023
Implement an information security framework in alignment with guidance of ISO Standards	<ul style="list-style-type: none"> MIRA ISM policy review was done as part of the Cyber Security project to further identify areas of improvement and align with international standards during 2023.

Key Performance Indicators	Status at the end of 2023
Implement an information security framework in alignment with guidance of ISO Standards	<ul style="list-style-type: none"> Complete alignment of policies with ISO standards and to certify MIRA with ISO 27001 standard are to be carried out as a new project, which is included in the budget plan for 2024.

Strategic Priority **13** Enhance International relations

Key Performance Indicators	Status at the end of 2023
Implementation of bilateral and multilateral tax instruments signed by the Maldives	<ul style="list-style-type: none"> MIRA underwent through the second phase of 'ISM Data and Confidentiality Review' conducted by OECD and got cleared to exchange AEOI data.
Fulfillment of obligations with regards to international commitments	<ul style="list-style-type: none"> Discussions regarding the implementation of Pillar 1 and 2 works were held with Ministry of Finance Tax Policy Unit during the year. This includes discussions regarding drafting laws and regulations to incorporate the provisions of Pillar 1 and 2.
Collaboration with development partners	<ul style="list-style-type: none"> During the year, MIRA has received Technical Assistance on the areas of tax investigation, compliance risk management, transfer pricing audit, criminal investigation, SAP basis and Cybersecurity, Enterprise Risk Management and Business Continuity Planning, Banking sector audit, Enforcement, Development of HR, Internal audit and engagement.

Key Performance Indicators	Status at the end of 2023
Collaboration with development partners	<ul style="list-style-type: none"> MIRA reached out to IMF to secure assistance in the development of the strategic plan from 2025 onwards. MIRA has secured technical assistance from SCIT/UNDP in the area of Two Pillar Solution implementation. Assistance was secured from HMRC in the area of Automatic Exchange of Information – CRS, transfer pricing issues and financial sector audits. The Inland Revenue Board of Malaysia has agreed to provide assistance to MIRA staff on the areas of transfer pricing, digitalization and issues arising from taxation of informal or shadow economies. MIRA secured technical assistance in the area of valuation from INSPEN of Malaysia

Strategic Priority **14** Build a stronger relationship with the business community through a proactive consultative process

Key Performance Indicators	Status at the end of 2023
Establish a new approach to communicate and consult with the business community	<ul style="list-style-type: none"> During the year, Transfer Pricing Policy and the "Policy on Recovery of Tax from the Third Party" was opened for public consultation. 2 regulations and 2 amendments were shared with a total of 54 stakeholders for their comments and review.

Strategic Priority **15** Cooperate with other public sector bodies

Key Performance Indicators	Status at the end of 2023
Improve the level of collaboration with other public sector bodies	<ul style="list-style-type: none"> A TOR for a joint intelligence sharing arrangement was signed between MIRA and FIU – MMA. MIRA also shared comments on the Maldives Customs Service MoU and CA Maldives MoU. CA Maldives MoU has been finalized in 2023 but not yet signed.



Outlook 2024

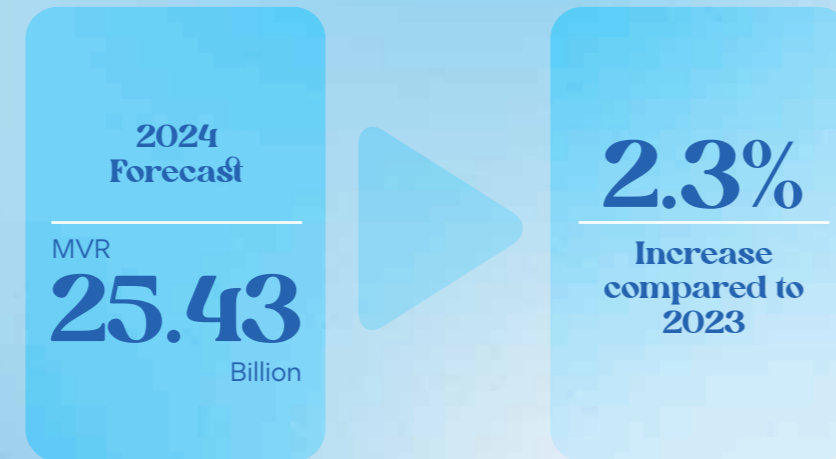
Several initiatives have been planned for the upcoming year focused on bolstering administrative efficiency and elevating the standard of services provided to taxpayers. The administrative activities for 2024 will be planned and organized in line with the:



Some of the major projects in the pipeline for 2024 include:

- Finalizing the Digital Road Map
- Capacity building initiatives by collaborating with experienced foreign tax administrations, international organizations, and donor agencies. Some of the areas to be collaborated include:
 - criminal investigations;
 - transfer pricing issues and audits;
 - specialized industry audits and;
 - enhancing internal audits.
- Launching a special campaign designed to enhance taxpayer morale, satisfaction and voluntary compliance levels

- Building a data warehouse and automate the data analysis process
- Developing an efficient data sharing mechanism with government agencies and third parties
- Making the registration and de-registration process easier for taxpayers via the MIRACONnect platform
- Implementation and automation of succession planning
- Appointing an IT governance Board or Committee to develop an IT governance framework



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Maldives Inland Revenue Authority