



MALDIVES
INLAND REVENUE
AUTHORITY

ANNUAL
REPORT
2017

ANNUAL
REPORT
2017

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ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
ADB	Asian Development Bank
ATAIC	Association of Tax Authorities of Islamic Countries
BEPS	Base Erosion and Profit Shifting
BPT	Business Profit Tax imposed under Law Number 5/2011
CPD	Continuing Professional Development
CRM	Customer Relationship Management
GGST	Non-Tourism Sector GST
GST	Goods and Services Tax imposed under Law Number 10/2011
IFA	International Fiscal Association
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
MIRA	Maldives Inland Revenue Authority
MMA	Maldives Monetary Authority
MOU	Memorandum of Understanding
SARTTAC	South Asia Regional Training & Technical Assistance Center
TGST	Tourism Sector GST
TIN	Taxpayer Identification Number

ABOUT MIRA

MIRA was established as an independent institution on 2 August 2010 under the Tax Administration Act ratified by the President on 18 March 2010. The main responsibilities of MIRA include the execution of tax laws and the implementation of tax policies. The Tax Administration Act stipulates the other main objectives of MIRA. The policies for the administration of MIRA are determined by the Board of Directors appointed by the President with the approval of the people's Majlis, and the work undertaken by MIRA on a daily basis is monitored by the Commissioner General of Taxation, appointed by the President with the approval of People's Majlis.

Vision

To be recognised as a leading professional organisation engaged in collection of revenue in an effective and efficient manner and providing high-quality service to taxpayers.

Mission

To establish a highly committed and competent organisation, delivering effective and fair administration of the tax laws, promoting voluntary compliance and providing quality services to taxpayers.

Core Values

Fairness

Apply the tax laws impartially and equitably

Professionalism

Be exemplary in providing services by applying the applicable knowledge and wisdom

Integrity

Maintain moral and ethical standards under all circumstances

Neutrality

Unbiased in carrying out the obligations in the tax laws

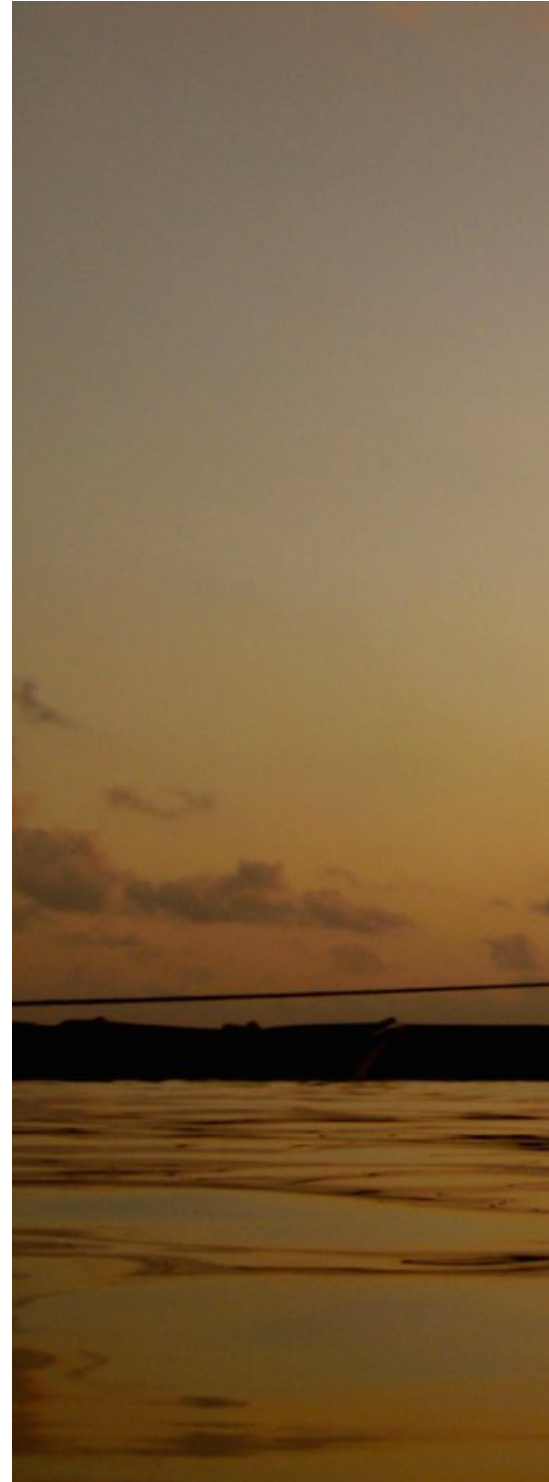
Transparency

Open to taxpayers and transparent to all

1. INTRODUCTION

Numerous activities carried out to establish modern strategies and sustainably administer the tax system

Evaluated the required amendments to the tax system as per positive prospect of the nations' economic outlook, implemented the necessary changes, and successfully developed respective policy establishment procedures.





1. INTRODUCTION

The year 2017 is to be highlighted for the programs conducted to implement a sustainable modern tax administration in the Maldives, which includes various activities carried out to enhance taxpayer education, and numerous programs conducted to ensure that tax policies are aligned with

development of small and medium entrepreneurs. In addition, MIRA's efforts on establishing a technology-friendly platform for taxpayers to comply with their tax obligations were broadened throughout the year.



Opening of MIRA Kudahuvadho Collection Center

In comparison to the year 2016, revenue collection increased by 4.5% in 2017. Moreover, because of the work carried out to improve online collection mechanisms and encourage online payment, 62% of the revenue collected by MIRA in 2017 was paid through various online platforms. This is a major milestone achieved by MIRA as it works to establish a technology-friendly tax regime. In addition, researches were conducted on making tax Acts and Regulations compatible with the changing economic environment of the country, and required legislative changes were brought and enforced.

Several activities were carried out during the year to attain the objectives outlined in MIRA's Strategic Plan 2015-2019. This includes opening additional regional offices, enhancing internal control systems and improvements in work and service efficiency. Furthermore, numerous targets on establishing a successful tax treaty network were achieved in the year.

This report details the administrative performance of MIRA, activities carried out to implement the tax system of the Maldives and MIRA's annual revenue collection of the year 2017.

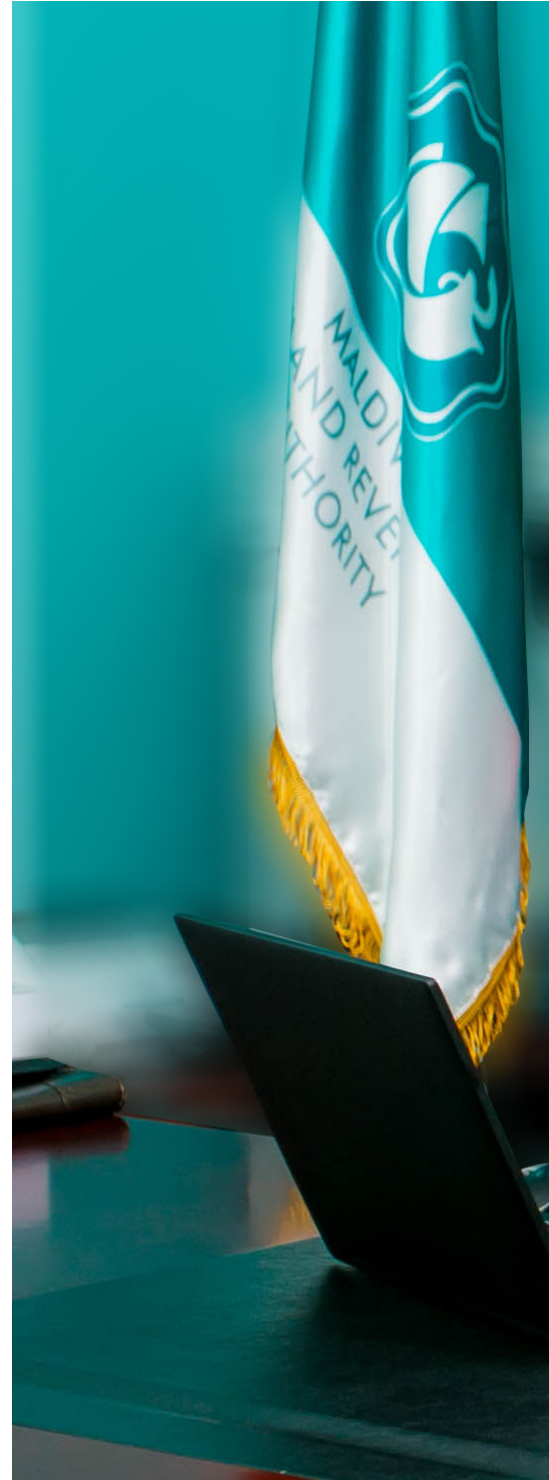


MIRA Staff

2.COMMISSIONER GENERAL'S MESSAGE

Yazeed Mohamed

Chairperson &
Commissioner General
of Taxation





2. COMMISSIONER GENERAL'S MESSAGE

After successful 7 years at national service, MIRA welcomes an 8th year with renewed determination and fortitude. Similar to the past 7 years, integrity and transparency will be in the foundation of our services, where MIRA is unbiased in carrying out the obligations in tax laws professionally. For our

eighth year of service, we aim to build a brighter future for the established and successful tax system by extending its positive contribution for both the government and the public, and by learning from the valuable lessons learnt from past experiences.

Review of 2017

In order to establish efficient mechanisms for taxpayers to fulfill their obligations under tax laws, modern technology was used to enhance the administrative procedures of MIRA. As such, VaaruPay, an online service to settle non-tax payments, was introduced in addition to other online mechanisms for payment of tax revenues. Furthermore, taxpayers were also able to enjoy the convenience of the newly introduced MIRA mobile application in the year 2017. With such successful efforts, percentage of taxpayers who fulfil their tax obligations on time has increased over the past year, with an increment in the share of taxpayers who use online platforms and services. In addition, recognizing the remarkable achievements in digitalizing MIRA's documents for the past 7 years, Maldives National Archives recognized MIRA as the first fully 'digital' institution of Maldives and awarded MIRA a shield of acknowledgement last year.

As tax revenue increases over the years, it is important to establish a sustainable tax system, which assists the economic growth of the nation. As such, during last year, amnesties related to tax obligations were provided to small and medium enterprises, which are a critical component of, and a major contributor to, the economy. Furthermore, under the fine amnesty program carried out last year, small businesses burdened with tax related fines were alleviated from the burden of accrued fines, helping them to start afresh, which in turn increased the compliance rate of these taxpayers.

Under the efforts to establish MIRA's presence across the country and improve the administrative framework of tax administration, branches and collection centers were opened in four additional atolls last year, enabling the taxpayers present in those areas to conveniently comply with their tax obligations.

In addition to the successful strategies undertaken to establish a business-friendly tax system locally, MIRA worked on establishing a tax treaty network abroad, to address tax related issues faced by local businesses trading globally. This includes the first Double Tax Avoidance Agreement signed by Maldives, which was signed with UAE in October 2017. In 2017, negotiations were also held with Bangladesh and Malaysia to formulate such agreements and additional discussions regarding initiation of such negotiations were held with Singapore, Sri Lanka, Mauritius, Thailand and China. Such agreements to address double taxation issues with major trading partners will play a crucial role in establishing favorable trade relations.

With the aim to increase the representation and participation of Maldives in the international tax arena, and improve the local tax administration system, Maldives joined the Inclusive Framework formulated by OECD countries and G20 countries to address tax evasion and avoidance at a global scale, in November 2017.

Outlook for the future

Implementation of plans on strengthening the tax administration system are to be continued during the upcoming year, with a special focus on addressing loopholes identified within the tax system. Additional research will be conducted on amendments to be brought to Tax Acts, regulations and policies, and changes will be made accordingly.

In addition, services of MIRA are to be further developed with the help of modern technological advancements. With the help of respective state agencies, it will also be a high priority to formulate further policies to address tax evasion and avoidance.

Closing Thoughts

MIRA has attained numerous major achievements and accomplishments within a short span of time, mainly due to the utmost dedication and commitment of MIRA's staff. With the completion of another successful in MIRA's history, we are welcoming a new year with steadfast dedication to achieve even more of our objectives. I would like to thank the members of our Board of Directors for their invaluable guidance and advice provided

on strengthening the administrative framework of MIRA. I would also like to thank other government agencies for the continued assistance and support extended to MIRA in carrying out our responsibilities. I would also like to extend my gratitude to all the taxpayers and the general public of Maldives for their faith and trust in MIRA. I wish MIRA, and the Maldives, an even more successful future.

3. MANAGEMENT

Evaluated measures to further enhance institutional management and respective administrative procedures were reformed accordingly

Organizational management comprised of four directorates with 16 administrative departments, and various 14 functioning committees





3. MANAGEMENT

3.1 Board of Directors

The Board of Directors of MIRA are appointed in accordance with Section 4(a) of the Tax Administration Act by the President, with the approval of the People's Majlis, to determine the administrative policies of MIRA pursuant to that Act.

3.1.1 Review of 2017

There was no change to the members of the Board of Directors during the year. The Board of Directors is comprised of the following persons:

- 1- Mr. Yazeed Mohamed (Chairperson & Commissioner General of Taxation)
- 2- Mr. Hassan Zareer (Deputy Chairperson & Deputy Commissioner General of Taxation)
- 3- Mr. Hassan Waheed (Board Member)
- 4- Mr. Ahmed Faiz Mohamed (Board Member)
- 5- Ms. Aishath Asha Ali (Board Member)
- 6- Uz. Faseeh Zahir (Board Member)
- 7- Ms. Leena Zahir Hussain (Board Member)

3.1.2 Meetings and attendance

Name	Attendance
Mr. Yazeed Mohamed	100%
Mr. Hassan Zareer	83%
Mr. Hassan Waheed	92%
Mr. Ahmed Faiz Mohamed	100%
Ms. Aishath Asha Ali	100%
Uz. Faseeh Zahir	83%
Ms. Leena Zahir Hussain	92%

3.1.3 Activities of the Board

Advice on the following issues proposed by the Commissioner General of Taxation was given to him, after deliberations made at meetings held by the Board of Directors, in the year 2017.

- Re-established the Board committee which reviews assets and financial status of MIRA staff
- Discussed and finalized changes to the administrative framework of MIRA
- Discussed and finalized changes to Staff Regulation
- Reviewed tax related regulations and policies, and finalized changes to be made to them
- Reviewed the budget of MIRA for 2018, and identified areas for revision
- Discussed regarding tax rulings issued to amend tax regulations
- Finalized the regulation for Airport Service Charge and Airport Development Fee
- Discussed about, and finalized a policy regarding , fine amnesty awarded to small businesses
- Extended the BPT Return submission and BPT Final Payment deadline for 2016

3.1.4 Other Matters

In 2017, upon the invitation of the Mauritius Revenue Authority (MRA), board members visited Mauritius as part of an educational tour. This tour was from 12 to 17 March 2017, and during the trip senior officials of MRA gave board members information regarding the Mauritian tax system and its administration. As a result of this visit, the relationship between the two authorities were further strengthened.



BOARD MEMBERS

Left to right (standing): Mr. Ahmed Faiz Mohamed (Board Member), Ms. Leena Zahir Hussain (Board Member), Uz. Faseeh Zahir (Board Member), Ms. Aishath Asha Ali (Board Member)
Left to right (seated): Mr. Hassan Waheed (Board Member), Mr. Yazeed Mohamed (Chairperson), Mr. Hassan Zareer (Deputy Chairperson)



Board Members visit to Mauritius

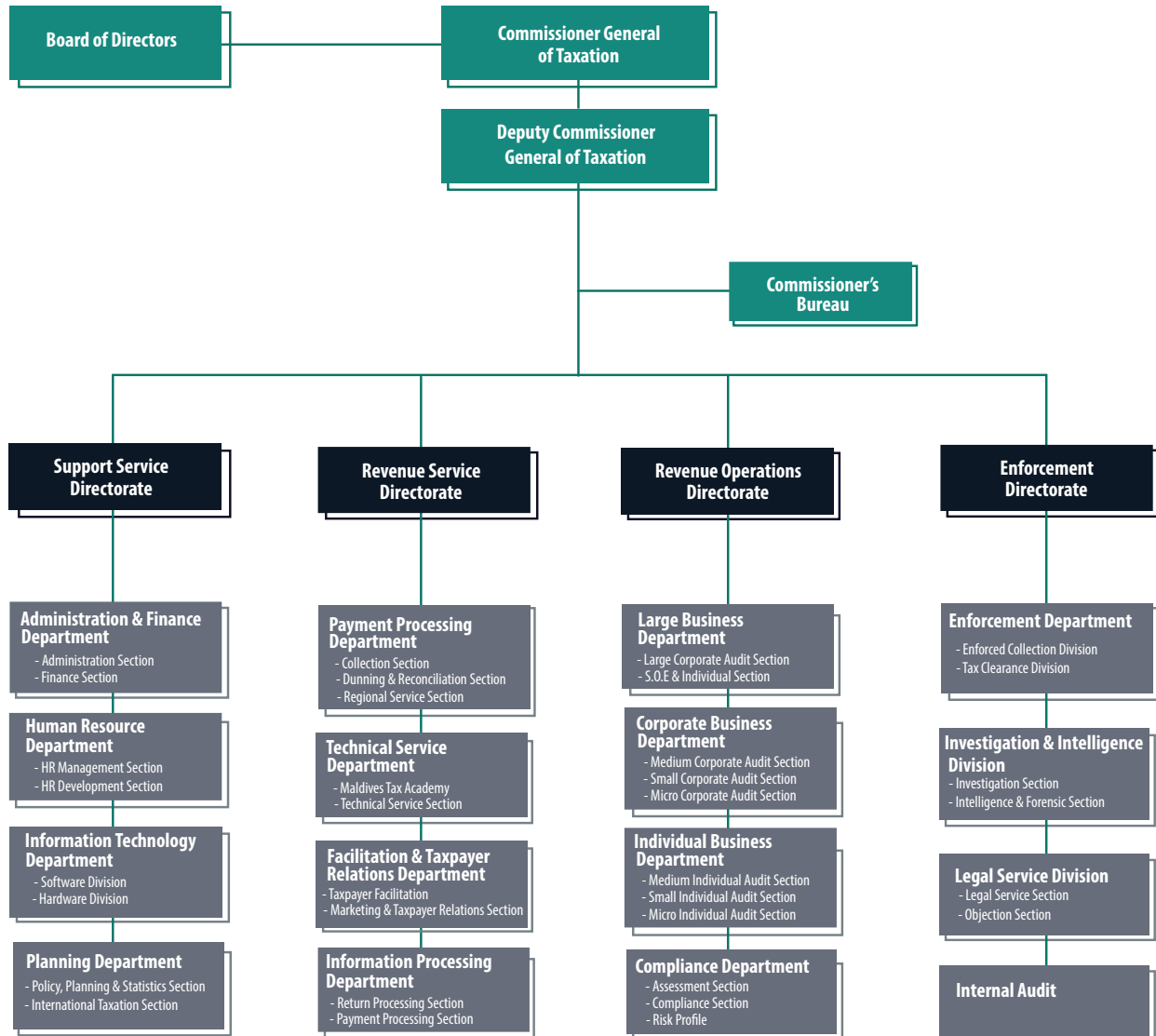


Board Members at MIRA's 7th Anniversary Function

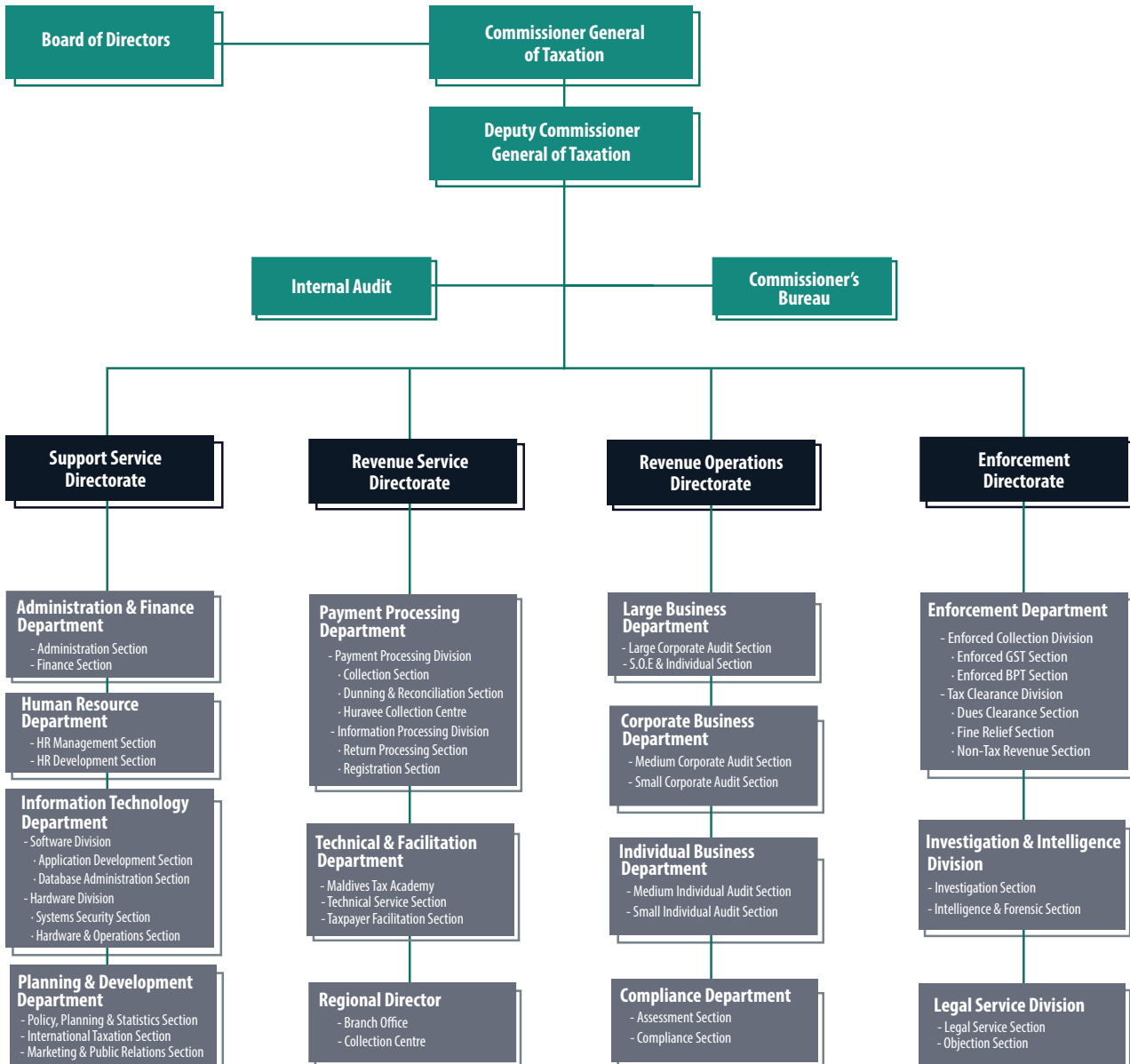
3.2 Organisational Structure

3.2.1 Organisational Chart

>> Organisational structure at the beginning of the year 2017



>> Organisational structure was revised as below on August 2017



3.2.2 Directorates

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

Enforcement Directorate

Enforcement Department

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

Investigation and Intelligence Division

The responsibilities of this department include conducting investigations under tax laws, gathering intelligence information for the audits and investigations conducted by MIRA, and risk profiling audit candidates.

Legal Service Division

The main function of this division includes 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 also undertake all other legal related works.

Revenue Service Directorate

Taxpayer Service Department

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

Technical and Facilitation Department

The main responsibilities of this department includes preparing information needed to provide technical advice on formulating tax policies, and formulating legal and technical documents such as regulations and tax rulings of MIRA. Moreover, functions of this department also include conducting

tax awareness sessions to taxpayers, general public and professionals, and issuing license for auditors and tax agents. In addition, handling MIRA's hotline 1415 and the support email 1415@mira.gov.mv is under the mandate of this department.

Regional Offices

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

Revenue Operations Directorate

Large Business Department

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

Corporate Business Department

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

Individual Business Department

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

Compliance Department

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

Support Service Directorate

Administration and Finance Department

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

Human Resource Department

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

Information Technology Department

The responsibilities of this department include developing software applications necessary for MIRA, repairing and maintaining the network, systems security and hardware and management, and maintaining the database.

Planning and Development Department

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

Internal Audit

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

assurance review to improve the quality of taxpayer audits and ensuring whether tasks undertaken by MIRA are in accordance with SOPs and manuals.

3.3 Committee

In addition to the work done by the departments, committees have been formed to carry out special tasks, to make decisions in consultation with the staff and to advise the Commissioner General in various matters. At the end of 2017, the committees in place were:

- Human Resource Committee
- Technical Committee
- Investigation Committee
- Bid Evaluation Committee
- Audit Committee
- Appeal and Objection Committee
- Fine Relief Committee
- Steering Committee for the disclosure of GST registered persons in default
- Award Committee
- Review Committee under the Right to Information Act
- Licensing Committee
- "Technical Support to Legal Team" Committee
- Sexual Harassment Prevention Committee
- Compliance Risk Management Committee

3.4 Senior Management

Commissioner General of Taxation and Deputy Commissioner General of Taxation



Yazeed Mohamed
Commissioner General of Taxation



Hassan Zareer
Deputy Commissioner General of Taxation

Commissioner General of Taxation and Deputy Commissioner General of Taxation

Three staff were appointed as Assistant Commissioner Generals on 16 September 2017, to overlook and monitor the work of their designated directorates as per the organizational structure, in addition to consolidating and implementing policies to enhance quality of work in the respective departments and represent them in the administrative management procedures.



Ahmed Ali
Assistant Commissioner General
Revenue Operations



Fathimath Ameenah
Assistant Commissioner General
Enforcement



Ahmed Shareef
Assistant Commissioner General
Revenue Service

Director Generals and Deputy Director Generals



Mohamed Shahid
Director General
Individual Business



Asma Shafeeu
Director General
Planning & Development



Fathimath Shifaza
Director General
Human Resource



Mohamed Siraj Muneer
Director General
Corporate Business



Ahmed Shafneez
Deputy Director General
Administration and Finance



Mohamed Ali Waheed
Deputy Director General
Technical & Facilitation



Moosa Haleem
Deputy Director General
Compliance



Mohamed Najiz
Deputy Director General
Information Technology

Directors and Deputy Directors



Left to right (standing): Shahid Moosa (Deputy Director, Information Processing), Mohamed Jinah Ibrahim (Deputy Director, Hardware), Ibrahim Faisal (Senior Director, Internal Audit), Nahshal Mohamed (Director, Software), Yoosuf Shiraz (Deputy Director, Maldives Tax Academy), Ali Naseer Ibrahim (Director, Tax Clearance), Ahmed Zakariyya (Deputy Director, Payment Processing)
Left to right (seated): Aminath Zumra (Deputy Director, Planning & Development), Riyasha Ali (Director, Enforcement), Adha Amir (Deputy Director, Large Business)

3.5 Human Resource Management & Development

3.5.1 Employees

As the tax administrator, MIRA is one of the leading macro-economic institutions in the country. To manage the increasing obligations of MIRA, and to face the emerging tax issues, development of technical staff was considered a priority last year.

At the beginning of the year 2017, 274 staff were working as full-time employees. While 76 staff were hired during the year to meet human resource

needs, 60 staff resigned due to various reasons. In addition, 6 staff were granted no-pay leave. By the end of the year, the total workforce amounted to 284 staff. Compared to 2016, this is an increment of 6% in staff employed. Of the staff employed at MIRA by year-end, 52% held Bachelor's or Master's level qualification. The female-male ration of 2017 stands at 51.3% to 48.7%.



MIRA Staff of the Year 2017 - Ghalib Rasheed



IFRS training held in 2017

3.5.2 Staff Training

In order to build the technical knowledge of staff on emerging tax issues, and to ensure their continuous development, numerous training programs were organized and carried out throughout the year. In addition, with the help of technical experts, specialized programs were conducted as per the staff development plan. In the year 2017, 56 staff of MIRA took part in 24 different training programs held overseas. Additional 3 induction programs were conducted for the newly joined staff to brief

them on the functions and work processes of MIRA. Moreover, 59 programs were conducted locally on work efficiency and ethics.

At the end of the year, 14 staff were studying for Association of Chartered Certified Accountants (ACCA) under MIRA sponsorship. In 2017, 18 staff of MIRA took part in 10 conferences held overseas, while 11 staff represented the institution at 6 locally held conferences.

Local Training Programs

Name of the training	Duration	Place/Trainer	No. of employees
Media Team Training	14 January 2017	Mohamed Shanoon	35
International Financial Reporting Standards (IFRS) Training	4-14 February 2017	KPMG	50
IFRS Updates (Senior Staff)	13 February 2017	KPMG	17
Customer Care Training: Importance of customer service in MIRA	18 February 2017	Mohamed Zaushan	21
Customer Care Training: Image positioning	18 February 2017	Mohamed Zaushan	20
Capacity Building Program	26-27 February 2017	Ministry of Economic Development	2
IT General Controls Training	26-28 February 2017	Ministry of Finance and Treasury	1
IT General Controls Training of SAP	1 March 2017 5 March 2017	Ministry of Finance and Treasury	2
Customer Care Training: Maintaining a culture of 'Dedication'	6 March 2017	Mohamed Zaushan	13
Training on Auditing by using Integrated Software	6 March 2017	Ministry of Finance and Treasury	1
IT Auditing (On the Job Training)	7-9 March 2017	Ministry of Finance and Treasury	1
Time Management	12-14 March 2017	Mohamed Ashraf	17
Office Dhivehi Training	20-23 March 2017 25-27 March 2017	Ali Mohamed Manik	21
Regional Workshop On International Merchandize Trade Statistics	3-6 April 2017	Maldives Customs Services	1
Customer Care Training: Creating first impression (Session 1)	5 April 2017	Mohamed Zaushan	14
Customer Care Training: Creating first impression (Session 2)	6 April 2017	Mohamed Zaushan	15
1 Day Digital Marketing Brand Managers	18 April 2017	Maldives Academy of Tourism and Hospitality Pvt Ltd	1
2 Days Digital Marketing Brand Managers	18-19 April 2017	Maldives Academy of Tourism and hospitality Pvt Ltd	1
Presentation Skills	18-20 April 2017	Ahmed Shakeeb	24
CCNA Routing and Switching	6-13 May 2017	Maxcom Training Solutions	2
Workshop on Tax Audit and Tax Treaties	7-11 May 2017	Asian Development Bank	47

Customer Care Training: Effective Communication	8-9 May 2017	Mohamed Zaushan	17
Effective Coaching and Mentoring Skills	13-14 May 2017	Investors in Human Resource Pvt Ltd	2
Customer Care Training: Handling difficult taxpayers	12 June 2017	Mohamed Zaushan	14
VMware Evolve 2017 - Modernize Your Data Center Event	21 June 2017	VMware	5
Customer Care Training: Telephone Etiquettes	4-5 July 2017	Mohamed Zaushan	23
Transforming Skills into Behaviours	11 July 2017	Boldpoint Maldives	1
Conflict Management Training	17-19 July 2017	Aiminath Rushma	20
Customer Care Training: Learning from mistakes	7 August 2017	Mohamed Zaushan	15
Customer Care Training: Keeping yourself motivated and maintaining a positive attitude	24-25 September 2017	Mohamed Zaushan	16
Customer Care Training: Exceeding Expectations	15 October 2017	Mohamed Zaushan	16
Investigation staff training program	25 October - 12 December 2017	Vimal Anand, Additional Director of Income Tax (Investigation), Central Board of Direct Taxes (India)	10
Technical Workshop - Maldives SME Strategy	25 October 2017	Ministry of Economic Development	1
Stress Management Training	30 October - 1 November 2017	Aiminath Rushma	23
Customer Care Training: Leadership	20 - 21 November 2017	Mohamed Zaushan	16
Whistleblower and Witness Protection in the Fight against Corruption in South Asia	22-24 November 2017	Maldives Customs Service	1
Training on Transfer Pricing Mechanisms	22 November - 10 December 2017	Mr. O.P. Yadav, Principal Commissioner of Income Tax, Central Board of Direct Taxes (India)	5

Overseas Training Program

Name of the training	Duration	Place/Trainer	No. of employees
Income Tax Workshop	6-10 March 2017	China	2
Tax Policy Analysis and Revenue Statistics	20-24 March 2017	South Korea	2
Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting	20-24 March 2017	Malaysia	2
2017 Program on Conducting Financial Investigations (Foundation)	20-31 March 2017	Italy	2
Permanent Establishment	27-31 March 2017	Malaysia	2
Managing Tax Compliance, focus on SMEs	10-14 April 2017	China	2
Technology and Analytics for better Tax Administration	10-14 April 2017	Malaysia	2
Implementing BEPS 1: Minimum Standards	17-21 April 2017	South Korea	2
Implementing BEPS 2: Interest, Hybrids, CFCs, Mandatory Disclosure	8-12 May 2017	China	2
International Tax Avoidance and countering BEPS	8-12 May 2017	South Korea	2
Introduction to the application and interpretation of tax treaties	12-16 June 2017	China	2
Latest Developments in Large Business Tax Administration	12-16 June 2017	South Korea	2
BEPS and the Transfer Pricing Guidelines	10-14 July 2017	China	2
BEPS and the Transfer Pricing Guidelines	10-14 July 2017	Malaysia	2
Workshop on Base Erosion and Profit Shifting (BEPS) Program	18-21 July 2017	Malaysia	2
MIRA, Cisco and HPE Workshop	8-11 August 2017	Singapore	2
Introduction to the application and negotiation of Tax Treaties	11-15 September 2017	Malaysia	2
International GST Workshop: IMF-South Asia Regional Training and Technical Assistance Center (SARTTAC)	25-29 September 2017	India	6
Taxation of Digital Economy	9 -13 October 2017	Malaysia	2
Exchange of Information and CRS	23-27 October 2017	China	2
Auditing MNEs for BEPS: A Case Study	30 October - 3 November 2017	Malaysia	2
Advanced Tax Treaties	13-17 November 2017	South Korea	2
The International VAT Guidelines	27 November- 1 December 2017	China	2
Effective and Efficient Use of Tax Incentives	4-8 December 2017	Malaysia	2

Conferences and Seminars

Conferences / Seminars	Duration	Place/Trainer	No. of employees
Check Point Customer Night	11 January 2017	Sri Lanka	1
McAfee - Security Information & Event Management (SIEM)	20 February 2017	Singapore	1
Seminar on Beneficial Ownership	28-30 March 2017	Philippines	1
OECD Global Forum on VAT	12-14 April 2017	France	2
ITR Asia Tax Forum	3-4 May 2017	Singapore	3
SAT CIO Forum 2017	26-28 May 2017	Sri Lanka	1
IFA Congress 2017	27 August - 1 September 2017	Brazil	2
Huawei Connect 2017	5-7 September 2017	China	2
10th Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes	15-17 November 2017	Cameroon	2
22nd International Tax Conference	7-9 December 2017	India	2
14th ATAIC Technical Conference	10-13 December 2017	Iran	2



MIRA media team training session held last year.

3.6 Technical Assistance Received

As a part of capacity building programs conducted between India and Maldives, experts from Central Board of Direct Taxes of India, Mr. O.P Yadav and Mr. Vimal Anand visited MIRA for a period of three months during the year. Mr. O.P Yadav conducted trainings on transfer pricing and provided assistance in establishing a transfer pricing mechanism in the Maldives. Furthermore, Mr. Vimal Anand assisted in enhancing the work carried out by the Investigation and Intelligence team of MIRA.

Following several successful technical assistance projects over the past few years, ADB has continued to assist MIRA in areas that required assistance. As such, a workshop on Tax Audit and Tax Treaties was conducted under Enhancing Tax Administration capacity project. Furthermore, development of Customer Relationship Management system was also commenced under this project. Moreover, work is underway to upgrade SAP enhancement package of MIRA with the assistance received from Asian Development Bank as a part of Micro, Small and Medium Sized Enterprise Development Project implemented by Ministry of Economic Development.

Similar to previous years, a mission from the International Monetary Fund (IMF) visited MIRA during the last quarter of the year to monitor the performance of the organization and to evaluate the extent to which targets set in the strategic plan of MIRA from 2015 - 2019 have been achieved. IMF has published a report based on the recommendations provided during the mission.

MIRA has also received technical assistance from IMF South Asia Regional Training and Technical Assistance Center (SARTTAC) in implementing compliance risk management mechanisms, which was one of the recommendations highlighted in the IMF mission report. In this regard, a technical expert, Mr. Gary Andrews assisted MIRA in forming a Compliance Risk Management Committee and appointing risk officers. Further to this, Mr. Gary also shared his expertise in developing guidelines to carry out the work of the risk committee.



Workshop on Tax Audits and Treaties



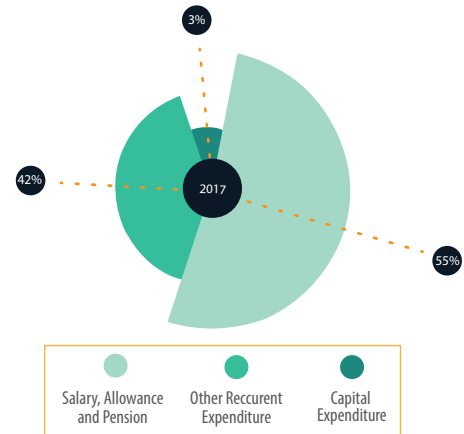
IMF team meets Commissioner General of Taxation

3.7 Administration Expenditure

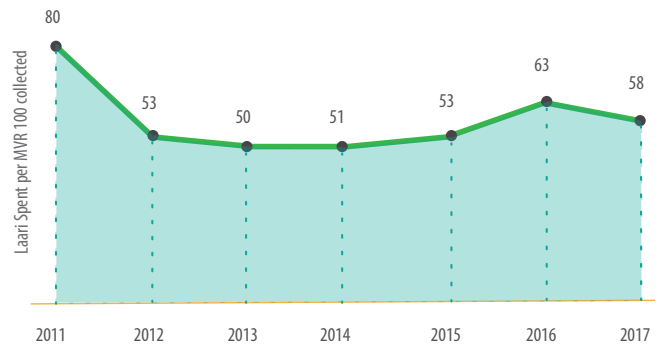
Total expenditure of MIRA in 2017 amounted to MVR 87.48 million which is a decrease of 4.76% compared to 2016. While 97% of the budget expenditure in 2017 amounted to recurrent expenses, 3% of budgetary expenditure was capital expenditure. Compared to previous year, capital expenses decreased by 4.9% and recurrent expenses increased by 7.5%. Employee disbursements such as salaries, allowances, and pensions make up the bulk of recurrent expenditure. Even though 73% of recurrent expenses was for employee disbursements, this figure has decreased by 3% compared to 2016.

While the administrative expenditure for 2017 decreased, the total revenue collected by MIRA in the year increased. In 2017, MIRA spent 58 Laari for every 100 rufiyaa collected. For every Rufiyaa spent by MIRA during the year, MVR 173.58 was collected as revenue, which is an increase by 16 rufiyaa compared to 2016.

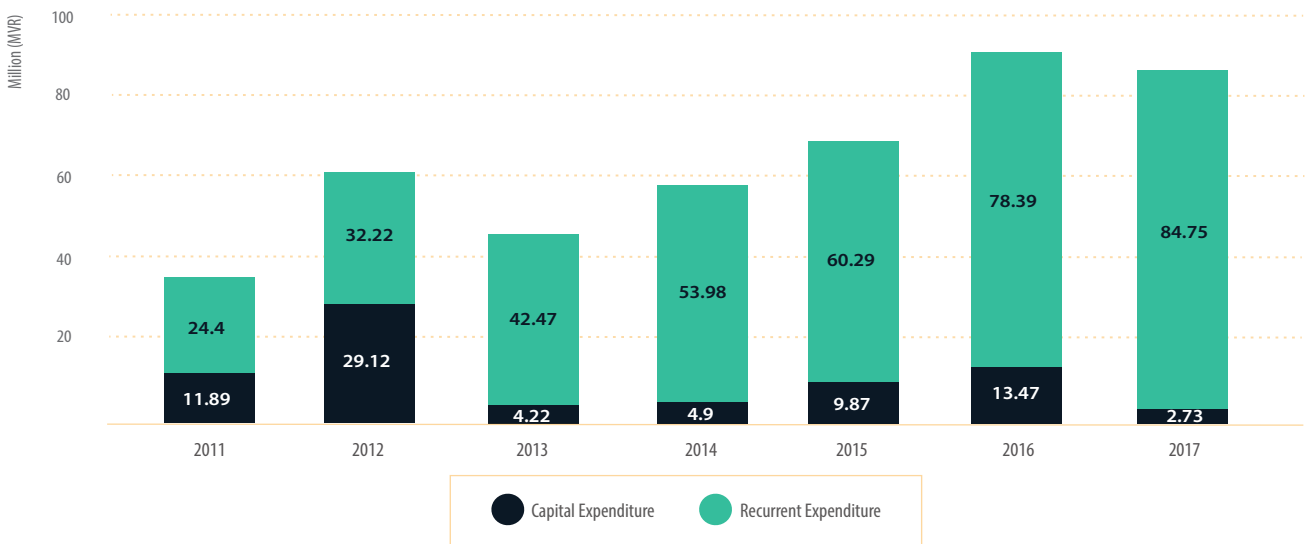
>> Classification of Administrative Expenses of 2017



>> Laari spent per MVR 100 collected



>> MIRA's Expenditure 2011-2017

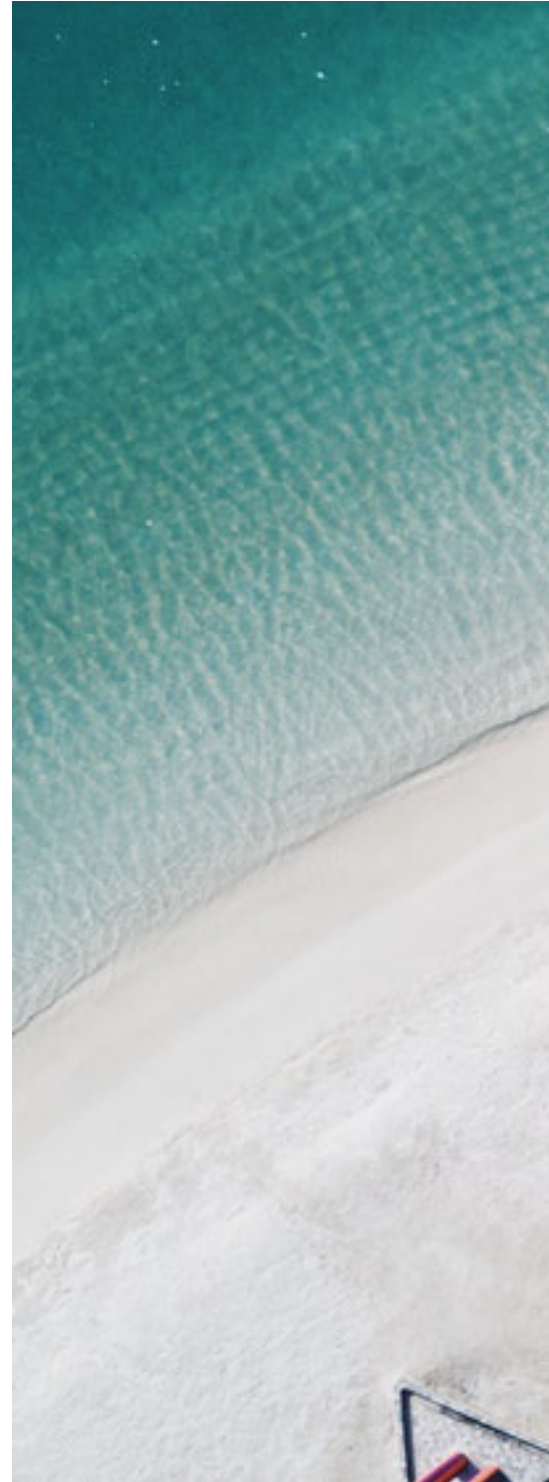


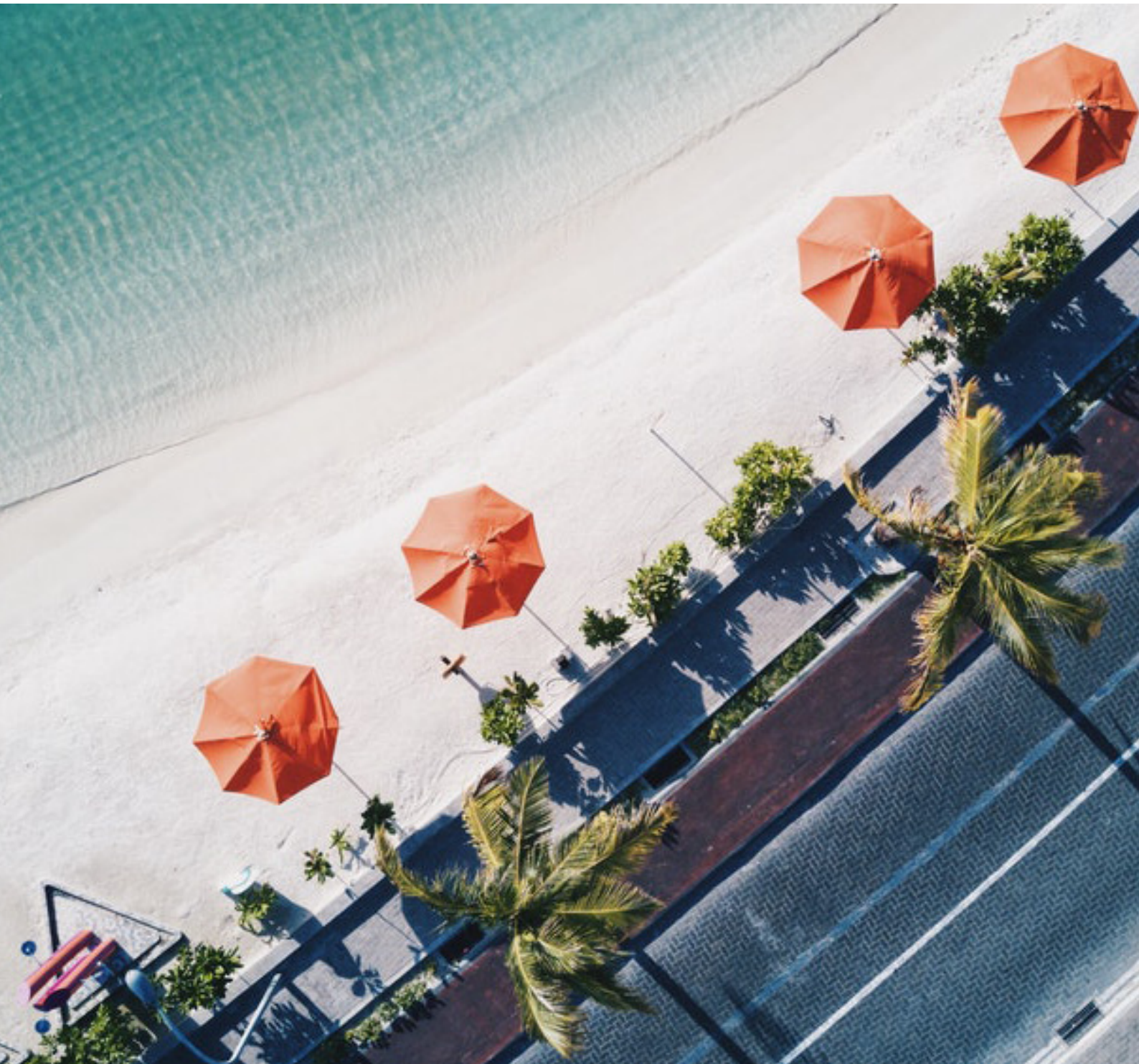
4. REVENUE

Revenue collection for the year totaled to MVR 15.19 billion, where GST and BPT are the major revenue contributors

Revenue collected by MIRA accounts for 75% of the total government revenue for the year 2017

57.4% of the total revenue collected by the MIRA was collected in US Dollars, with TGST as the major USD revenue contributor





4. REVENUE COLLECTION

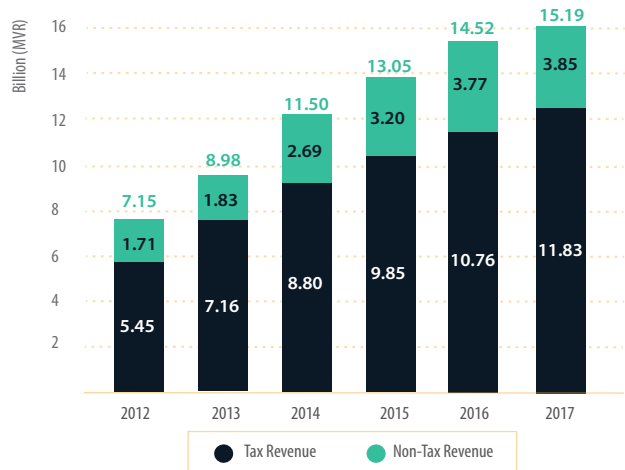
4.1 Total Collection

In 2017, the Maldives Inland Revenue Authority (MIRA) collected MVR 15.19 billion as revenue which represents an increment of 4.5% and 4.2% compared with the previous year and the forecasted revenue for 2017, respectively.

The increase primarily came from GST (for both General and Tourism Sector), Airport Service Charge, Bank Profit Tax and Withholding Tax, along with the collection of new taxes and fees collected in 2017.

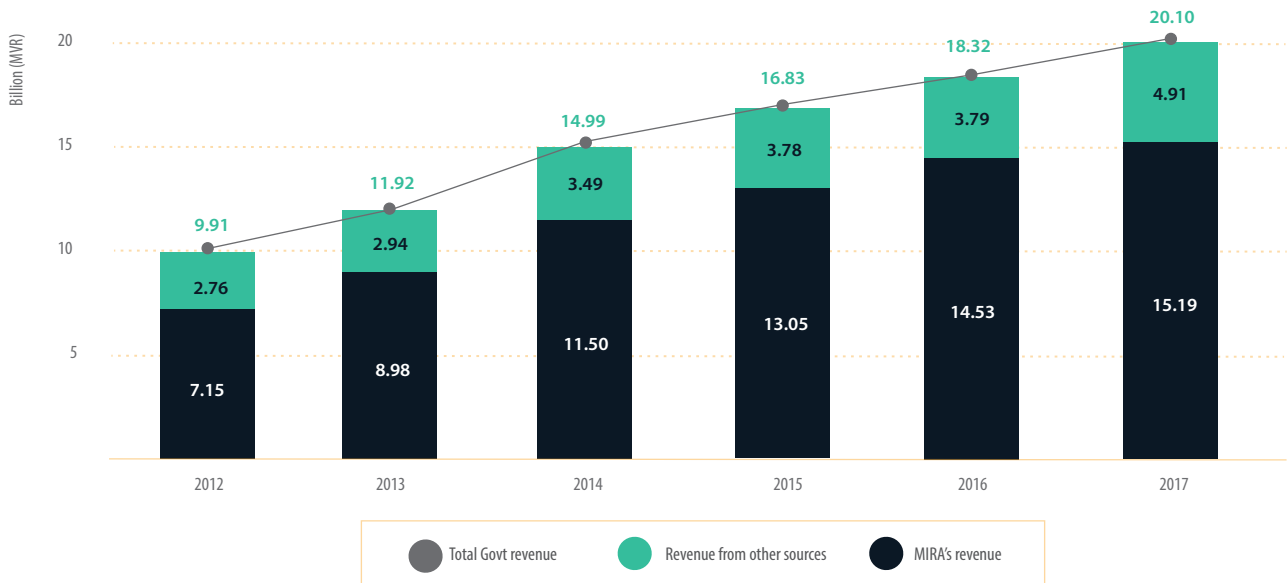
The top two revenue contributors for the concluded year were GST and BPT. While GST amounted to 45.1% of the total revenue, BPT contributed 17.6% share of total revenue. The next top contributors were Tourism Land Rent, Airport Service Charge, Green Tax and Bank Profit Tax. These top six revenue contributors collectively accumulate to 85.5% of the total revenue. It is also notable that revenue from all the taxes share 77.9% of the total revenue collected by MIRA.

>> Total Revenue



MIRA is the focal point for collection all taxes and most fees and charges collected by the government. In 2017, the revenue collected by MIRA to the total general revenue of the government was 75.6%.

>> MIRA's share of government revenue



4.2 Adjusted Revenue

MIRA uses two measures to determine its revenue collection: the revenue received from payments made to MIRA, and the revenue after adjustments. Adjustments made to the revenue collected include changes to the revenue collection due to offsets claimed by taxpayers for advance tax payments made in previous years. It also includes the revisions and adjustments made between revenue codes.

After adjustments, revenue for the year was MVR 15.21 billion. The adjustments resulted in a difference of MVR 18.85 million between revenue after adjustments and actual revenue received. In 2017, most number of adjustments were made to revenue from GST, with the largest impact being on TGST.



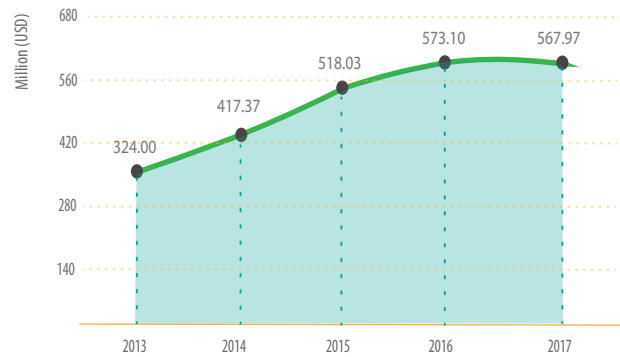
Taxpayer Service Centre of MIRA

4.3 USD Collection

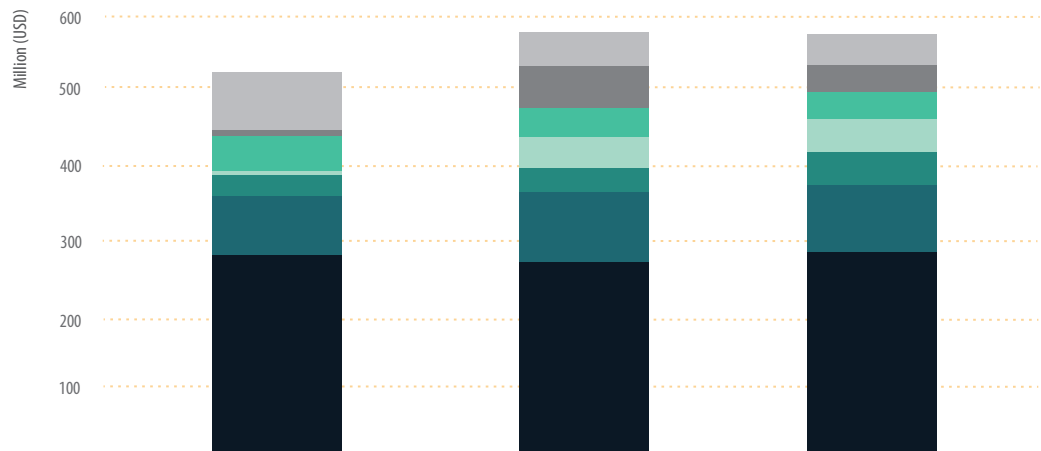
In 2017, 57.4% of the total revenue collected by the MIRA was collected in US Dollars. USD 567.97 million was received towards taxes and fees, of which the Rufiyaa equivalent is MVR 8.71 billion. Most USD revenue was received as GST from the tourism sector, which totaled to USD 272.60 million in 2017.

Compared to the preceding year, a slight decrement of 0.7% was recorded in USD collection in 2017. This is because, compared to 2016, fewer islands were leased by the government in 2017, resulting in declined receipt of Land Acquisition and Conversion Fee during the year.

>> Total USD Revenue



>> USD Revenue Breakdown of 2011-2017



		2015	2016	2017
Others	●	80.1	46.8	41.4
Land Acquisition & Conversion Fee	●	6.8	56.0	35.3
BPT	●	48.0	40.4	36.1
Green Tax	●	3.0	41.4	45.2
Airport Service Charge	●	32.4	35.1	45.8
Tourism Land Rent	●	76.3	94.6	91.4
TGST	●	270.7	258.8	272.6

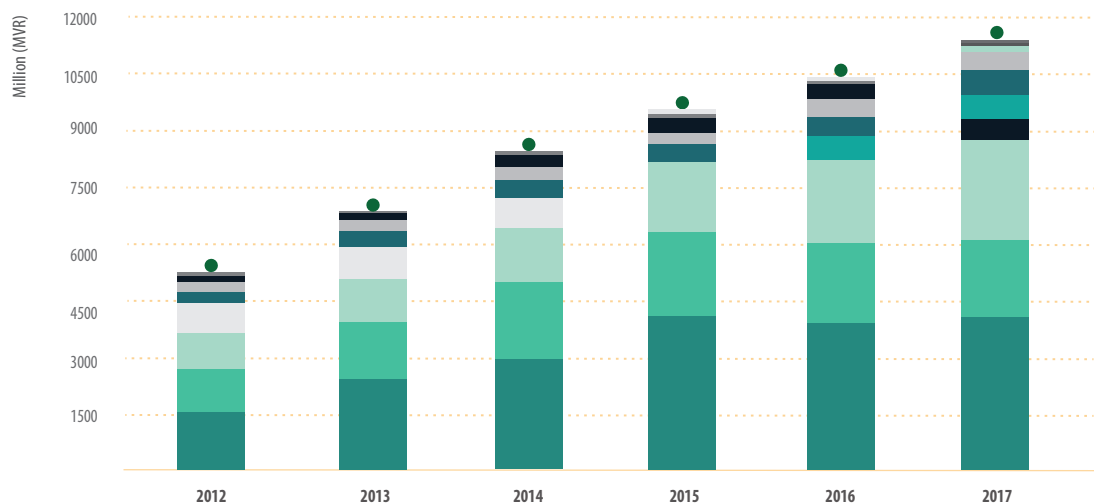
4.4 Tax Revenue

The total revenue MIRA reported in 2017 was MVR 15.19 billion, of which MVR 11.83 billion relates to tax revenues. It shows a growing trend of tax revenue collection over the past years.

Looking at the trends observed in tax revenue collection, there was an increase in collection of Airport Service Charge. Compared to the past

years, this significant increment was due to the collection of arrears which dated back to 2012. Additionally, departures from the airports of Maldives increased by 6.8% compared to 2016. The rate of Airport Service Charge remained the same; USD 25 charged from foreigners, while locals are charged at the rate of USD 12.

>> Total Tax Revenue 2012 - 2017



	2012	2013	2014	2015	2016	2017
Tourism Tax	802.9	860.1	804.7	0.6	0.2	0.0
Ownership Transfer Tax	-	-	-	-	-	2.5
Revenue Stamp	39.9	32.9	38.1	37.6	43.3	44.3
Land Sales Tax	16.6	20.7	28.5	29.1	23.1	93.8
Remittance Tax	-	-	-	-	14.6	114.2
Withholding Tax	244.0	295.1	400.2	427.8	531.0	570.5
Bank Profit Tax	313.2	355.0	482.2	512.7	491.7	649.9
Green Tax	-	-	-	45.5	633.5	693.8
Airport Service Charge	299.9	350.2	432.0	496.7	537.5	707.8
BPT	1,157.2	1,586.7	2,075.2	2,248.7	2,211.0	2,105.5
GGST	1,005.7	1,203.5	1,515.1	1,906.1	2,312.0	2,668.5
TGST	1,566.4	2,451.1	3,027.1	4,146.8	3,964.9	4,182.8
Total	5,445.6	7,155.4	8,803.0	9,851.7	10,762.8	11,833.6

Declared profit by commercial banks in Maldives is 32.2% higher in 2017 compared to 2016. In addition to this, the Tenth Amendment to BPT Regulation resulted in an increase of MVR 39.49 million (7.4%) in WHT paid.

Since GST is a broad based tax, one which applies to almost all the sectors of the economy, it contributed 45.1% of the total revenue collected by MIRA. Even though the tax rates remained constant in the last two years, registration of new taxpayers, coupled with the boost in tourist arrivals to the Maldives by 6.2%, and a positive economic outlook of the Maldivian economy has led to this positive outcome.

Similar to GST revenue, revenue from Green Tax has also improved compared to the preceding

year. Even though there were no changes in related policy or regulations, new registrants in tourist guesthouses category, and new resorts in operation, lead to the increase in Green Tax revenue.

Land Sales Tax has increased by fourfold compared to 2016. This is a record progress of collection as it is also three times higher than the forecasted amount. Increase in number of land slots sold and the increase in the land area contributed to this record increment. Furthermore, revenue from sale of Revenue Stamp increased by 2.4% compared to 2016. Collection of ownership transfer tax by MIRA has commenced following the signing of an MoU with Ministry of Tourism. Under this MoU, MIRA has commenced collections of all tourism related fees and charges from 1st January 2017.



Information desk at MIRA on a deadline

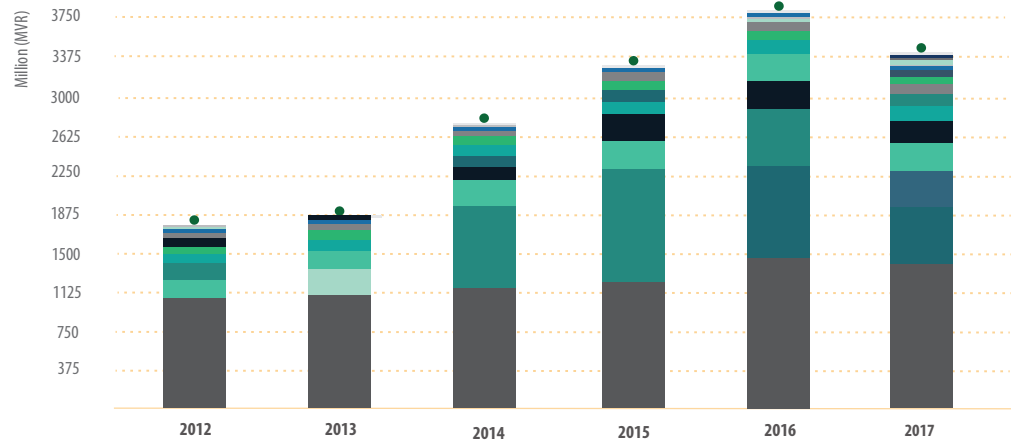
4.5 Non-Tax Revenue

In 2017, non-tax revenues contributed 22.1% of the total revenue collected by MIRA. Top contributors from these fees and charges are Tourism Land Rent, Land Acquisition and Conversion Fee, and Airport Development Fee.

Compared to 2016, the decrement of non-tax revenues can be attributed to the decline in Lease Period Extension Fee and Land Acquisition and

Conversion Fee. Though taxpayers were provided with additional options to settle Lease Period Extension Fee under the latest amendments to Maldives Tourism Act, only a few chose to settle the payments as such, leading to a decline in revenue collected compared to the year 2016. Furthermore, fewer islands were leased by the government in 2017, compared to 2016, which resulted in a decline in Land Acquisition and Conversion Fee for the year.

>> Total Non-Tax Revenue 2012-2017



	2012	2013	2014	2015	2016	2017
Others	-	0.0	0.3	0.1	1.8	6.0
Corporate Social Responsibility Fee	-	-	-	-	-	13.0
Tourism Administration Fee	-	-	-	-	-	16.9
Proceeds from Sale of Assets	17.6	245.4	6.6	6.9	13.1	27.5
Vessel Fee	6.4	6.2	6.7	7.1	20.5	28.4
Business Permit	28.6	27.7	28.2	32.2	32.6	41.2
Construction Period Extension Fee	-	-	-	-	-	65.3
Royalty	76.5	101.5	89.1	78.6	74.1	77.1
Vehicle Fee	45.9	49.7	52.2	62.2	75.7	83.8
Lease Period Extension Fee	168.7	-	789.4	1,096.4	569.1	117.4
Non-tourism Property Income	89.6	95.2	108.0	109.4	131.2	145.2
Fines	51.5	54.8	116.1	257.6	270.3	195.6
Resident Permit	171.9	177.8	227.5	248.7	262.2	263.3
Airport Development Fee	-	-	-	-	-	328.5
Land Acquisition and Conversion Fee	-	-	114.1	106.1	866.7	543.5
Tourism Land Rent	1,049.8	1,068.8	1,156.2	1,197.6	1,449.7	1,401.6
Total	1,706.5	1,827.1	2,694.4	3,202.8	3,767.0	3,354.3

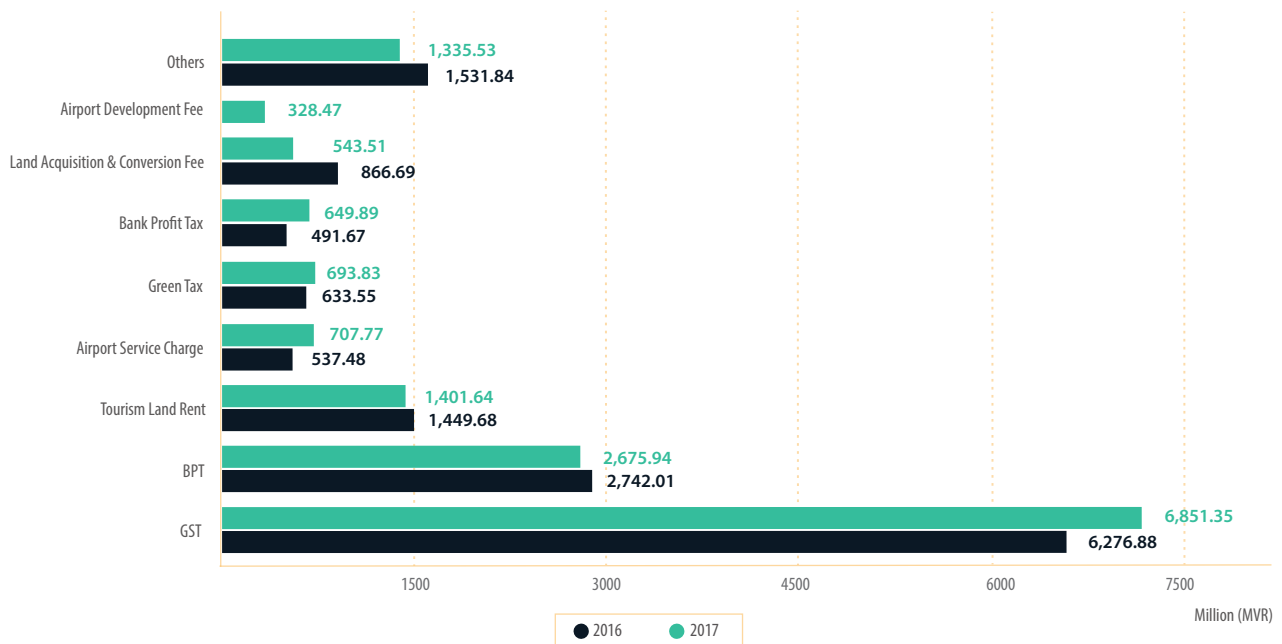
4.6 Comparison to the revenue of last year

Compared to 2016, revenue received in 2017 has increased by 4.5%. While the GST revenue increased by 9.2%, Airport Service Charge collection exceeded 2016 by 31.7%. Additionally, Bank Profit Tax and the revenue of Green Tax exceeded the preceding year by 32.2% and 9.5%, respectively. Furthermore, revenue from Withholding Tax increased by 7.4%, while Land Sales Tax increased

by fourfold compared to 2016. Remittance tax, which commenced from 1 October 2016, increased by 8 times compared to the preceding year.

Compared to 2016, revenue from the profit component of BPT, Tourism Land Rent, Land Acquisition and Conversion Fee and Lease Period of Extension Fee had declined.

>> Comparison against previous year



Collection of Airport Development Fee and Fees collected under Acts and regulations enforced by Ministry of Tourism, namely, Construction Period Extension Fee, Tourism Administration Fee, Corporate Social Responsibility Fee, and Tourist Establishment Registration Fees commenced during the year 2017. Revenue collected from these new fees totaled to MVR 436.68 million, which includes, MVR 328.47 million as Airport Development Fee,

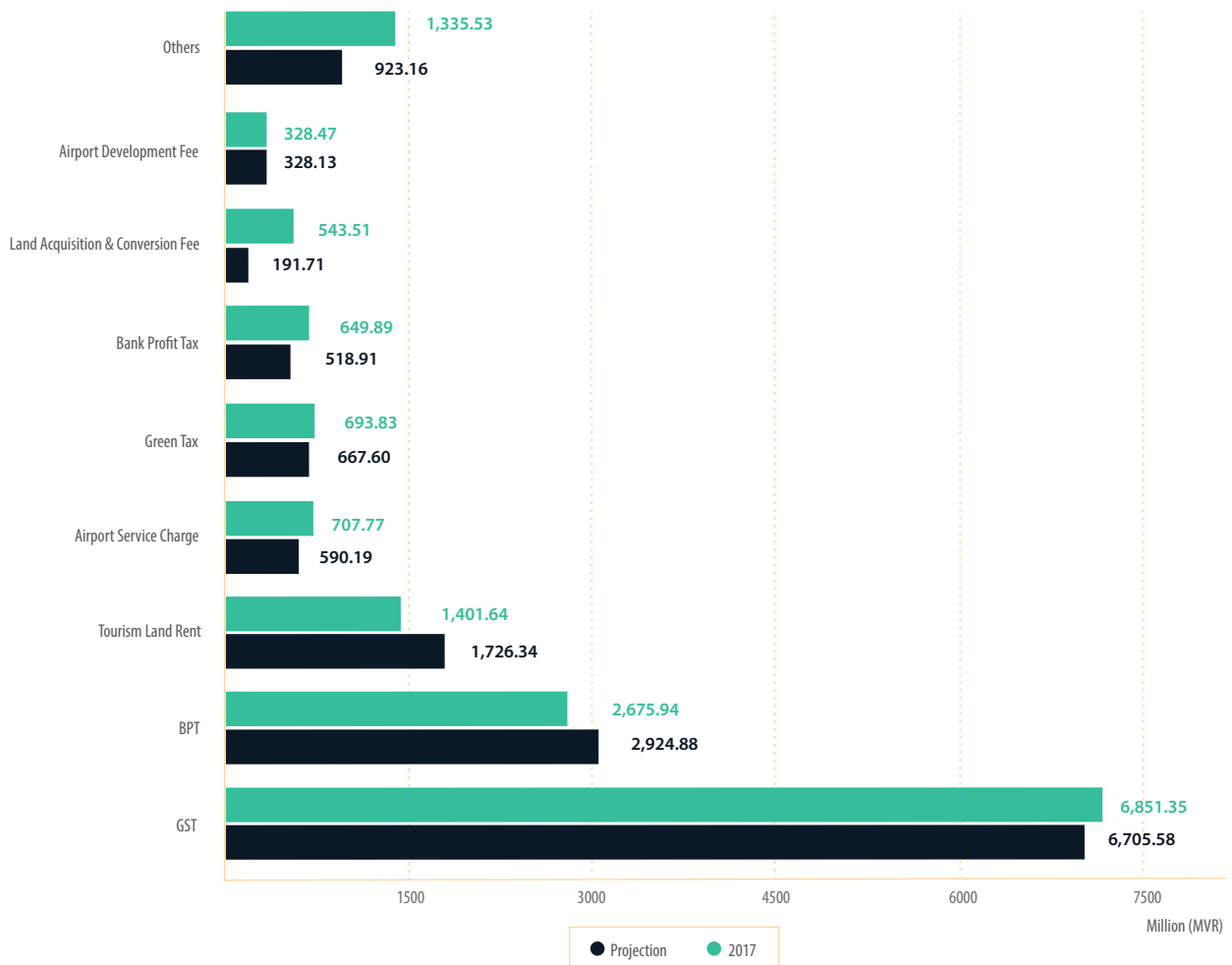
MVR 65.34 million as Construction Period Extension Fee, MVR 16.87 million as Tourism Administration Fee, and MVR 12.97 million as Corporate Social Responsibility Fee in 2017. In addition, under the MoU signed between Ministry of Tourism and MIRA, MVR 13.03 million was collected as registration fees and trade permit fees paid by businesses in the tourism industry.

4.7 Comparison to the Projection of 2017

MVR 14.58 billion was projected as collection for 2017. At the end of the year, the realized revenue summed up to MVR 15.19 billion, which is an increase of 4.2% over projection. Revenue projection set

by MIRA is based on the revenue collection of preceding years, and the growth of the Maldivian economy.

>> Actual Revenue and Projection



The increase in collected revenue over projection can be attributed to the fact that collection of Land Acquisition and Conversion Fee, Bank Profit Tax and GST significantly exceeded the projected amount. As such, collection of Land Acquisition and

Conversion fee was three times more than the forecasted amount. Additionally, GST collection exceeded forecast by 2.2% and Bank Profit Tax collection was 25.2% more than the projected amount.

Revenue Details

Revenue Type	2016	2017	+/-	2017- proj	+/-
Tax Revenues	10,762.79	11,831.14	9.9%	11,561.10	2.3%
Airport Service Charge	537.48	707.77	31.7%	590.19	19.9%
Bank Profit Tax	491.67	649.89	32.2%	518.91	25.2%
Business Profit Tax	2,211.02	2,105.45	-4.8%	2,477.59	-15.0%
GST(Non-tourism Sector)	2,312.02	2,668.51	15.4%	2,411.20	10.7%
GST(Tourism Sector)	3,964.86	4,182.84	5.5%	4,294.38	-2.6%
Green Tax	633.55	693.83	9.5%	667.60	3.9%
Land Sales Tax	23.14	93.79	305.3%	28.89	224.6%
Revenue Stamp	43.32	44.35	2.4%	42.45	4.5%
Remittance Tax	14.58	114.22	683.2%	82.61	38.3%
Tourism Tax	0.15	0.00	-98.0%	-	-
Withholding Tax	531.00	570.49	7.4%	447.28	27.5%
Non-Tax Revenues	3,767.02	3,356.79	-10.9%	3,015.39	11.3%
Airport Development Fee	-	328.47	-	328.13	0.1%
Business Permits	32.63	41.21	26.3%	36.43	13.1%
Construction Period Extension Fee	-	65.34	-	-	-
Corporate Social Responsibility Fee	-	12.97	-	-	-
Fines	270.27	195.63	-27.6%	159.78	22.4%
Land Acquisition and Conversion Fee	866.69	543.51	-37.3%	191.71	183.5%
Lease Period Extension Fee	569.10	117.41	-79.4%	-	-
Non-tourism Property Income	131.24	145.15	10.6%	129.89	11.8%
Ownership Transfer Tax	-	2.46	-	-	-
Proceeds from Sale of Assets	13.06	27.52	110.7%	8.34	230.0%
Residential Permit	262.21	263.25	0.4%	264.07	-0.3%
Royalties	74.14	77.08	4.0%	80.59	-4.4%
Tourism Administration Fee	-	16.87	-	-	-
Tourism Land Rent	1,449.68	1,401.64	-3.3%	1,726.34	-18.8%
Vehicle Fee	75.70	83.80	10.7%	70.75	18.5%
Vessel Fee	20.48	28.43	38.8%	19.36	46.9%
Others	1.82	6.04	231.3%	-	-
Total	14,529.81	15,187.93	4.5%	14,576.49	4.2%

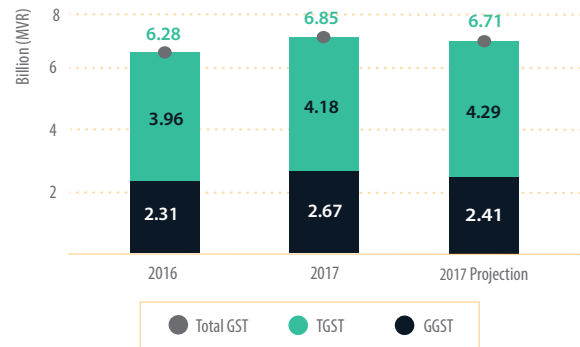
Note: Yearly figures are in millions

4.8 Major Revenue Components

4.8.1 GST

In 2017, GST generated the most revenue, totaling up to MVR 6.85 billion. This is an increment of 9.2% compared to collection of 2016, and 2.2% higher than the projected amount for 2017.

>> GST total

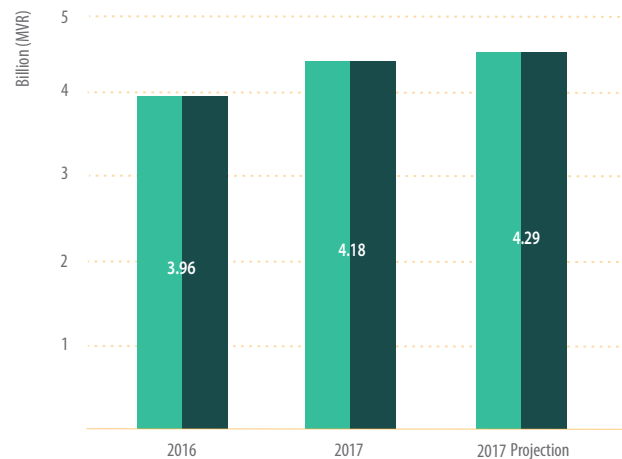


4.8.2 TGST

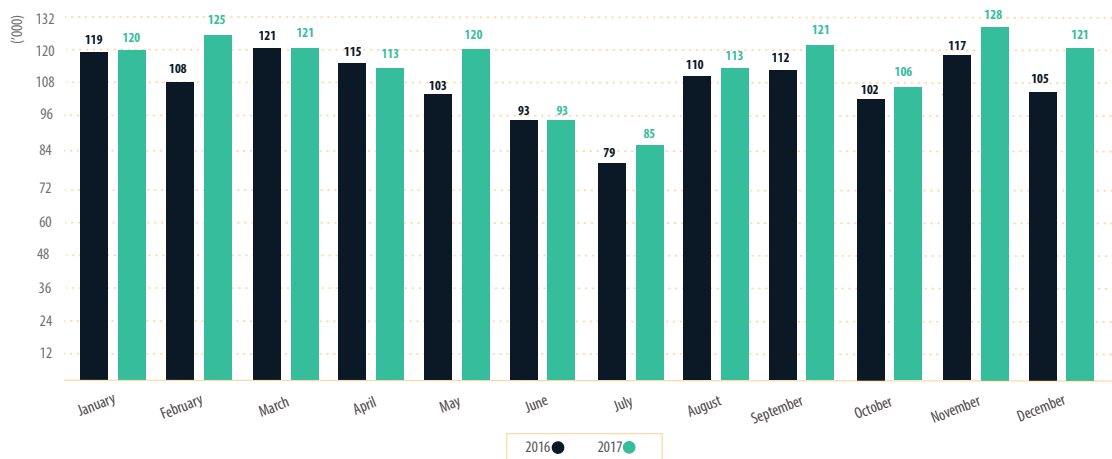
MVR 4.18 billion was collected as GST from the tourism sector. This is 61.1% of the total GST revenue received in 2017. TGST revenue of 2017 has surpassed the TGST revenue of 2016 by 5.5%. This increment is due to the increase in tourist arrivals, which depicted a boost of 6.2% compared to 2016.

However, collected TGST revenue of 2017 is 2.6% lower than the projection for the year. Defaulting taxpayers, coupled with the declined average daily rate in the sector, contributed to this decrease.

>> TGST total

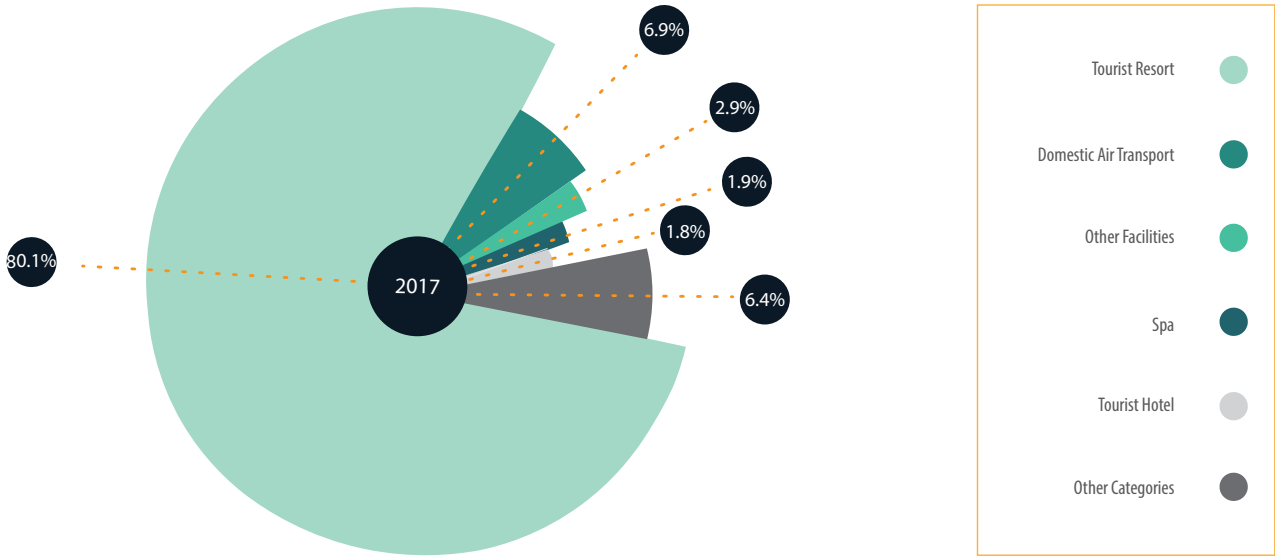


>> Tourist Arrivals



From the TGST revenue reported to the MIRA, resort category reported the highest TGST, with 80.1% share of the total TGST revenue.

>> TGST Revenue Sources



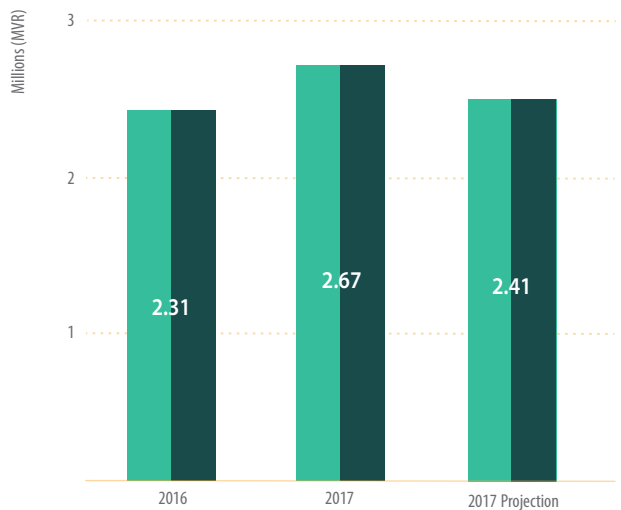
4.8.3 GGST

GST revenue from the general sector amounted to MVR 2.67 billion in 2017. Compared to 2016, GST revenue increased by 15.4%, while it exceeded projection by 10.7%. This increase can be attributed to the economic and business growth during the year.

The boost in the general sector is due to the growth of the number of businesses in 2017, when compared with the past year. Additionally, a notable increment of 15.9% was realized for timely-declarations of tax payments.

In addition to the business growth, recovered dues under MIRA’s Enforcement Policy has increased by 7.1%, while the assessed tax recovered from audits in the year has increased by 10.3%.

>> GGST Total

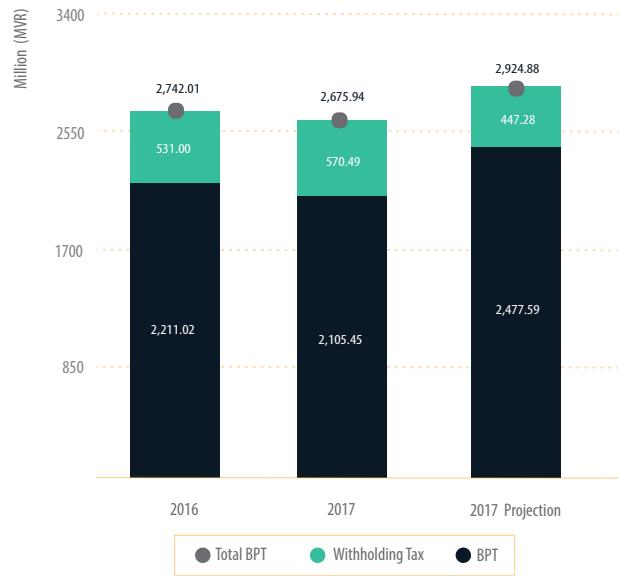


4.8.4 BPT

BPT is a direct tax charged on the profits of all businesses carried out in the Maldives, under the Business Profit Tax Act. The two components of BPT constitute the business profit component and the Withholding Tax component. BPT is charged at the rate of 15% from every rufiyaa of the taxable profit exceeding MVR 500,000. Withholding Tax is charged at 10% from payments made to non-residents for services that are explicitly defined in the BPT Act. Afore-mentioned rates remained constant throughout the past years.

In 2017, a total of MVR 2.68 billion was collected as BPT. This is a decrease of 2.4% compared to 2016, as well as a decline by 8.5% compared to projection. Compared to the previous year, reported profits by the businesses declined, which led to the afore-mentioned decrement. Total BPT revenue contributed to 17.6% share of the total revenue collected by MIRA.

>> BPT total

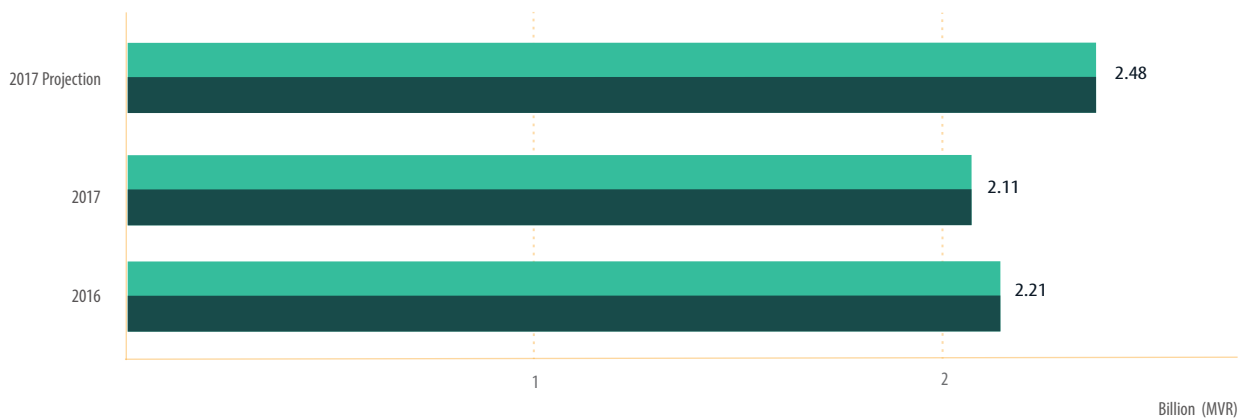


BPT: Profit component

BPT collection which related to the profit component of the businesses amounted to MVR 2.11 billion in 2017. This is a decrement of 4.8% when compared to the revenue received in 2016, and a decrease of 15% when compared to the projection set for

the year. The decline in the profit component can be attributed to the decline of on-time BPT final payment and tax revenue collected as the first interim payment of 2017.

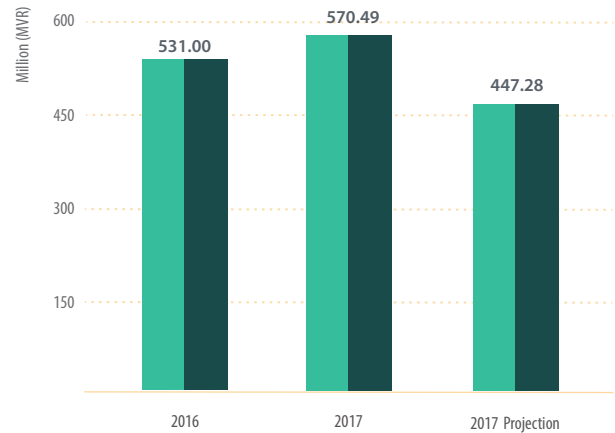
>> BPT: Profit component



WHT

Withholding Tax received in 2017 was MVR 570.49 million. This is an increment of 7.4% compared to 2016, and a significant increment of 27.5% compared to the projection. The increment is mainly due to the Tenth Amendment to the BPT regulation, which came into effect in 2016. Preceding regulation stated taxpayers had to declare and pay WHT on the paid amount to non-residents. Pursuant to the Tax Ruling on the Tenth Amendment, taxpayers are to declare and pay WHT on amounts payable and paid for the respective month as of 18 August 2016. A window to declare WHT on amounts payable was given until 15 December 2016, without incurring any fines. As a result, receipt of dues from previous periods, along with the on-time payments, increased significantly. Additionally, arrear collection under MIRA’s Enforcement Policy, and collection of audit related tax assessments were higher compared to 2016.

>> Withholding Tax

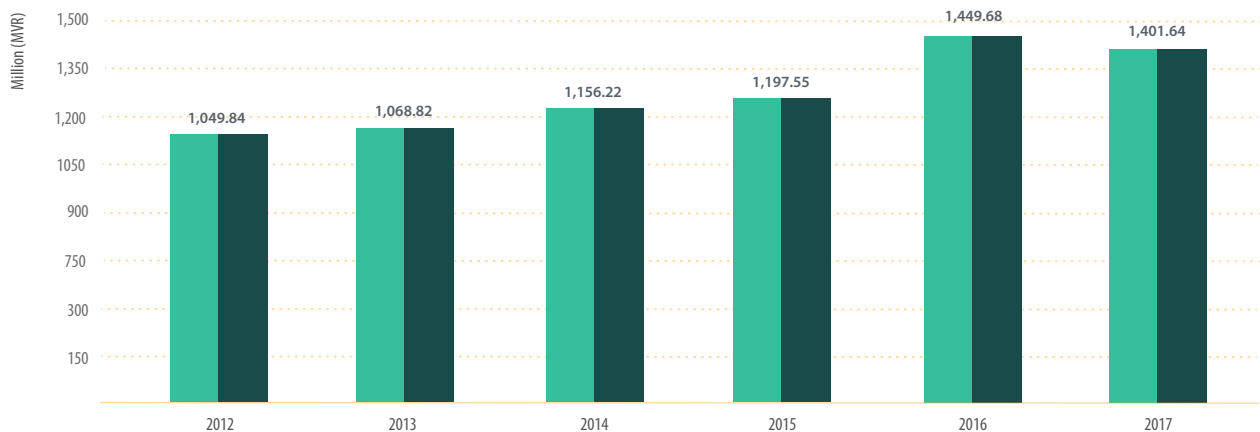


4.8.5 Tourism Land Rent

Tourism Land Rent has to be paid once every calendar quarter and MIRA received MVR 1.40 billion as Tourism Land Rent in 2017. Yearly collection declined marginally by 3.3% compared

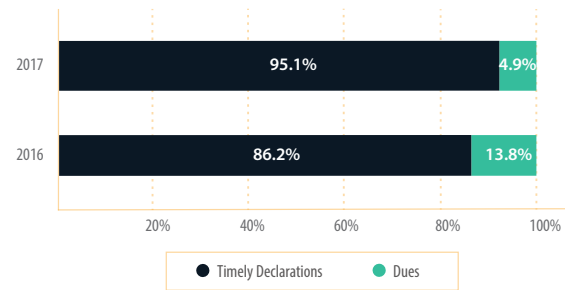
to the MVR 1.45 received in 2016. Additionally, the actual revenue received in 2017 declined by 18.8% compared to the projection.

>> Tourism Land Rent



Decline in tourism land rent collected was due to the decrement in the recovery of dues from defaulting taxpayers in 2017. 13.8% of the Tourism Land Rent revenue of 2016 was from recovered dues, while in 2017 only 4.9% of the Land Rent was from dues recovered from previous periods.

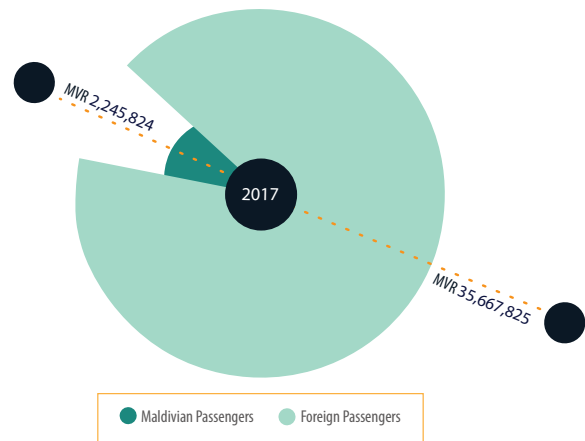
>> Tourism Land Rent



4.8.6 Airport Service Charge

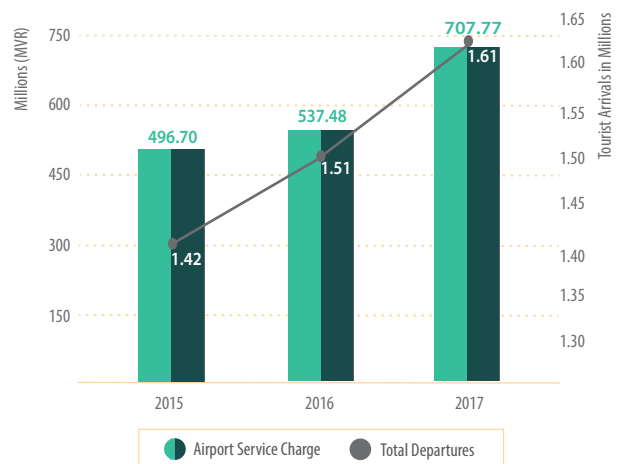
In 2017, MVR 707.77 million was received as Airport Service charge, which is an increment of 31.7% compared to 2016, and 19.9% more than the projection for the year.

>> Airport Service Charge



The increment can be attributed to change in policy. With the new Airport Taxes and Fees Act (Law number 29/2016) ratified on 7th December 2016, the responsibility to collect and declare Airport Service Charge fell on the respective airlines, whilst the rate remained constant. Responsibility to collect Airport Service Charge from other flights rests on the respective airport. Under Section 11 of the Airport Service Charge Act (Law Number 71/78), Airport Service Charge which were not paid up to the date of commencement of the Airport Taxes and Fees Act, was to be paid to the MIRA within 45 (Forty Five) days from the date of commencement of the Act. As a result, MVR 98.96 million was collected as dues from previous periods.

>> Airport Service Charge with total departures



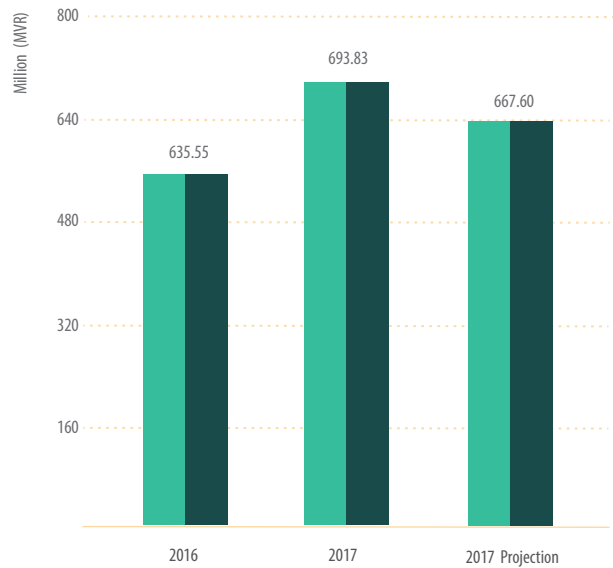
In addition to the change in law, departures from airports of the Maldives has increased in 2017 by 6.8% compared to last year. As per the Returns submitted to the MIRA in 2017, 1.61 million passengers departed from the airports of the Maldives, out of which 1.43 million are foreign passengers. USD 35.67 million (i.e. MVR 546.99 million) was collected from foreign passengers at the rate of USD 25 per person.

4.8.7 Green Tax

Green Tax collection in 2017 was MVR 693.83 million. An increment of 9.5% was observed when compared to 2016, while the yearly revenue exceeded projection by 3.9%. The main reason for the increase is the increase in the number of taxpayers paying Green Tax.

Green tax is payable at the rate of 6 United States Dollars per day of stay from tourist resorts, tourist hotels and tourist vessels, from 1 November 2015. As of 1 October 2016, it is also payable by tourists who stays in tourist guesthouses at the rate of USD 3 per day of stay. Unlike 2016, where Green Tax was collected from guesthouses only for a few months, Green Tax was collected from the tourist who stayed at guesthouses throughout the year in 2017. Additionally, 11 new resorts were in operation, while guesthouse registrants increased by 193.

>> Green Tax collection

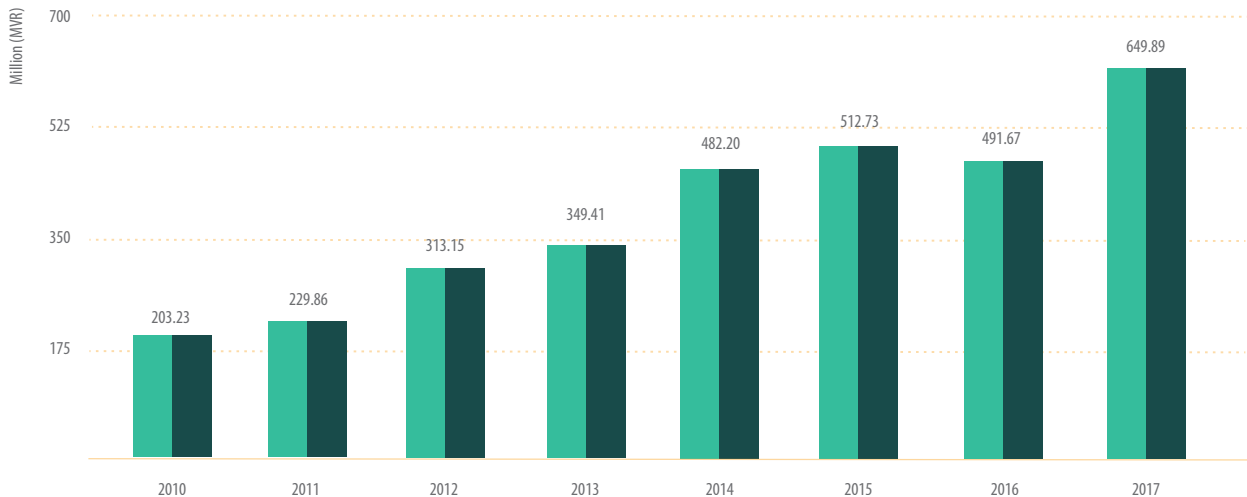


4.8.8 Bank Profit Tax

Bank Profit Tax received in 2017 was higher than the tax received in 2016 by 32.2%. In 2017, 7 commercial banks authorized by the Maldives Monetary Authority, paid MVR 649.89 million as Bank Profit Tax. This is an increment of 25.2% compared to the

projection for 2017. Economic growth has increased the performance and number of transactions of the commercial banks, collectively leading to this positive outcome. Bank Profit Tax holds 4.3% share of the total revenue of 2017.

>> Bank Profit Tax

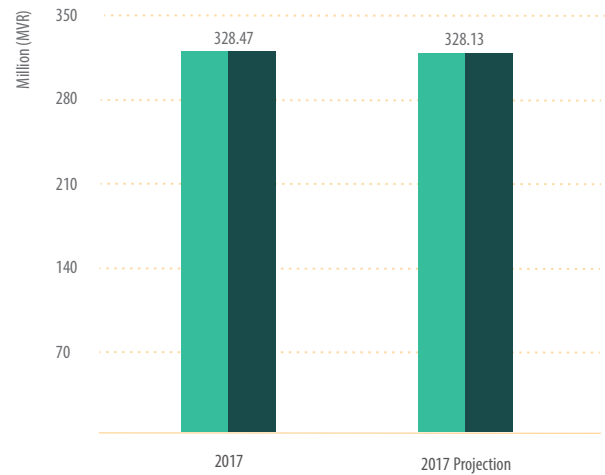


4.8.9 Airport Development Fee

Airport Development Fee, which commenced on 1 May 2017, is levied on passengers departing from Velana International Airport, additional to the Airport Service Charge imposed on them. This fee is charged at the rate of USD 25 per foreign passengers and USD 12 per local passenger. Upon the ratification of the new Airport Taxes and Fees Act, discussions were held with relevant government stakeholders, airline operators and airport operators to undertake the necessary administrative aspects of the ratified Act.

During the year, MVR 328.47 was collected as Airport Development Fee, which is a 0.1% increment compared to projection.

>> Airport Development Fee



5. ACTIVITIES CARRIED OUT DURING THE YEAR

Introduced modern facilities and services, in addition to successful work carried out to establish mechanisms where taxpayers can efficiently fulfil their tax obligations

Changes to be brought to the tax system in accordance to the economic outlook were studied and implemented

Numerous activities were executed to enhance awareness of taxpayers and public, regarding the tax system. Additional social activities were also organized and executed





5. ACTIVITIES CARRIED OUT DURING THE YEAR

5.1 Activities carried out to improve tax administration

5.1.1 Establishment of Collection Centers in atolls

To ensure taxpayers' ease in meeting their tax obligations, MIRA's branch offices and collection centers are being opened across different locations of the country. Total 5 collection centers were opened during the year 2017. As such, Th.Veymandoo Collection Center, H.A.Dhihdhoo Collection Center, Sh.Funadhoo Collection Center, Dh.Kudahuvadhoo Collection Center, and F.Nilandhoo Collection Center have been established during the year. At the end of 2017 a total of 5 branch offices and 7 collection centers have been established in 12 different atolls of Maldives.



Opening Ceremony of MIRA Dhihdhoo Collection Center



Opening Ceremony of MIRA Funadhoo Collection Centre

5.1.2 Received Digital Award

In recognition of the digital system established by MIRA to manage documents, National Archives of Maldives presented an award during MIRA's 7th anniversary function. The administrative functions of MIRA are carried out through either an application or software specially designed for

the purpose. Furthermore, MIRA's online portal "MIRAconnect" has been established for the ease of the taxpayers in filing their tax returns online and making the respective tax payments. MIRA's objective is to provide technology-friendly services to taxpayers with integrity and transparency.



MIRA receiving the Digital Award

5.1.3 Launching MIRA Mobile Application

MIRA's mobile application was launched during the event held on the occasion of MIRA's 7th anniversary. Through this application, which is available on Google Play Store, Company Annual Fee, Vehicle and Vessel Fee, Parking and Traffic Violation Charges, Zakat al-mal, and Trade Fee can be paid more conveniently. This application also has a counter token service available with real time

queue status, thus eliminating the need for waiting in long queues. Additionally, taxpayers are updated of the deadlines for the fees and taxes MIRA collects through the calendar in the application, with reminder setting functions. Other features available include viewing options for news, announcements, circulars, videos and publications regarding tax.

5.1.4 Launching VaaruPay

On 22 June 2017, MIRA introduced VaaruPay, an online payment service through its website, which can be used to pay Traffic Violation Fines, Vessel and Vehicle Fee, Company Annual Fee, and Trade Fee online. Moreover, the payment of Zakat-al-

Mal through VaaruPay was also enabled from 19 December 2017. Service is made more convenient by the fact that patrons are not required to register for the service. Payment receipt would be auto generated and emailed in real-time.

5.1.5 Introduction of Airport Development Fee

Pursuant to the Airport Taxes and Fees Act (Law Number: 29/2016) ratified on 7 December 2016, collection of Airport Development Fee commenced on 1 May 2017. USD 25 is charged on each foreign passenger and USD 12 is charged on each Maldivian passenger departing Maldives from Velana International Airport. Airport Development Fee is a fee levied on passengers in addition to the Airport Service Charge. Similar to the Airport Service

Charge, the collection of Airport Development Fee is a responsibility of the airport operators and the airlines making scheduled operations in the Maldives. The Airport Taxes and Fees Regulation was published on the gazette on 23 January 2017 and is in effect from that date onwards. In addition, all administrative work related to the collection of Airport Taxes and Fees has been completed during the year.



Training session on Airport Development Fee

5.1.6 MIRA started collecting fees on behalf of Ministry of Tourism

Pursuant to the MoU signed between MIRA and Ministry of Tourism on 30 October 2016, MIRA commenced the collection of tourism related registration fees, licensing fees and other tourism related administrative fees from 1 January 2017.

This administrative change was made to ensure the collection of state's revenues efficiently and to pave an easy way for the public to settle their obligations.

5.1.7 Fine amnesty program for small businesses

This fine amnesty is a special relief given to small businesses in addition to the general relief being given under the existing policy. This program was carried out from 13 April 2017 to 30 June 2017. The aim was to give a clean start to small businesses in complying with tax laws. Small businesses are

those businesses with an annual income below MVR 10 million. Under this amnesty, relief was granted to GST and BPT related fines accrued on or before 31 March 2017. A total of MVR 65.10 million was granted as fine relief under this program.



Temporary counters to facilitate taxpayers during deadlines

5.1.8 Miothee Raseedhu Campaign

With the aim of encouraging the habit of businesses to issue a receipt or an invoice for every business transaction carried out, and to increase awareness on the importance of issuing receipts that are compliant with the tax laws and regulations, MIRA started a campaign under the name 'Miothee Raseedhu' from 5 September 2017 to 28 February 2018. This campaign included a monthly cash prize of MVR 1,500 that was given to the person

who submitted most number of receipts from most number of unique business outlets, and MVR 1500 to the person who submitted most number of non-compliant receipts. Moreover, at the end of the campaign a grand prize of MVR 32,000 will be awarded to the person that sends receipts from most number of businesses throughout the campaign.



Winner of Miothee Raseedhu Campaign

5.2 Tax Regulations and Amendments

Rulings Issued

5 GST related tax rulings, 7 BPT related rulings, 1 Remittance Tax related ruling and 4 other tax related rulings were published during 2017. The list of tax rulings issued are detailed below.

Title	Tax Ruling Number
GST Related Tax Rulings	
Twentieth amendment to the Goods and Services Tax Regulation	TR-2017/G41
Twenty-first amendment to the Goods and Services Tax Regulation	TR-2017/G42
Twenty-second amendment to the Goods and Services Tax Regulation	TR-2017/G43
Fourth amendment to the Tax Ruling TR-2015/G23	TR-2017/G44
Twenty-third amendment to the Goods and Services Tax Regulation	TR-2017/G45
BPT Related Tax Rulings	
Eleventh amendment to the Business Profit Tax Regulation	TR-2017/B56
Submission of financial statements and appointment of auditors	TR-2017/B57
Twelfth amendment to the Business Profit Tax Regulation	TR-2017/B58
Date of effect of certain provisions of the Tax Ruling TR-2017/B56	TR-2017/B59
Thirteenth amendment to the Business Profit Tax Regulation	TR-2017/B60
Fourteenth amendment to the Business Profit Tax Regulation	TR-2017/B61
First amendment to the Tax Ruling TR-2013/B25	TR-2017/B62
Remittance Tax Rulings	
First amendment to the Remittance Tax Regulation	TR-2017/R2
Other Tax Rulings	
Registration of individuals and “deemed partnerships” under the Tax Administration Act	TR-2017/A11
Amending tax returns	TR-2017/A12
Mandatory online filing of general sector GST return	TR-2017/A13
First amendment to the Online Filing and Payment Regulation	TR-2017/A14

In addition, Airport Taxes and Fees Regulation (Regulation Number 2017/R-11) was published on 23 January 2017, which came into effect on the same date. This regulation outlined the registration process, appointment of agents, how to calculate

and collect airport taxes and fees, how to file the returns and pay the taxes, and other essential information on complying with the relevant obligations.

5.3 Registration of taxpayers and other persons

By the end of the year 2017, 32,727 activities were registered for tax purposes, which is an 11% increase compared to that at the end of 2016. During the year, 4,009 activities were newly registered, while 898 activities were deregistered. While all the new businesses are being registered at MIRA, persons who requested to deregister their business activities due to discontinuation of business, and identified registered activities that are no longer required to be registered for tax purposes were removed from the taxpayer registry. In addition, registration procedures related to 106 identified non-registrants were carried out throughout the year.

GST registrants at the end of 2017 totaled to 12,419, which includes 277 new registrants for TGST and 1,870 new registrants for general sector GST. Due to various reasons, 859 businesses were deregistered during the year. In the year 2017, registrants for GST increased by 12%.

23 tax agents were registered at MIRA by the end of the year. In addition, 4 auditors were newly registered and 24 auditors renewed their registrations during the year. A total of 30 auditors were registered by the end of the year.



MIRA Information desk in a fair

5.4 Taxpayer and Public Awareness

5.4.1 Activities carried out to promote information

With the aim to increase public awareness on tax laws, tax regulations and taxpayer obligations, numerous activities were carried out during this year. This includes 173 media interviews and 71 news articles published on various tax related topics and issues. In addition, 11 episodes of the tax program produced by MIRA, "1415 show" and 12 new advertisements were released throughout the year. Furthermore, 1,881 posts were also published on different social media platforms such as Twitter, Facebook and Instagram, regarding various tax related matters and campaigns.

During 2017, 5 new guides and 3 instruction sheets were published, with 8 guides and 5 instruction sheets being updated to reflect changes in respective regulations and policies. Furthermore, 43 information sessions to new registrants,

21 information sessions to newly registered TGST taxpayers and 18 information sessions on MIRAconnect were held. Additional 13 information sessions were organized for staff of government offices, and 12 information sessions were held for students from different schools. Other information sessions held during the year include sessions aimed at ferry operators, small business enterprises, and State Owned Enterprises. 43 information sessions were also organized and held by regional offices of MIRA. During the year 2017, 29 one-to-one sessions were held in Male' and 6 such sessions were held in the atolls.

Additional programs carried out by Maldives Tax Academy includes 3 Continuing Professional Development (CPD) programs and 2 batches of Certificate 1 in Taxation in Maldives.



Training session for BML Staff

5.4.2 Social Activities

Since its establishment, MIRA has been an institute at the forefront of community involvement. Staff of MIRA take initiative in fulfilling their responsibility to the community in every avenue possible. Each quarter last year consisted of at least one social activity, largely planned and executed by the staff of MIRA. Moreover, MIRA also actively participated in several activities organized by other government offices and NGOs, contributing financially and otherwise in each case.

The year 2017 started off with one of the biggest community events held by MIRA, known as 'Heyvalla Male' Saafukurama' program. This event was carried out in partnership with WAMCO, independent institutes, government organizations, schools and colleges; resulting in a total exceeding 1,000 employees and students participating in the cleaning event. Additionally, in 2017, a majority of MIRA staff participated in the 'Coastal Clean-Up Day' organized by Ministry of Environment. This event took place at different areas of Male' to create and increase the awareness on the importance of keeping the shorelines, beaches and the sea clean.

In May 2017, when Hithadhoo, Addu City was struck by a hurricane and the families residing there suffered great loss, Addu staff of MIRA initiated a donation event that raised over MVR 60,000 to be donated to help them. In addition, MIRA Club raised funds for Diabetes Association of Maldives. Additionally, MIRA spearheaded the fundraising campaign, in collaboration with AAROA members institutes, to raise MVR 402,000 to assist the Rohingya Muslims being subject to human rights violations in Myanmar.

In the holy month of Ramazan, MIRA staff visited the patients admitted in IGMH and provided an Iftar for them and their caretakers. Moreover, during the same quarter, MIRA took an active part in the "International Peace Run" organized by Junior Chamber of Maldives, and the Children's evening organized by Anti-Corruption Commission. In addition, the International Coastal Clean-up day held by Health Protection Agency was attended by MIRA staff who aided in cleaning the beaches and lagoons of Male'.

During the celebrations of MIRA's 7th Anniversary in 2017, the annually held "Blood Donation Camp" by MIRA staff was one of the most successful

events among several other activities. This is an annual blood donation camp organized by MIRA Club to help children with Thalassaemia, and to raise awareness on the importance of donating blood. In addition to this, an "Open Day" was held to welcome the general public to MIRA, and show them the work of MIRA staff and to give information regarding MIRA's services and taxes.

One of the more notable social activities during the year was the donation made by staff of MIRA to the Children's home "Fiyavathi" to build a medical room for the children living there. The donation event was held at Fiyavathi along with a fun evening of interaction between the children and MIRA staff.

Another significant event of the year is the grand celebration of International Women's Day held at MIRA, entirely organized by male staff of MIRA. Female staff were welcomed on a red carpet with roses, and a special ceremony was held to mark their contribution to MIRA and society as a whole. During this event, male staff of MIRA made a pledge to protect and fight for the advancements of women's rights in the workplace and elsewhere.



Celebrating Women's Day 2017

'Heyvallaa Saafukuramaa' Cleaning event



"Madhadhu" IGMH Visit



"Madhadhu" Fiyavathi Donation event



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

5.5.1 Monitoring taxpayer compliance

Monitoring taxpayer understanding of, and their compliance with, tax laws and regulations as well as taking necessary actions when required, is fundamental to establishing and sustainably maintaining an effective tax administration.

Responsibilities of MIRA's Compliance Department include assessing the compliance level of taxpayers, identifying non-compliant businesses, and enforcing tax laws and regulations accordingly. For this purpose, one Saturday each month is dedicated for compliance activities carried out by the entire

staff body of MIRA. This includes visiting business activities identified as non-compliers, and gathering relevant information regarding respective issues. 6,243 such visits were conducted during the year 2017, which includes visits carried out within the atolls by the regional branches, collection centers and the Compliance Department.

Moreover, names of 1,124 non-compliant taxpayers were published and 23 taxpayers were skip-traced during the year.

5.5.2 Audits and Investigations

To determine the accuracy of information declared by taxpayers in their respective tax returns and to ascertain that taxpayers are making correct payments to MIRA, 4 departments carried out audit work in accordance with the Maldivian tax laws and regulations. With the aim to enhance efficiency of audits conducted, taxpayers were categorized per business type where different departments focused on a particular segment of businesses. In addition, to ensure transparency and fairness, all audit cases were discussed and approved by the Audit Committee. During the year 2017, audit activities were carried out by Large Business Department, Individual Business Department, Corporate Business Department and Compliance Department. Tasks

related to investigation of tax matters were carried out by Investigation and Intelligence Division.

During last year, 2,092 audits of 1,848 taxpayers were carried out, resulting in a tax impact of MVR 631.59 million. Audits completed were equivalent to 84% of the target set for the year 2017. 358 desk reviews were also completed during the year. In addition, during the atoll visits, 495 audits were conducted at 103 different islands.

In the year 2017, 18 investigations were completed with MVR 6.28 million being declared as tax impact. 3 criminal investigations were completed throughout the year.

Tax Type	Number of Audits conducted	Tax Impact (MVR, In millions)
TGST	224	55.66
GGST	1,143	123.94
BPT	454	369.49
Withholding Tax	153	75.95
Bank Profit Tax	5	1.48
Green Tax	113	5.07

5.5.3 Taxpayer objections

As per Tax Administration Act (Law Number: 3/2010), in case an additional tax impact is declared by an audit, taxpayers have the right to object the notice of tax assessment. 99 such cases were filed at MIRA during the year 2017, which is, on average, 3 cases per 100 audits completed. This ratio has fallen by 2% compared to that of 2016.

72 objection cases were completed during the year, which includes 43 cases without any adjustments to the assessed amounts, 12 cases which were partially

accepted, and 10 cases of which the objections were fully allowed. Additional 5 cases were sent back to be audited and 3 cases were withdrawn by the taxpayers.

In 2017, 5 cases were filed at the Tax Appeal Tribunal regarding the decisions made by objection section, which is 7% of the cases completed during the year and a 38% decline compared to the number of appealed cases in 2016.

5.5.4 Enforcement Activities

MIRA is continuously working on enforcing collection of revenue payable to the government, including taxes and other non-tax revenues collected by MIRA. Enforced collection during the year totaled to MVR 1.49 billion and with this, the total enforced collection by MIRA over the years has reached to MVR 5 billion.

During the year 2017, first dunning notice was issued to 1,492 non-payers while the second dunning notice was issued to 6,824 non-payers. Furthermore, first notice was issued to 8,057 non-filers and second notice was issued to 13,755 non-filers, requesting them to file their tax returns.

If a person has not complied with the issued dunning notices, services from other government institutions are temporarily discontinued until the outstanding liability has been settled. Under this action, MVR 21.52 million was recovered last year. Additional MVR 129.31 million was recovered under bank account freezing action, and MVR 217.18 million was recovered through dues clearance procedures. MIRA also made arrangements with 262 taxpayers to settle their dues under an installment plan, where payments are spread over an agreed period of time.

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

the year 2017, 149 cases were filed at courts by MIRA. This includes 6 cases filed with the Supreme Court, 9 cases filed with the High Court and 134 cases filed with the Civil Court. In 2017, 24 cases were filed against MIRA, which includes 2 cases filed with the High Court, 2 cases filed with the Civil court and 20 cases filed with the Tax Appeal Tribunal.

From the decisions made by courts, all cases were decided in favor of MIRA. This includes 4 decisions made by the High Court and 60 decisions by the Civil Court.



MIRA Enforcement Department Staff

5.6 Activities carried out to establish beneficial relationships

5.6.1 Establishing relationship with State Owned Institutions

To ensure that the services provided by MIRA are easily accessible by taxpayers, and to ensure that the services provided by implementing agencies are efficient, MIRA has signed MoUs with Atoll Councils

during the year. As such, MIRA signed MoUs with Dhaalu and Faafu Atoll councils for the purpose of building a better working relationship with them, providing assistance, and sharing information.

5.6.2 Establishing relationship with international bodies and tax authorities

During the year, MIRA has taken significant steps in strengthening the relationship with international bodies. Joining the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), which OECD formed in collaboration with G20 partners, assisted MIRA to stay at the forefront of global tax issues and to ensure the fairness and transparency of the tax system of Maldives. Maldives joined Inclusive Framework on 6 November 2017 as the 104th member of the Framework. The main aim of joining this framework is to join other countries in countering tax evasion and tax avoidance, through exchange of information, and to implement the internationally agreed rules to tackle such attempts.

Being a member of the Global Forum for Transparency and Exchange of Information, Maldives has conducted kick-off meetings with government stakeholders and financial institutions

of Maldives to discuss regarding arrangements that are required to be in place for implementing the Automatic Exchange of Information Standard in Maldives. From the Global Forum Secretariat, Mr. Sivasankaran Pattanam, and the Information Security Management Consultant, Ms. Christine Fox provided information regarding the project at these meetings. Based on the discussions held at these meetings, an action plan was formulated to administer the tasks of project.

Over the years, MIRA has engaged in discussions with Asia-pacific countries to enhance the administrative efficiency of the organization. In this regard, a study visit was facilitated to the staff of Revenue Investigation Department of Nepal, to share the experience of both countries in the field of revenue investigations.

staff of Revenue Investigation Department of Nepal visits to MIRA



5.6.3 Tax Treaties

On 17 October 2017, Maldives signed on an “Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income” with United Arab Emirates. This is the first comprehensive tax treaty signed by Maldives. The scope of the project covers the terms of taxation for cross border trade, investment, and other such income earned by residents of both countries and defines the terms of taxation for government-funded projects.

Furthermore, MIRA has concluded the negotiation of tax treaties with two other countries. First round of negotiation of DTAA between Malaysia and Maldives was held from 14 to 18 May 2017 in Kuala Lumpur. The Malaysian Delegation was led by their

Ministry of Finance. The Maldivian delegation was led by MIRA.

MIRA also concluded the first round of DTA negotiation with Bangladesh, which was held from 3 to 6 July 2017 in Maldives. Officials of Bangladesh National Board of Revenue represented Bangladesh and MIRA officials represented Maldives during the negotiations.

These agreements will provide greater tax certainty and will eliminate the prospect of double taxation issues faced by businesses engaging in cross-border trade. Furthermore, these agreements will also facilitate bilateral exchange of tax information.

DTAA between Malaysia and Maldives



DTAA negotiation with Bangladesh



6. STRATEGIC PLAN

Researched additional effort required to achieve targets specified in Strategic Plan 2015-2019 and essential trainings were provided to the respective staff





6. STRATEGIC PLAN 2015 – 2019

Status at the end of 2017

The following table shows the strategic priorities outlined in the Strategic Plan, its key performance indicators and the current status of these indicators.

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

Key Performance Indicator	Status at the end of 2017
Establish a regionally recognized tax training institute	Two programs of Certificate 1 in Taxation in Maldives were carried out during the year. In addition, development work on a Certificate Level 2 was carried out in 2017.
95% of taxpayers scoring at least 90% in the survey examining the knowledge of taxpayers on basic tax matters	During the year, a survey was conducted with the aim of examining the knowledge and understanding of taxpayers regarding the tax system. Areas for improvement were identified via this survey.

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

Key Performance Indicator	Status at the end of 2017
Determine the tax gap and yearly reduction of the tax gap	Though technical assistance was received from IMF for tax gap calculations, tax gap was not estimated during the year due to difficulties in extracting key data required for the development of a reliable model.
Enable online filing and payment for all taxes	During the year, it was made mandatory for GST registered persons whose annual turnover exceeds MVR 10 million to file their general sector GST returns online. In addition, Online Filing and Payment Regulation was amended to provide fine relief for taxpayers making payments online. MIRA's VaaruPay platform was also extended during the year to include payments of Vehicle Fee and Zakat.
Ensure that at least 75% of tax returns are filed online, and 50% of payments are made online	48% of the returns submitted to MIRA, during the year 2017 were filed online, and 62% of the payments collected were processed online.
MIRA presence in all atolls	In the year 2017, 5 collection centers were officially opened across the country. Service of an additional collection center was also commenced during the year. By the end of the year, a total of 5 branches and 7 collection centers were established and in operation.

Establish strong relationships with other tax authorities and build a network of tax treaties

First DTAA signed by Maldives was signed with UAE on 17 August 2017. In addition, first negotiation round of DTA negotiations with Bangladesh and Malaysia were concluded during the year. Discussions on initiating negotiations with other regional countries were continued. Furthermore, experts on transfer pricing and investigations and intelligence, under the Technical Assistance Program by CBDT (Central Board of Direct Taxes), India, visited MIRA during the year. These consultants conducted various training programs for the staff working in respective areas. In addition, staff of Investigation Department, Inland Revenue Department, Nepal visited MIRA on a study trip.

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

Key Performance Indicator	Status at the end of 2017
Achieve at least 95% on-time filing and payment rate	83% of total returns to be filed during the year were filed on time. Though development work of establishing a system to record and maintain late payment percentage was carried out during the year, this percentage was not identified for the year.
Annual increment in the percentage of return filed without errors	99% of the returns received to MIRA during the year were error free.
Establish a fully automated risk profiling and audit selection system	Development work on establishing an automated risk profiling system and enhancement work of Audit Case Manager is on-going.

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

Key Performance Indicator	Status at the end of 2017
Annual reduction in arrears-to collection ratio	Arrears-to-collection ratio for the year 2017 is 5%. The ratio was at 3% at the end of 2016.
Annual reduction in the number of days taken to collect arrears from a taxpayer	A mechanism to compute age analysis of arrears is being developed.

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

Key Performance Indicator	Status at the end of 2017
Improve the spending-to-collection ratio to 40 Laari per MVR 100 collected	Spending-to-collection ratio for the year 2017 is 58 Laari per MVR 100 collected.

Communicate the organizational risks to staff and take steps to minimize them	With the help of technical assistance received from IMF, organizational risk areas were identified and a Compliance Risk Management Committee was established.
Publication of information at continuous and regular intervals	Information to be shared under established policies, news, reports and other such data has been published as per the set standards.

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

Key Performance Indicator	Status at the end of 2017
At least 80% of staff achieving 75% marks or higher in the quarterly performance appraisal	49.23% of staff achieved 75% marks or higher in the quarterly performance appraisals carried out during the year.
Improve graduate employees' ratio to 70%	Graduate Employees ratio by the end of the year was at 52%.
At least 20% of staff are members of a professional accounting body	By the end of 2017, 5% of the staff were members of a professional accounting body.
Retain at least 90% of staff annually	82% of the staff were retained during the year.
Increase the working area per staff	Administrative work is being carried out at two buildings and adequate working space has been allocated for the staff.

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

Key Performance Indicator	Status at the end of 2017
Automate all administrative processes	Received The Digital Award from National Archives of Maldives, recognizing the work done to digitalize all the documents and administrative processes of MIRA. In addition, work on establishing Customer Relations Management system and enhancing the SAP system of MIRA was carried out.
Improve service standards to fulfil the requirements of ISO9001	ISO standards were identified during the year and a plan to attain the standards was drafted.
Integrate all revenue collection into a single platform	At the end of 2017, 4 systems were used to collect revenue and 12 different types of revenue were collected via SAP.
Zero errors in data	Activities were carried out to improve data collection automation and enhance record keeping mechanisms. In addition, staff were trained on resolving data management issues.

OUTLOOK

With the aim to establish a modern, sustainable and efficient tax system, MIRA has numerous milestones planned for the upcoming year of 2018. These goals fall within MIRA's strategic plan, taxpayer charter and includes enforcement of tax laws and regulations, formulation of policies related to international taxation as well as enhancement of the relationship established with taxpayers.

One of the major activities planned for 2018 includes an information dissemination campaign, which is to be carried out using various modern means of communication. The aim of this campaign is to enhance understanding of taxpayers and the public regarding tax laws, regulations and tax administration policies. As the campaign is to be carried out via different mass media platforms, MIRA will be able to reach the entire public, dispersed over hundreds of islands. Additional social activities are also planned for the year.

Majority of the taxpayer population of Maldives

resides in the capital city, Male'. Thus, in order to facilitate easier compliance with tax laws and regulations, two additional collection centers are to be opened within the region. Moreover, we expect to reach our aim to open collection centers in each atoll during the year and thus, expanding regional services of MIRA across the entire country. In 2018, 10 collection centers are planned to be opened at various atolls.

Numerous activities related to international taxation are also to be carried out during the year 2018. This includes initiating and conducting Double Tax Avoidance Agreement negotiation discussions with several countries. In addition, work of establishing Advance Pricing Agreement is to be carried out during the year, and formulating a Transfer Pricing mechanism has also been scheduled.

Revenue projection for the year 2018 is MVR 16.04 billion, which depicts a 6% increase compared to the revenue collection of 2017.