



MALDIVES
INLAND REVENUE
AUTHORITY

ANNUAL REPORT

2018



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ANNUAL REPORT

2018

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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

INTRODUCTION

Encouraging voluntary compliance, and instituting modern tax administration practices were among the main goals of MIRA during this year.



1. INTRODUCTION

MIRA marked the eighth year of service in 2018. Facilitating easier ways for taxpayers to fulfill their tax obligations to encourage voluntary compliance, and instituting modern tax administration practices were among the main goals of MIRA during this year. Various activities were carried out to promote online payment of taxes and fees, and MIRA worked continuously to assist taxpayers in using the online payment methods.

There has been remarkable growth in revenue collection by MIRA over the years. During the year 2018, MVR 16.35 billion was collected as revenue. In comparison to 2017, revenue collection increased by 7.2%. Out of the total revenue, 68.5% of the revenue collected was through MIRA's online portal. Compared to 2017, this figure has increased by 6.5%.


MIRA has taken steps forward to broaden the treaty network of Maldives and to ensure that the work required to fulfill international commitments are being completed in a timely manner. Apart from this, several activities were carried out during the year to enhance the knowledge of MIRA staff. As such, a knowledge sharing program was held for MIRA staff this year under a collaboration

between OECD Korea Policy Center and the Maldives Tax Academy. During the year MIRA also reached out to several international organizations to facilitate opportunities for staff to participate in capacity development programs.

This year as well, MIRA has worked towards the achievement of strategic priorities outlined in the Strategic Plan 2015-2019. Required changes to strategic priorities were identified based on MIRA's international commitments, and preparations were made for reviewing the strategic plan for the upcoming period. Similar to previous years, additional regional offices and branches were opened during 2018 to cater for taxpayer needs. Additionally, special campaigns targeted at small and medium enterprises were also held. MIRA has also engaged in fulfilling the responsibility towards our society through several CSR initiatives, which took place throughout the year.

This report details the revenue performance of MIRA during 2018 and administrative activities carried out by MIRA during 2018 to govern the tax system of the Maldives.

COMMISSIONER GENERAL & CHAIRPERSON'S MESSAGE



Yazeed Mohamed
Commissioner General of Taxation & Chairperson

2. COMMISSIONER GENERAL & CHAIRPERSON'S MESSAGE

MIRA faces the 9th year of service with new ambition and goals after completing exemplary 8 years in national service. Fair and transparent administration of the tax

system, and facilitating convenient ways for taxpayers to comply with their tax obligations remain among MIRA's main objectives for the upcoming year as well.

Review of 2018

It is with great pleasure that I note that MIRA wrapped up 2018 with the achievement of significant milestones outlined in MIRA Strategic Plan 2015-2019.

MIRA undertook various activities during 2018 to assist taxpayers in fulfilling their tax obligations, and to facilitate them through use of modern technology. MIRA's online system was fine-tuned, and the security performance of the system was upgraded. The number of users of the online system increased, and the administrative functioning of the authority also improved.

As the number of taxpayers increase, and consequently the tax revenue increases, efforts have been made to increase awareness of the tax system among taxpayers. As such, to assist newly registered taxpayers in resolving issues they might face, each newly registered taxpayer was invited to a special information session on the tax system and the obligation of taxpayers. These sessions give new taxpayers the opportunity to start off their businesses with the required knowledge of the tax system. Furthermore, to encourage taxpayers to act within the tax laws and to give new taxpayers another opportunity to be fully compliant, a special fine amnesty program for those who incurred tax-related fines for the first time was conducted. Under this program, all who applied and met the required conditions were granted fine relief. In addition to this, to lessen the burden on taxpayers and to urge them to act within tax laws and regulations, taxpayers were granted fine relief for various tax-related penalties. In 2018, MVR 300 million was waived off under such fine relief processes.

To broaden MIRA's services in the atolls and to provide MIRA's services to taxpayers established in atolls in the most accessible way, 2 additional offices were opened during this year. With this, as of the end of 2018, MIRA has established offices in 14 atolls.

In addition to the efforts expended to establish a business-friendly environment locally, MIRA also worked to make doing business convenient for taxpayers engaged in cross-border trade and business. As such, under MIRA's work to establish a wide treaty network, several treaty negotiations were completed during this year as well.

With the assistance received from other countries and international organizations, MIRA endeavored to further strengthen the tax administration process. Under this, with the assistance of various tax administrations, 54 staff of MIRA participated in short-term trainings abroad.

Maldives joined the Tax Inspectors Without Borders (TIWB) program in 2018. This program aims to tackle the issue of tax evasion by multinational companies by providing the assistance of experts to developing countries. Under this program, the Slovakian Tax Audit expert assigned to Maldives visited MIRA twice over the last year. During her visits, in addition to conducting training for MIRA's auditors, she also assisted them in undertaking complex audits of multinational companies. She also conducted special transfer pricing training sessions to prepare auditors for such audit cases.

Outlook for the future

MIRA's work is planned and organized as per the strategic plan, and as the current strategic plan is to be completed by the end of 2019, work will be undertaken to formulate the strategic plan for the upcoming 5 years. The process of developing the new strategic plan is already underway, with the assistance of the International Monetary Fund.

Maldives has joined the program by OECD to tackle the issues faced in the fair taxation of the digital economy. When this program is completed in 2020, and the relevant standards are established, it will provide a solution to the issues of business activities being undertaken online and through digital forms without paying taxes.

More notably, Maldives also joined the joint initiative of the World Bank and OECD to resolve the issues of BEPS in the

tourism sector for Small Island Developing States (SIDS). Maldives participated in the 'Support for developing economies in addressing BEPS issues in the tourism industry' movement, which would assist in addressing the issues of multinational companies attempting to reduce the amount tax being paid in Maldives, and facilitate the collection of the fair share of taxes owed here. The establishment of special Transfer Pricing section to tackle transfer pricing issues arising under BEPS is also in the plans for 2019.

Furthermore, MIRA is prepared to implement the changes that might come to tax laws and regulations under government policy. MIRA has also planned several activities to increase the tax awareness of taxpayers and the general public.

Closing thoughts

The implementation of a modern tax system in the Maldives within such a short period of time was only possible due to the sincere and dedicated efforts of MIRA staff. MIRA has completed another successful year in its history, and is facing the new year with hopes for even higher successes. The advice and invaluable guidance of the Board of Directors of MIRA are instrumental in MIRA's journey to achieving set milestones, and I would

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

MANAGEMENT

With the objective of efficiently fulfilling MIRA's responsibilities, development of technical staff was given high priority



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 Members of the Board

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 (Commissioner General of Taxation and Chairperson)
- 2- Mr. Hassan Zareer (Deputy Commissioner General of Taxation and Deputy Chairperson)
- 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)

The Chairperson of MIRA's Board of Directors is Mr. Yazeed Mohamed, and the Deputy Chairperson is Mr. Hassan Zareer. The secretariat is held by Ms. Fathimath Ameerza.

3.1.2 Meetings and attendance

Name	Attendance
Mr. Yazeed Mohamed	100%
Mr. Hassan Zareer	100%
Mr. Hassan Waheed	92%
Mr. Ahmed Faiz Mohamed	92%
Ms. Aishath Asha Ali	92%
Uz. Faseeh Zahir	67%
Ms. Leena Zahir Hussain	83%

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 2018.

- Discussed and finalized changes to Action Plan 2018 of MIRA
- 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
- Formulated the retirement policy of MIRA staff
- Discussed regarding tax rulings issued to amend tax regulations
- Discussed and finalized a policy on granting fine amnesty to small businesses
- Prepared a guidelines for the auditing of small and medium businesses
- Amended the Enforcement Policy of MIRA to decrease the burden on small and medium businesses

3.1.4 Other Matters

On the invitation of the State Administration of Taxation (SAT), in 2018, board members visited China as part of an educational tour. This tour was from 23 to 25 July 2018, and during the trip senior officials of SAT gave board members information regarding the Chinese tax system and its administration. As a result of this visit, the relationship between the two authorities was further strengthened.

BOARD MEMBERS



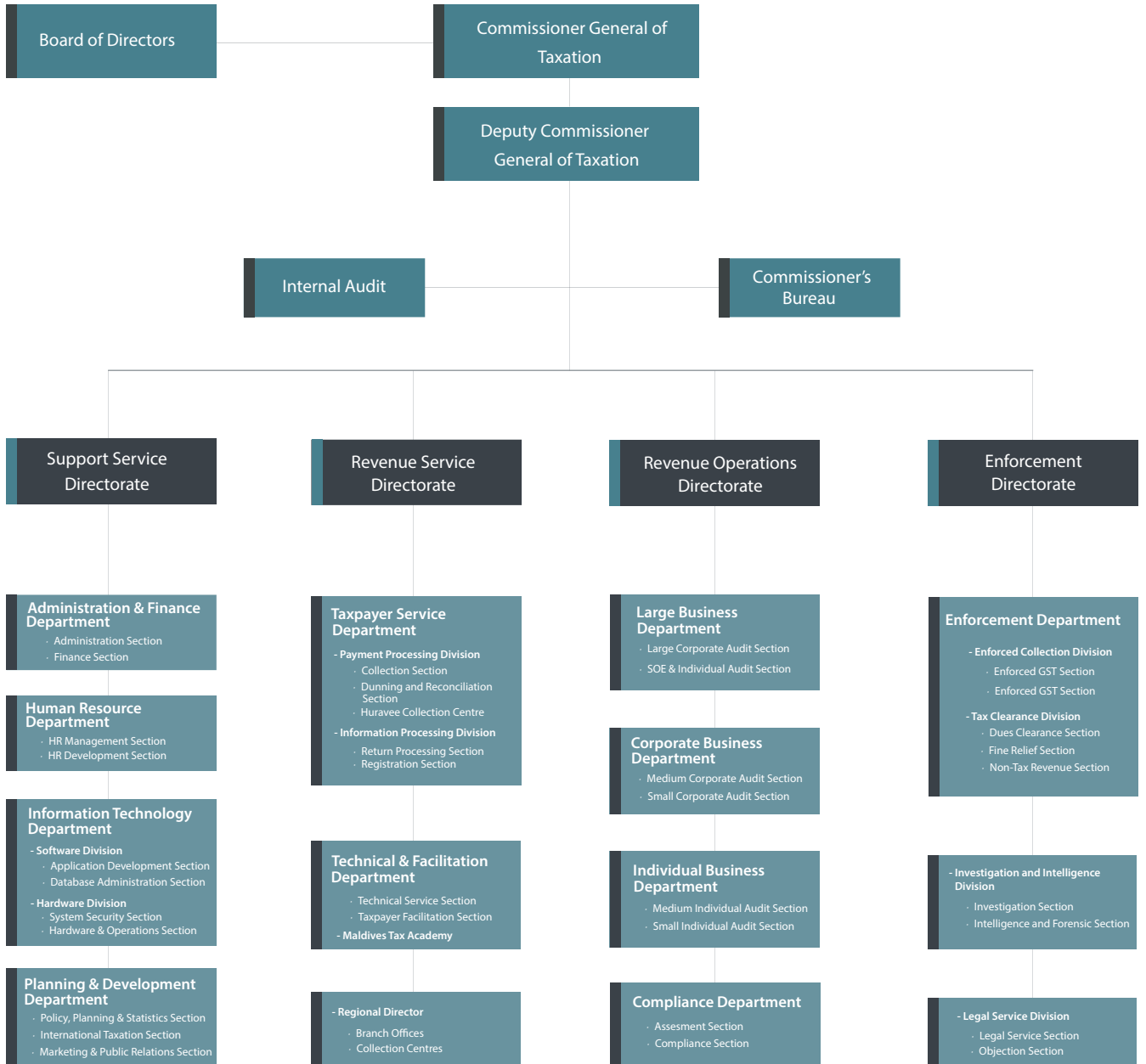
Left to right (standing): Mr. Hassan Waheed, Uz. Faseeh Zahir, Mr. Ahmed Faiz Mohamed

Left to right (seated): Mr. Hassan Zareer, Ms. Leena Zahir Hussain, Mr. Yazeed Mohamed, Ms. Aishath Asha Ali

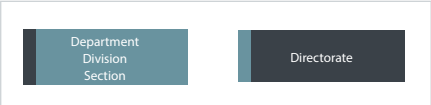
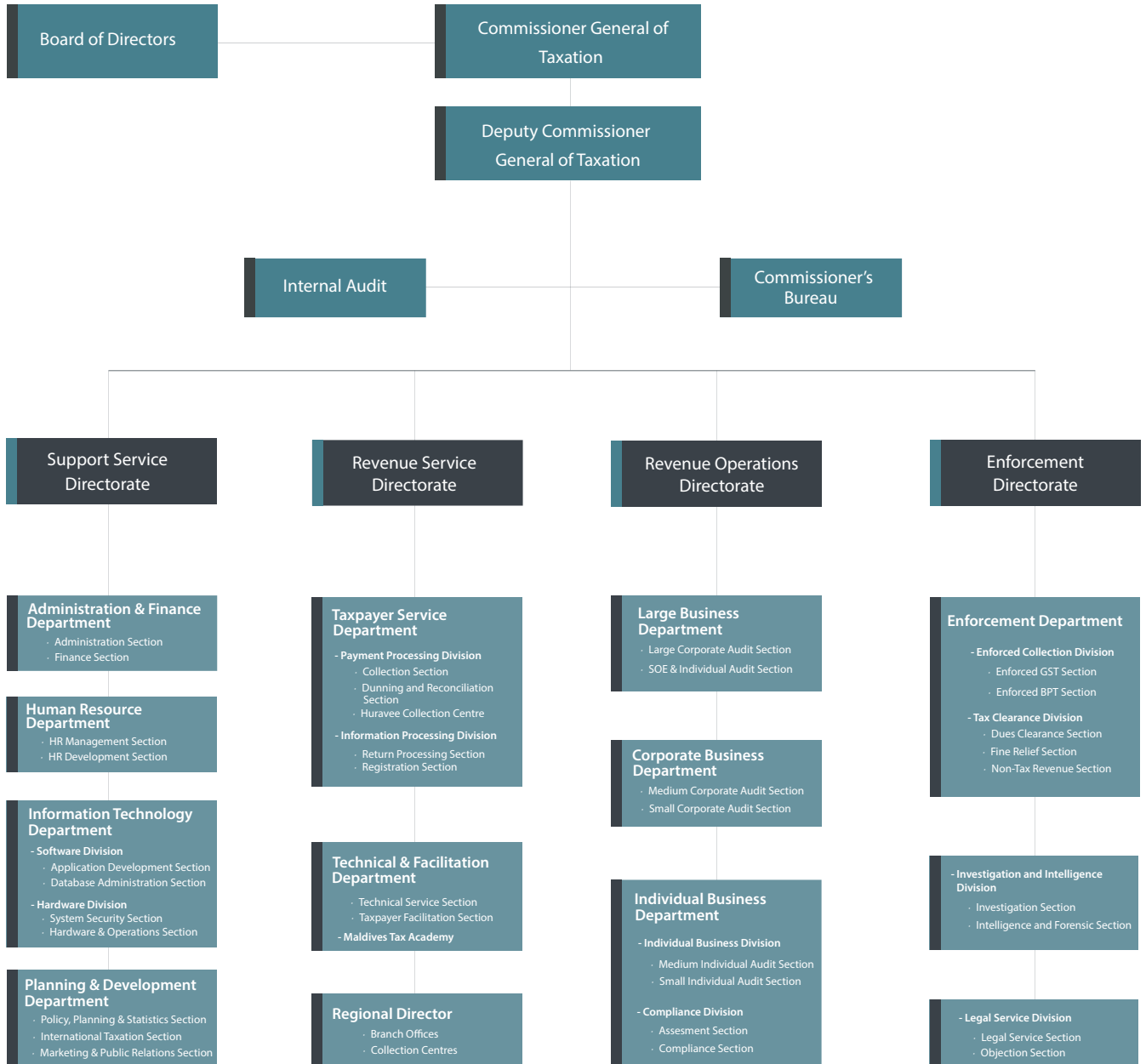
3.2 Organizational Structure

3.2.1 Organizational Chart

Organizational structure at the beginning of 2018



Organizational structure was revised as below on October 2018



3.2.2 Directorates

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

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

The mandate of this department includes overseeing all matters relating to staff, including staff development, training and the financial statement of staff.

Information Technology Department

The core functions of the department include developing software applications necessary for MIRA, repairing and maintaining network, system security and hardware 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.

Revenue Service Directorate

Taxpayer Service Department

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

Technical and Facilitation Department

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 licenses for auditors and tax agents. This department also handles MIRA's hotline 1415 and the support email 1415@mira.gov.mv.

Regional Offices

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

Revenue Operations Directorate

Large Business Department

The main responsibilities of this department include conducting tax audits of persons classified as large taxpayers, ascertaining whether the tax computation is in accordance with the laws and regulations, ensuring that taxes, fees and other payments are paid on time, providing assistance, and resolving the issues faced by large taxpayers during registration. Further to this, ensuring that tax returns are filed, 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 carries out audits and tasks related to individuals not classified as large taxpayers. The core functions include ascertaining whether the tax computation of the taxpayers is in accordance with laws and regulations, and conducting tax assessments of persons not filing tax returns. In addition to this, overseeing the compliance division falls under the mandate of this department. The responsibilities of compliance division include verifying whether all businesses in Male' and atolls are in compliance with tax laws and regulations, identifying those who don't comply with filing and payment obligations, and taking necessary actions against such persons.

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

This division conducts investigations under tax laws, gathers intelligence information for the audits and investigations conducted by MIRA, and performs risk profiling of audit candidates.

Legal Service Division

The mandate 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. This division also undertakes all other legal related works.

Internal Audit

The mandate of this division includes planning, organizing and monitoring internal audit work related to MIRA, carrying out work related to corruption prevention, evaluating internal controls, providing assistance in formulating Standard Operating Procedures (SOPs), ensuring that the SOPs and all tasks undertaken by MIRA

are in accordance with laws, regulations and policies and report any non-compliance. In addition, this division is responsible for undertaking quality assurance review to improve the taxpayer audits and ensuring whether tasks undertaken by MIRA are in accordance with SOPs and manuals.

3.3 Committees

In addition to the work done by the departments, committees have been formed to carry out special tasks, to make decisions in consultation with the staff and to advise the Commissioner General in various matters. At the end of 2018, the committees in place were:

- Human Resource Committee
- Human Resource Interview Panel
- Investigation Committee
- Technical Committee
- Appeal and Objection Committee
- Bid Evaluation Committee
- Audit 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
- Committee for the Prevention of Sexual Harassment
- Committee to review complaints regarding the integrity of employees
- Complaints Review Committee
- Compliance Risk Management Committee

**COMMISSIONER GENERAL OF TAXATION AND
DEPUTY COMMISSIONER GENERAL OF TAXATION**



Left to right: Yazeed Mohamed (Commissioner General of Taxation), Hassan Zareer (Deputy Commissioner General of Taxation)

ASSISTANT COMMISSIONER GENERALS



Left to right: Fathimath Armeeza (Assistant Commissioner General, Enforcement), Ahmed Shareef (Assistant Commissioner General, Revenue Service), Ahmed Ali (Assistant Commissioner General, Revenue Operations)

DIRECTOR GENERALS AND DEPUTY DIRECTOR GENERALS



Left to right: Mohamed Ali Waheed (Deputy Director General, Technical and Facilitation), Asma Shafeeu (Director General, Planning and Development), Moosa Haleem (Director General, Individual Business), Mohamed Najiz (Deputy Director General, Information Technology), Mohamed Siraj Muneer (Director General, Corporate Business), Mohamed Shahid (Former Director General, Individual Business), Fathimath Shifaza (Director General, Human Resource), Ahmed Shafneez (Deputy Director General, Administration and Finance)

DIRECTORS AND DEPUTY DIRECTORS



Left to right: Ali Naseer Ibrahim (Director, Tax Clearance), Aishath Naazeera Moosa (Deputy Director, Information Processing), Yoosuf Shiraz (Deputy Director, Maldives Tax Academy), Aminath Zumra (Deputy Director, Planning and Development), Ahmed Zakariyya (Director, Compliance), Mariyam Nahula Abdul Gayoom (Deputy Director, Investigation and Intelligence), Adha Amir (Deputy Director, Large Business), Ikram Ibrahim (Deputy Director, Corporate Business), Mohamed Jinah Ibrahim (Deputy Director, Hardware), Aishath Suha (Deputy Director, Payment Processing), Ibrahim Faisal (Senior Director, Internal Audit), Riyasha Ali (Director, Enforcement), Abdul Matheen Abdul Sattar (Deputy Director, Regional), Mohamed Azhan (Deputy Director, Legal Service), Nahshal Mohamed (Director, Software)

3.5 Human Resources and Management and Development

3.5.1 Employees

As the tax administrator, MIRA is one of the leading macro-economic institutions in the country. Thus, with the objective of efficiently fulfilling MIRA's responsibilities, similar to the preceding years, development of technical staff was given high priority.

At the beginning of the year 2018, 290 staff were working as full-time employees. 60 staff were hired during the

year and 46 staff left for various reasons. In addition, 25 staff were granted no-pay leave. By the end of the year, the total workforce accounted of 279 staff. Of the staff employed at MIRA at year-end, 11.8% held Master's Degree level qualification, and 43.7% held Bachelor's Degree level qualification. The female-male ration of 2018 stood at 49.8% to 50.2%.



• Best Attendance Award 2018 - Ali Fayaz

3.5.2 Staff Training

In order to maintain the efficacy and efficiency of the administration the tax system, various training programs were organized throughout the year. As such, in addition to facilitating training opportunities abroad, several training activities were conducted in Maldives with the help of technical experts from overseas. During this year, 85 staff of MIRA took part in 35 different training programs on a vast array of tax related subjects. Additional 5 induction programs were conducted for the newly joined

staff to brief them on the functions and work processes of MIRA. In addition, 28 local programs on work efficiency and ethics was held for the staff during the year.

At the end of the year 12 staff were studying for ACCA under MIRA sponsorship. Also, 31 staff of MIRA took part in 15 conferences held overseas, while 6 staff represented the institution in 3 locally held conferences.

• Local Training Programs

Name of the training	Duration	Place/Trainer	No. of employees
ISA Training 2018	3 - 13 February	BDO consulting Pvt Ltd and AIX Associates LLP	48
Windows Server 2016	21 March	NCIT	2
Importance of customer service in MIRA	22 - 23 April	Biz Consultancy	14
Customer Care Training - Your role in MIRA's image positioning	5 May	Biz Consultancy	13
Intelligence Analysis Training for Investigators and Analysts	2 - 10 May	Maldives Police Service	12
Customer Care Training - Maintaining a culture of Dedication	10 - 11 July	Biz Consultancy	16
Customer Care Training - Creating first impression	12 July	Biz Consultancy	13
Maldives Foreign Policy	31 July – 2 August	Ministry of Foreign Affairs	2
Customer Care Training - Effective communication	13 August	Biz Consultancy	15
Production Team Training	2 - 8 September	Maldives Media Institute	5
Protocol and Etiquette	12 – 13 September 2018	Ministry of Foreign Affairs	5
Office Dhivehi	15 - 23 October	Dhivehi Bahuge Academy	26
Media Team Training	3 October	Ahmed Shanoon	22
Customer Care Training - Handling difficult taxpayers	14 - 15 October	Biz Consultancy	9
Customer Care Training - Telephone Etiquettes	16 October	Biz Consultancy	9
Customer Care Training - Learning from mistakes	4 - 5 November	Biz Consultancy	7
Knowledge Exchange and Training program: Recent issues on International Taxation and Administration	30 October – 2 November	OECD Korea Policy Centre	50
IFRS: Latest updates on Leasing	13 November	KPMG	61

- Overseas Trainings

Name of the training	Duration	Place/Trainer	No. of employees
Tax Administration: Recent Developments in Large Business Administration	15 - 19 January	Yangzhou, China	2
IT Forum 2018 Customer Recognition	18 - 19 January	Colombo, Sri Lanka	1
OECD: How Tax Administrations Cooperate and Exchange Information	12 - 15 March	Seoul, South Korea	2
Practical Workshop on the Negotiation of Tax Treaties	12 - 16 March	Kuala Lumpur, Malaysia	2
IRBM – IBFD: Permanent Establishment	19 - 23 March	Kuala Lumpur, Malaysia	2
Workshops on SOE Reforms & Shared Prosperity and Taxation & Growth	26 - 29 March	Seoul, South Korea	1
Transfer Pricing Documentation and CbCR	26 - 30 March	Yangzhou, China	2
IMF SARTTAC International Survey on Revenue Administration Workshop	9 - 13 April	New Delhi, India	3
Implementing BEPS: Minimum Standards	9 - 14 April	Seoul, South Korea	2
IMF SARTTAC: Compliance Risk Management	23 - 27 April	New Delhi, India	5
Transfer Pricing Dispute Resolution	8 - 10 May	Yangzhou, China	2
Workshop on 'Value Added Tax, E-Taxation and E-Invoicing'	9 - 10 May	Dubai, United Arab Emirates	2
OECD - Exchange of Information as a Tool to Combat Offshore Tax Evasion	2 - 6 July	Yangzhou, China	2
Introduction to the Application and Negotiation of Tax Treaties	13 - 17 August	Kuala Lumpur, Malaysia	2
OECD - Exchange of Information as a Tool to Combat Offshore Tax Evasion	10 - 14 September	Jeju, South Korea	2
The revised Transfer Pricing Guidelines	17 - 21 September	Yangzhou, China	2
OECD : Toolkit For Addressing Difficulties In Accessing Comparable Data For Transfer Pricing Analyses	24 - 28 September	Kuala Lumpur, Malaysia	2
Toolkit on Indirect Transfer of Assets	22 - 26 October	Seoul, South Korea	2
IRBM – IBFD : Taxation Of The Digital Economy	29 October - 2 November	Kuala Lumpur, Malaysia	2
Tax and Revenue Management	29 October - 2 November	Kuala Lumpur, Malaysia	2
IRBM – IBFD : Taxation Of The Digital Economy	29 October - 2 November	Kuala Lumpur, Malaysia	2
Income Tax Workshop	5 - 9 November	Yangzhou, China	2
IMF SARTTAC Collection and Arrears Management Workshop	12 - 16 November	New Delhi, India	6
Application of Tax Treaties and the MLI and BEPS	12 - 16 November	Seoul, South Korea	2
Transfer Pricing Dispute Resolution	13 - 15 November	Kuala Lumpur, Malaysia	2
Train the Trainers on BEPS and Transfer Pricing	3 - 8 December	Seoul, South Korea	2

Name of the training	Duration	Place/Trainer	No. of employees
IRBM-OECD : The Revised Transfer Pricing Guidelines	3 - 7 December	Kuala Lumpur, Malaysia	2
IMF SARTTAC: Audit Techniques	10 -14 December	New Delhi, India	6

- Conferences & Seminars

Name of the training	Duration	Place/Trainer	No. of employees
Inclusive Framework on BEPS meeting	24 - 25 January	Paris, France	2
ACCA International Public Sector Conference 2018	1 - 2 March	Singapore	2
IMF Japan High Level Tax Conference	10 – 11 April	Tokyo, Japan	2
Maldives Civil Service Conference 2018	14 - 15 April	Male', Maldives	2
Maldives HR Forum 2018	21 April	Male', Maldives	2
ITR Asia Tax Forum	2 - 3 May	Singapore	3
Belt and Road Initiative Tax Cooperation Conference	14 - 16 May	Astana, Kazakhstan	2
Conference on Capacity Building Concerning Taxation	30 - 31 May	Stockholm, Sweden	2
5th Meeting of Inclusive Framework on BEPs	27 - 28 June	Peru	2
Asian Tax Authorities Symposium	3 - 5 July	Seoul, South Korea	1
Small Island Developing States (SIDS) Conference	9 - 13 July	Washington, USA	2
Maldives Foreign Policy	31 July - 2 August	Male', Maldives	2
ATAIC Development Committee and ATAIC budget amendment meeting	8 - 9 August	Khartoum, Sudan	2
IFA Conference 2018	2 - 6 September	Seoul, South Korea	3
Working Meeting of the Belt and Road Initiative Tax Cooperation	26 - 28 September	Yangzhou, China	2
The ATAIC 15th Annual Technical Conference	12 - 15 November	Mauritania	2
International Taxation Conference	6 – 8 December	Mumbai, India	2

3.6 Technical Assistance Received

During 2018, MIRA's SAP enhancement package was upgraded with the assistance received from Asian Development Bank as a part of the Micro, Small and Medium Sized Enterprise Development Project implemented by Ministry of Economic Development. MIRA also received funding for the development of a Business Intelligence system from ADB during the year. This project commenced towards the end of 2018 and is expected to be completed during the first quarter of 2019.

Under a collaboration between Maldives Tax Academy and the OECD Korea Policy Centre, a three-day training program was conducted for MIRA staff on issues faced in international taxation. A team of experts from Korea conducted this training for 50 staff of MIRA. This is the second such training program conducted by the Korea Policy Center in Maldives.

IMF South Asia Regional Training and Technical Assistance

Center (SARTTAC) has assisted MIRA in various ways during the year 2018 as well. Four members from the Information Technology team of MIRA attended a 15-day training program held in the Queensland Office of State Revenue (OSR) of Australia with the assistance of SARTTAC. The purpose of the training was to study the system configurations of SAP ERP system and business processes used in the OSR. Furthermore, the risk committee established with the assistance from SARTTAC during 2017 was further developed with the assistance of technical expert, Mr. Gary Andrews. A Compliance Risk Management Committee (CRMC) was formed to mitigate the work and employee risks associated in the work place. This committee consists of 8 senior management members of MIRA. In order to implement the rules and guidelines set by the CRMC, risk managers and officers were appointed. Mr Gary Andrews has provided training to the risk officers appointed for the committee during missions held during the year.



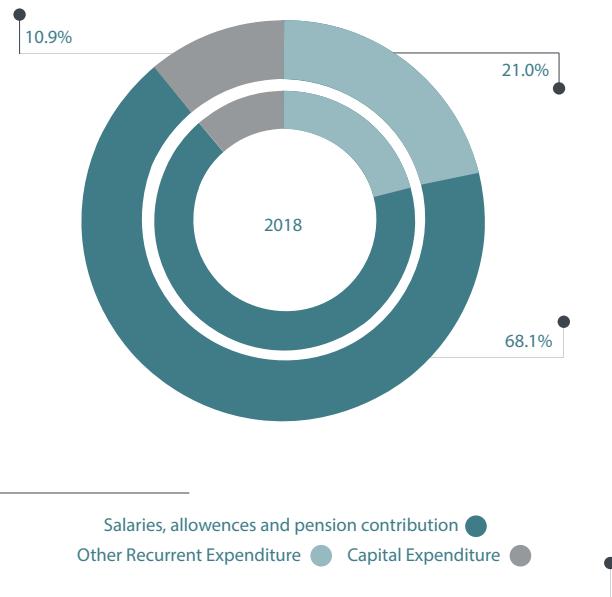
• Bilateral program of the OECD Korea Policy Centre held in Maldives

3.7 Administrative Expenditure

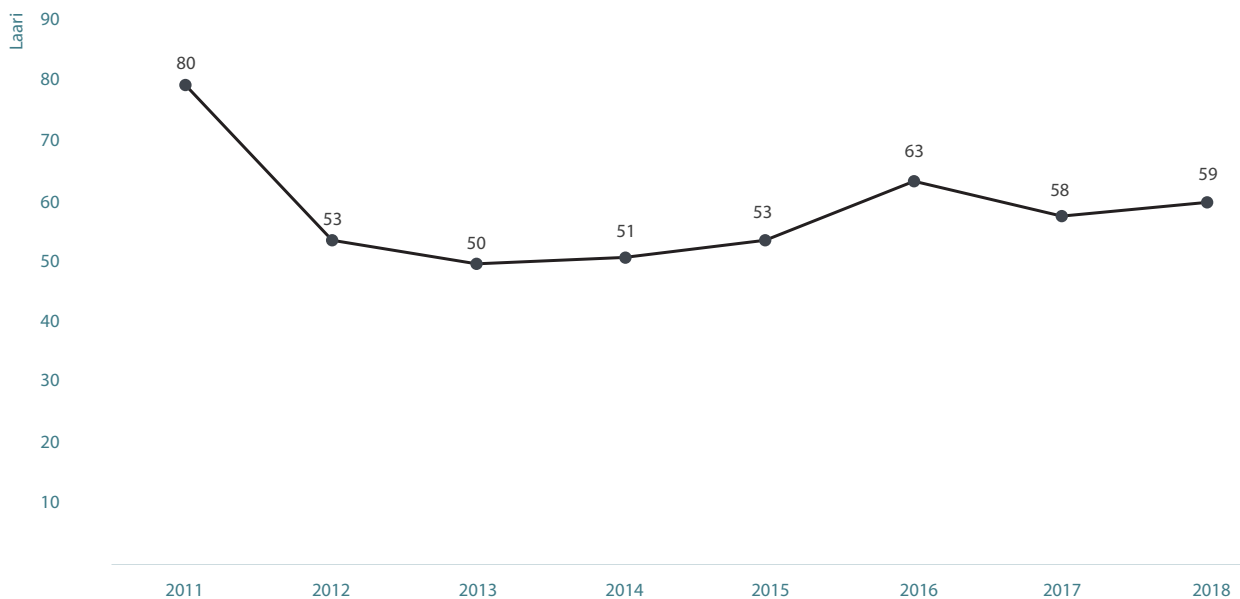
Total expenditure of MIRA in 2018 amount to MVR 97.12 million, which is an increase of 10.8% compared to 2017. The main reason for the increase in the expenditure was due to the increase in capital expenses. While 10.8% of the budget expenditure in 2018 amounted to capital expenses, 89.2% of budgetary expenditure was recurrent expenditure. Compared to the previous year, capital expenses increased by 4 times and recurrent expenses increased by 1.9%. Capital expenses totaled MVR 10.5 million during 2018, out of which 94.5% was spent on purchasing necessary IT hardware. Employee disbursements such as salaries, allowances, and pensions made up the bulk of recurrent expenditure. 76.4% of recurrent expenses amount to employee disbursements in 2018, which is an increase of 3.1% compared to 2017.

Along with the increase in total expenditure, the total revenue collected by MIRA also increased during 2018. In 2018, for every MVR 100 collected, MIRA spent 59 Laari. In other words, for every Rufiyaa spent by MIRA during the year, MVR 168 was received as revenue. Compared to 2017, this amount has decreased by MVR 5.

• Classification of Administrative Expenses of 2018



• Laari spent per MVR 100 collected



REVENUE

Revenue collection for the year totaled to MVR 16.35 billion, where GST and BPT are the major revenue contributors



4. REVENUE

4.1 Total collection

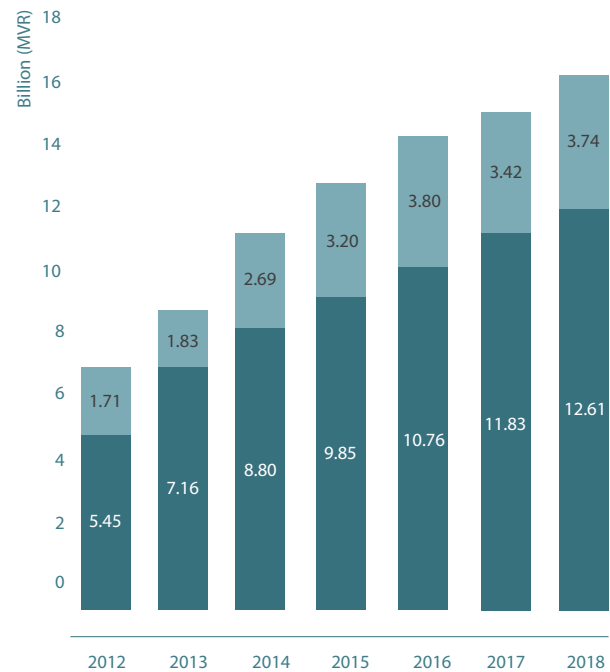
In 2018, MIRA collected MVR 16.35 billion which represents an increment of 7.2% and 8.3% compared to the revenue collected in the previous year and the forecasted revenue for 2018, respectively.

The increase in revenue for 2018 primarily came from the increase in GST, Airport Development Fee, Tourism Land Rent, Green Tax and Withholding Tax collection.

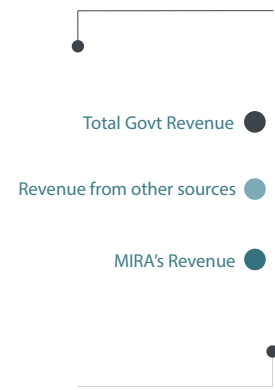
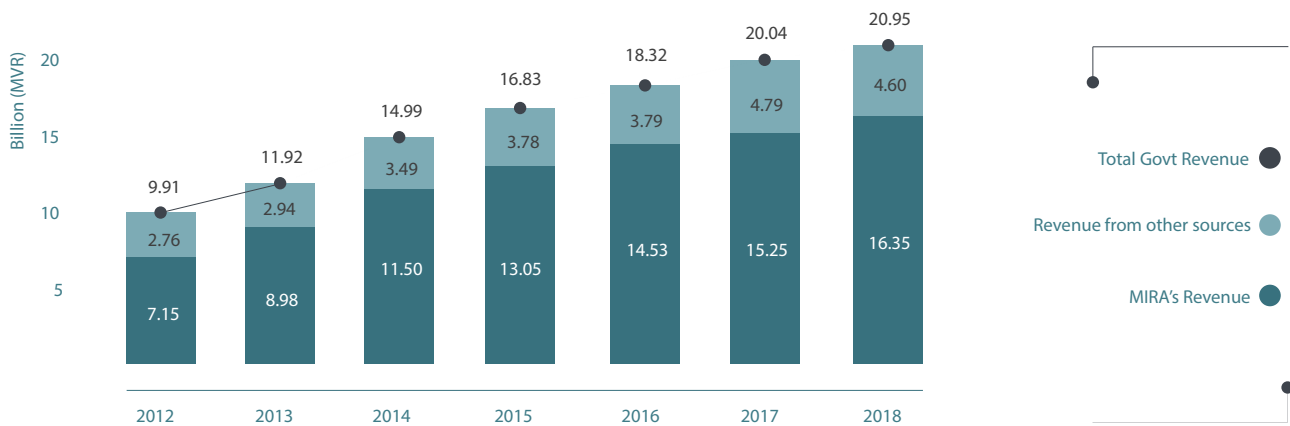
The top two revenue contributors for the year were GST and BPT. While GST accounted for 47.0% of the total revenue, BPT contributed to 16.6% share of total revenue. The next top contributors were Tourism Land Rent, Green Tax, Airport Development Fee and Airport Service Charge. These top six revenue contributors collectively accumulated to 85.8% of the total revenue from all the taxes share 77.1% of the total revenue collected by MIRA.

MIRA is the focal point for collection of all taxes and most fees and charges collected by the government. In 2018, the revenue collected by MIRA to the total general revenue of the government was 78.1%.

• Total Revenue Collection of MIRA



• 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 16.35 billion. The adjustments resulted in a difference of MVR 2.13 million between revenue after adjustments and actual revenue received. In 2018, most number of adjustments were made to revenue from GST, with the largest impact being on GGST.



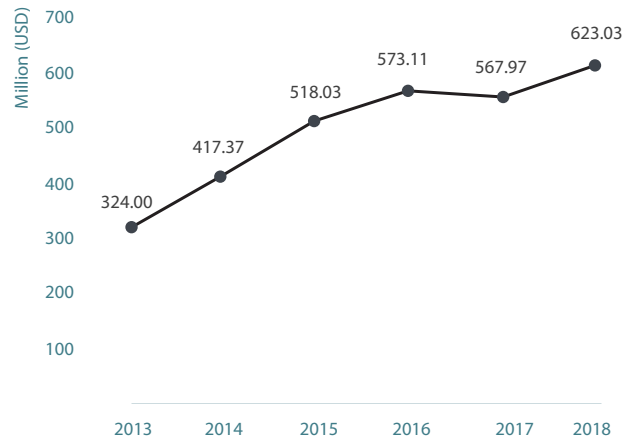
• MIRA staff providing information to a taxpayer

4.3 USD Collection

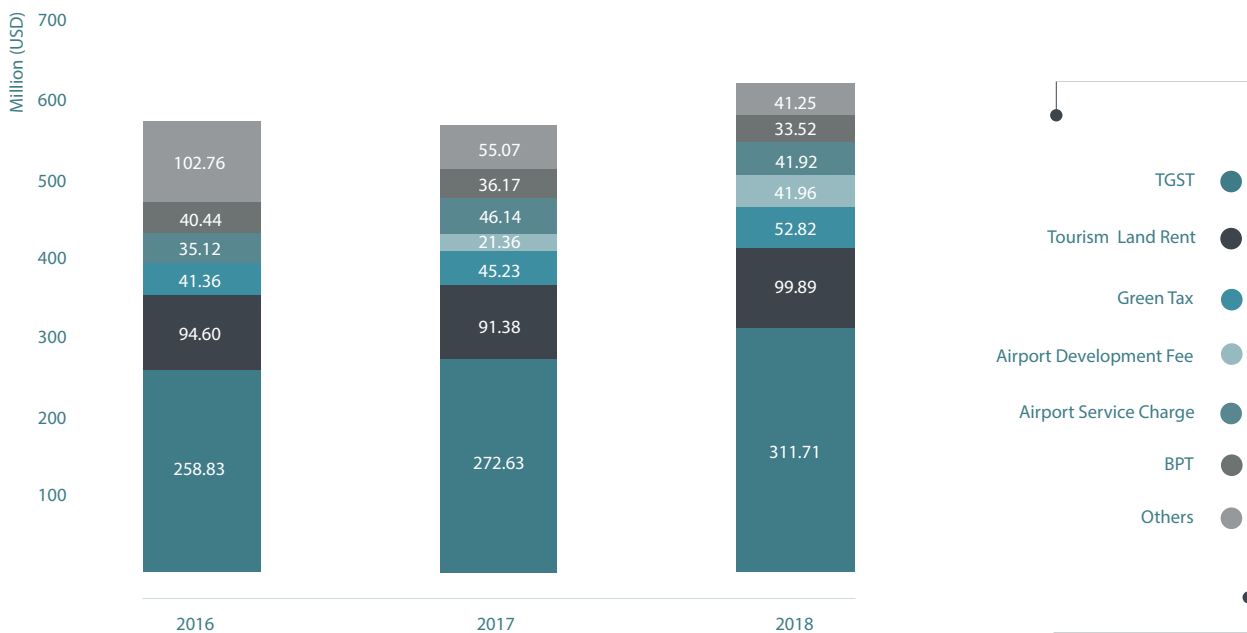
In 2018, 58.5% of the total revenue collected by the MIRA was collected in US Dollars. USD 623.08 million was received towards taxes and fees, of which the Rufiyaa equivalent is MVR 9.56 billion. Most USD revenue was received as GST from the tourism sector, which totaled to USD 311.71 million in 2018.

Compared to the preceding year, an increment of 9.7% was recorded in USD collection in 2018. This is because of the higher collection of TGST, Airport Development Fee and Tourism Land Rent.

• Total USD Revenue



• USD Revenue Breakdown of 2016-2018

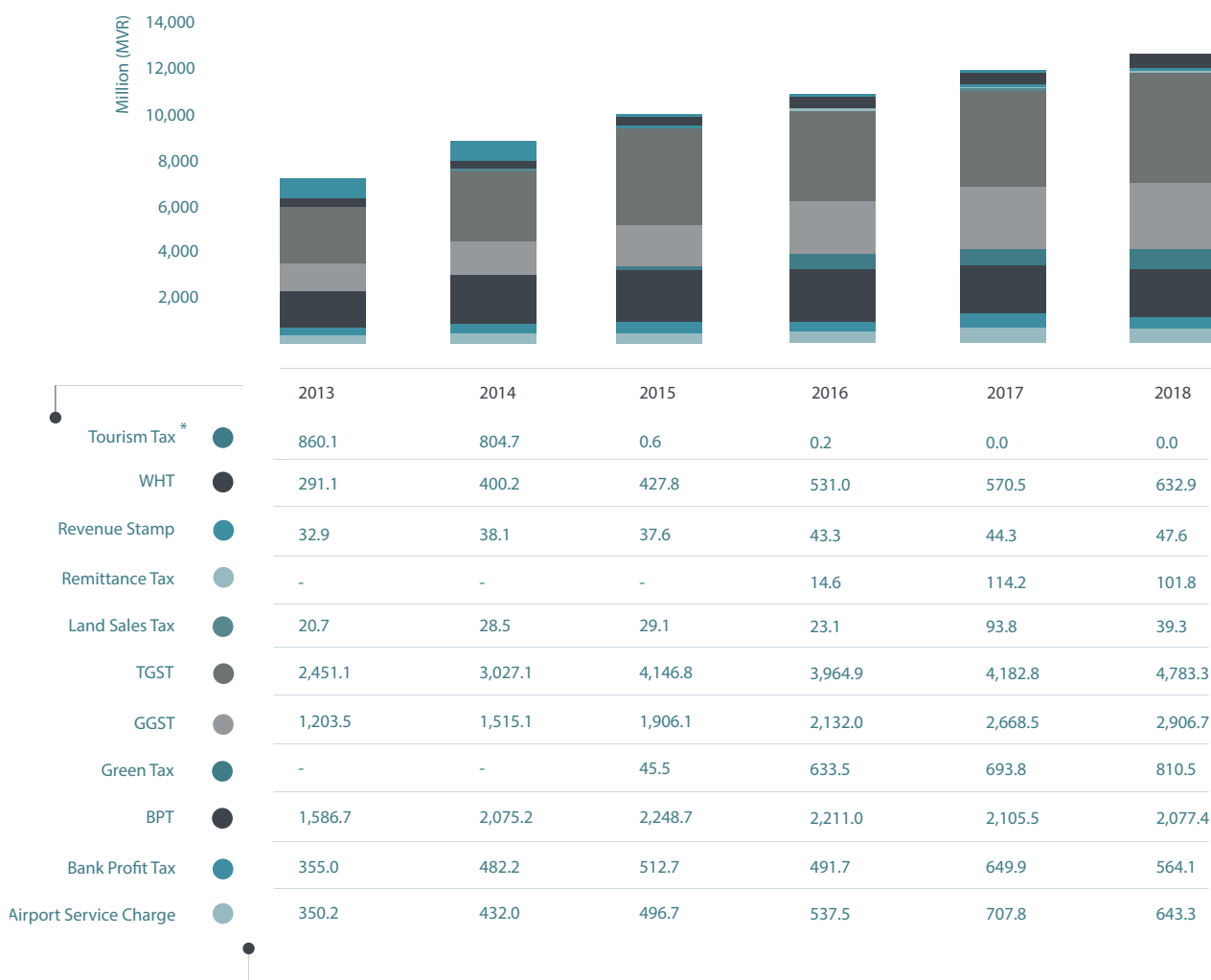


• Top revenue Contributors

Code	2018	Share %
GST	7,690,004,107	47%
Business Profit Tax	2,710,318,426	17%
Tourism Land Rent	1,532,773,548	9%
Green Tax	810,525,818	5%
Airport Development Fee	647,005,652	4%
Airport Service Charge	643,250,528	4%
Others	2,315,994,458	14%
Grand total	16,349,872,538	

4.4 Tax Revenue

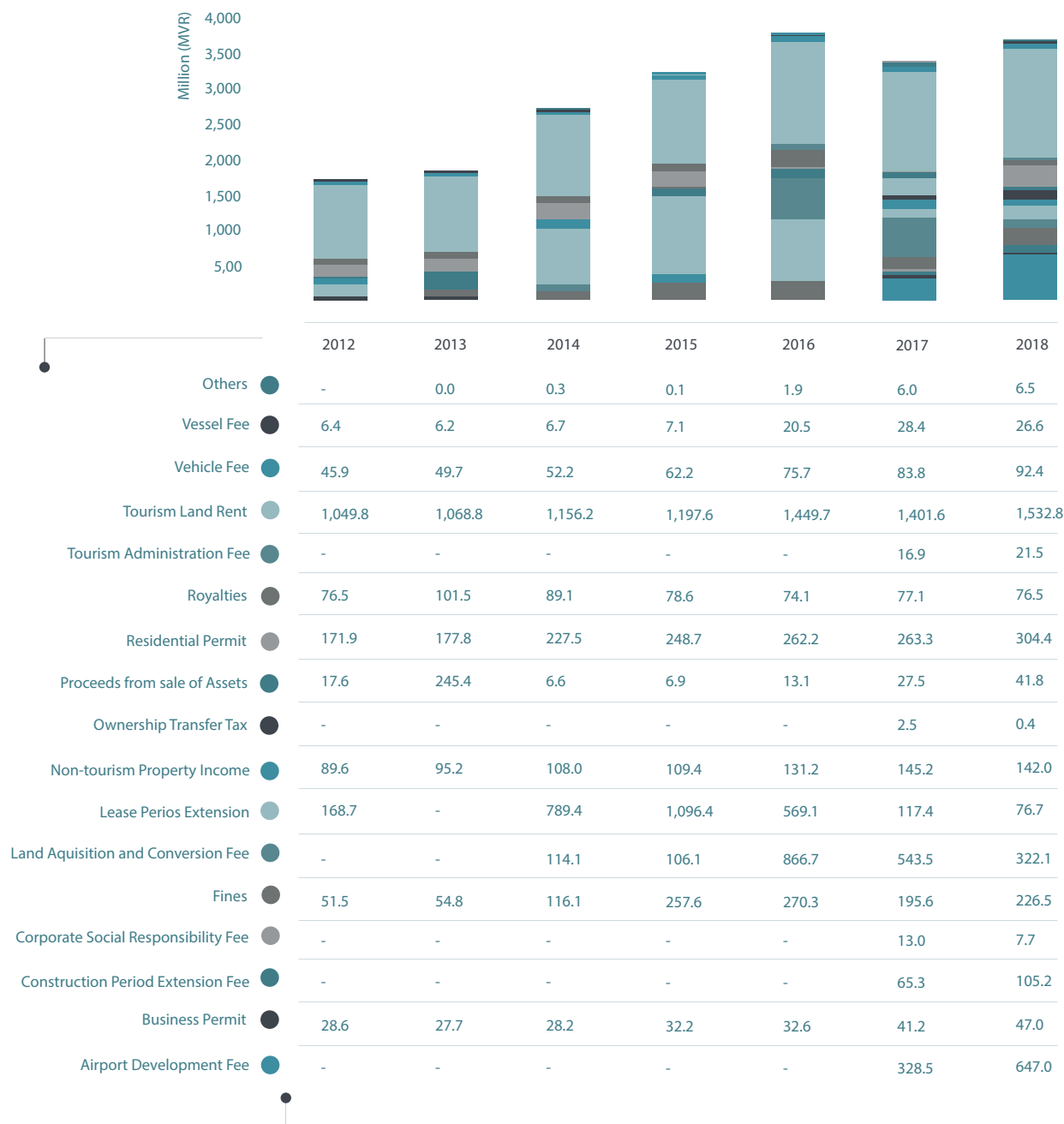
• Total Tax Revenue 2013 - 2018



* Tourism Tax was abolished in 2014

4.5 Non-Tax Revenue

• Total Non-Tax Revenue 2012-2018



4.6 Comparison to the Revenue of last year

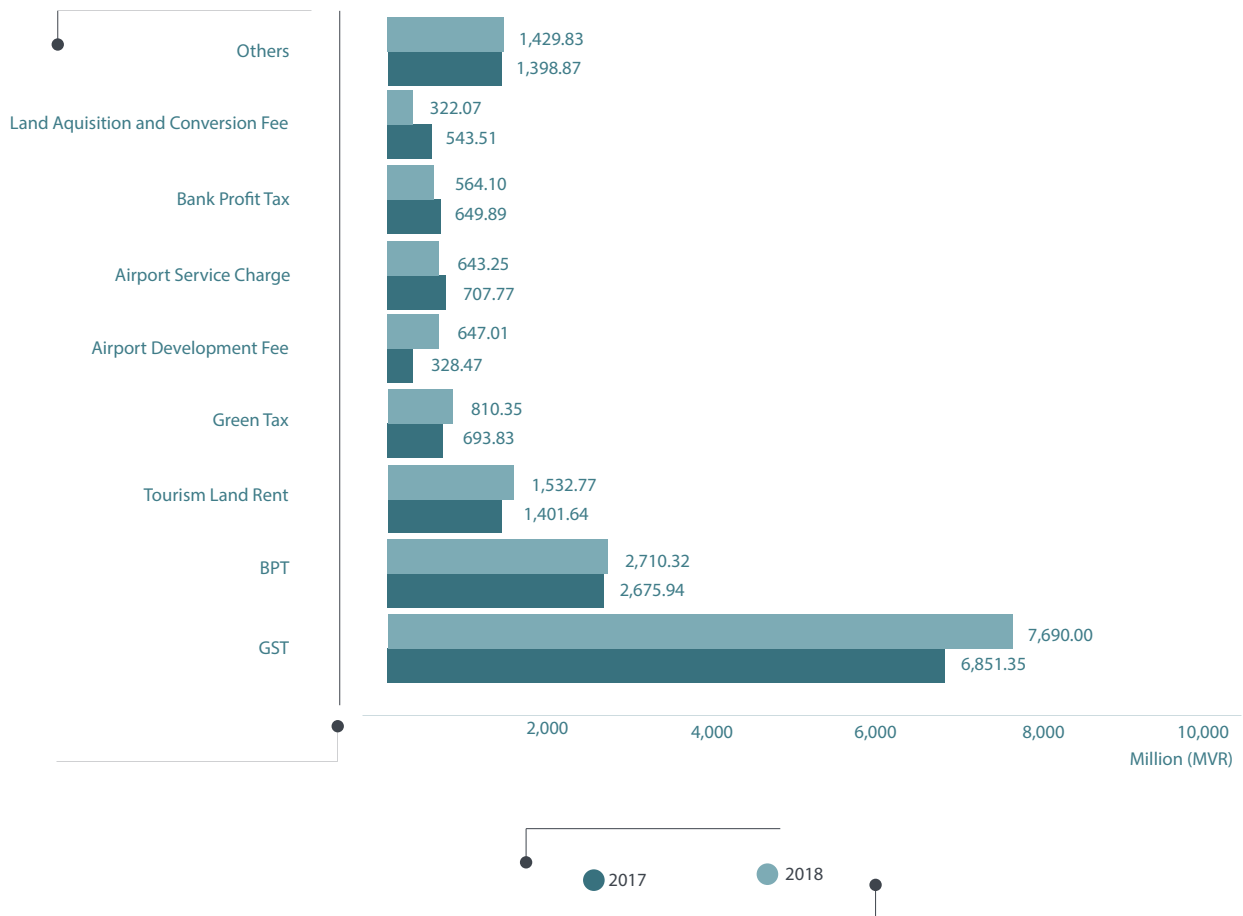
Revenue collection of 2018 surpassed that of 2017 by 7.2%. The main reason behind this favorable outcome is the increment in collection of tax revenues. While the GST revenue increased by 12.2%, total BPT (including the WHT component) revenue outdid 2017 by 1.4%. Additionally, Green Tax collection was 16.8% higher than the amount collected in 2017.

Furthermore, as there are new resorts operating in the tourism sector, Tourism Land Rent paid by resorts in 2018 is higher than 2017 by 9.5%. Additionally, Airport Development Fee, which commenced on 1st May 2017,

doubled in 2018 compared to 2017. Airport Development Fee revenue of 2018 is twice the revenue of 2017, due to the receipt of Airport Development Fee for the whole year in 2018, whilst in 2017 this fee was taken for 6 months.

Under the Guideline on the Extension of Construction Period and Deferment of Rent and Fines, resorts at the development stage have the option to pay a fee of USD 15,000 per month to extend the construction period. In comparison to 2017, revenue received as Construction Period Extension Fee has increased by 61.0%. Likewise, Tourism Administration Fee also increased by 27.4%.

• Comparison against previous year

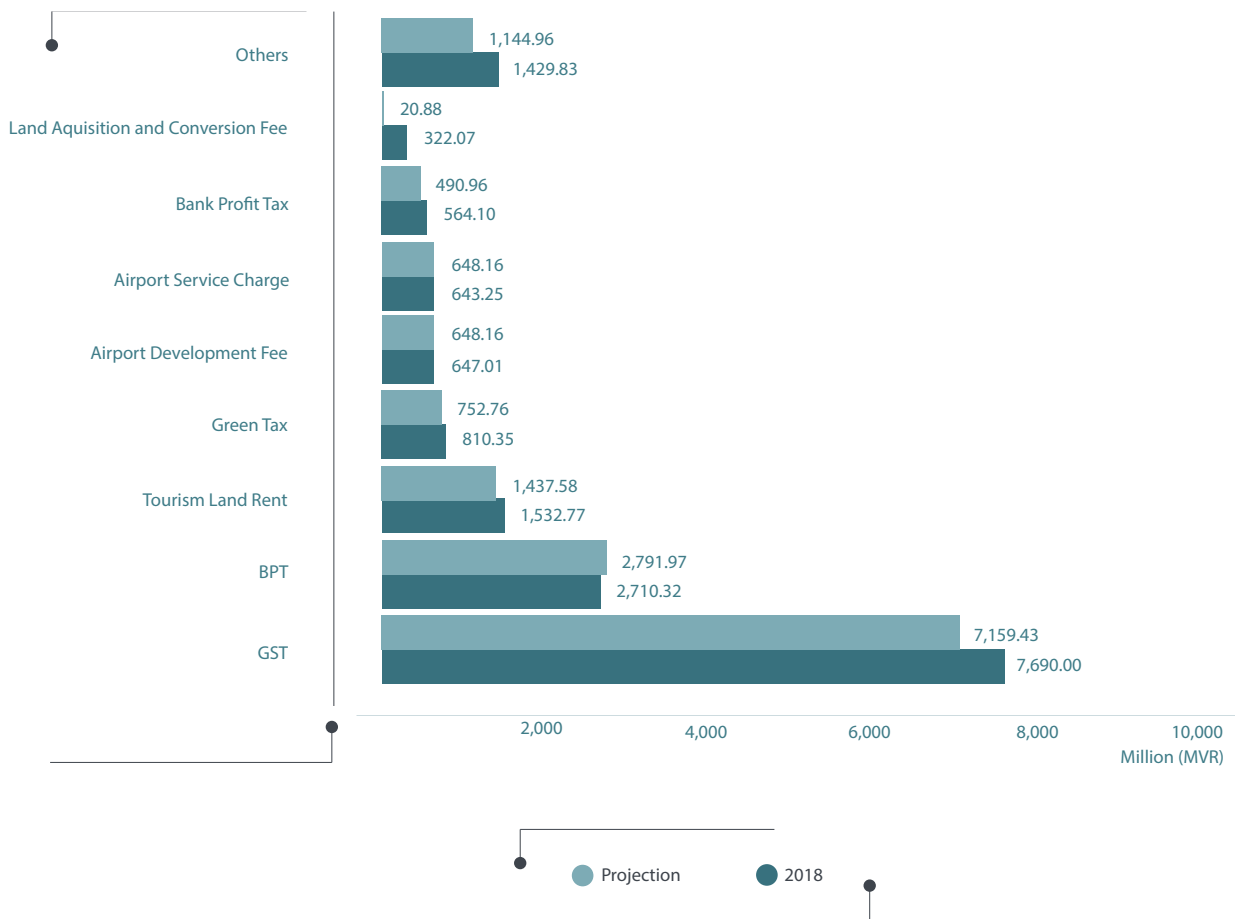


Revenues which decreased in collection in comparison to 2017 are BPT profit component, Bank Profit Tax, Land Sales Tax, Remittance Tax, Land Acquisition and Conversion Fee, and Lease Period Extension Fee. Profits reported by some of the commercial banks and businesses operating in the Maldives decreased, leading to a decrement of BPT and Bank Profit Tax. Furthermore, number of transactions of money remitted to abroad by the expats working in the Maldives which are reported to MIRA has decreased,

which resulted a decline of Remittance Tax. In addition, the decrease in the number of newly leased islands resulted in the decline of collection of Land Acquisition and Conversion Fee. Additionally, compared to 2017, the number of lands sold has decreased, which consequently decreased the Land Sales Tax revenue. Moreover, only few resorts opted to extend their Lease Period to 50 or 99 years, as per the latest amendments to Tourism Act hence the decrement in Lease Period Extension Fee.

4.7 Compared to the projection of 2018

Actual Revenue and Projection



The amount forecasted as total revenue for 2018 was MVR 15.09 billion. The actual collection for the year was MVR 16.35 billion, which is an increment of 8.4% against the forecasted amount. Revenue is forecasted with historical collection trend, whilst taking the growth of the Maldivian economy into account.

The increase in revenue against projection can be attributed to the increase in GST, Land Acquisition and Conversion Fee, Tourism Land Rent, Lease Period Extension

Fee, Green Tax, and Construction Period Extension Fee compared to their projected amounts. Revenue of GST and Green Tax increased by 7.4% and 7.7%, respectively, while Tourism Land Rent and Construction Period Extension Fee increased by 6.8% and 92.7%, respectively. Furthermore, even though Lease Period Extension Fee revenue was not projected to be received in 2018, few taxpayers chose to extend their lease period by making this payment. This contributed to the increment of revenue against projected revenue for 2018.



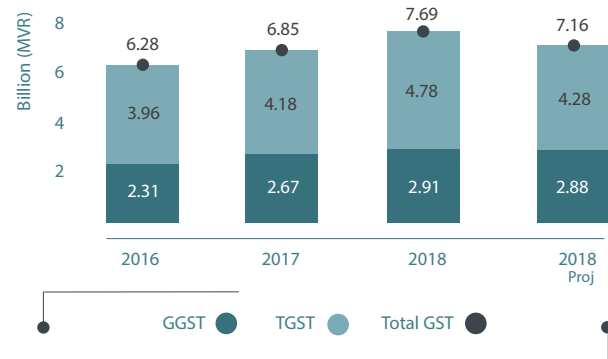
• A Maldives Resort Island

4.8 Major Revenue Components

4.8.1 GST

The highest revenue contributor for the year is Goods and Services Tax. In 2018, MVR 7.69 billion was received as GST, which is a 12.2% increment compared to 2017, and an increment of 7.4% in comparison to the forecasted revenue for the year.

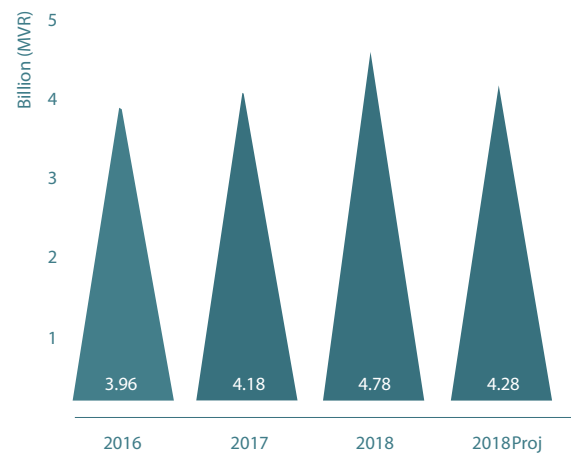
• GST total



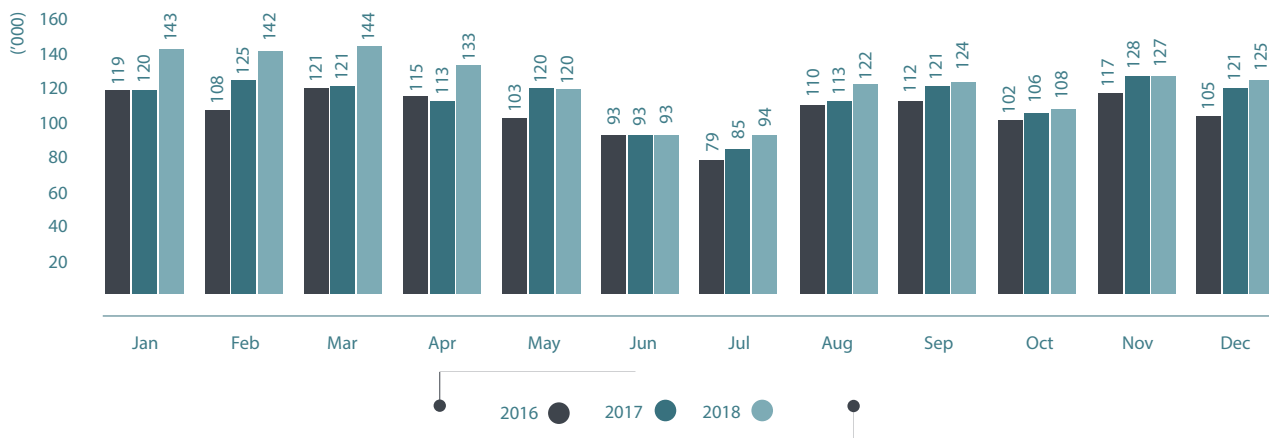
TGST

Goods and Services Tax from the tourism sector totals to MVR 4.78 billion in 2018, which comprised 62.2% of the total GST received to MIRA. In comparison to 2017, this is an increment of 14.4%. Tourist arrivals for the taxable period increased by 8.1% compared to that of last year, which led to this favourable outcome. As a result, TGST revenue also exceeded the projected revenue for the year by 11.8%. This increment is also attributable to the increase in operational resorts and the increased efforts to collect the arrears due to the government.

• TGST total

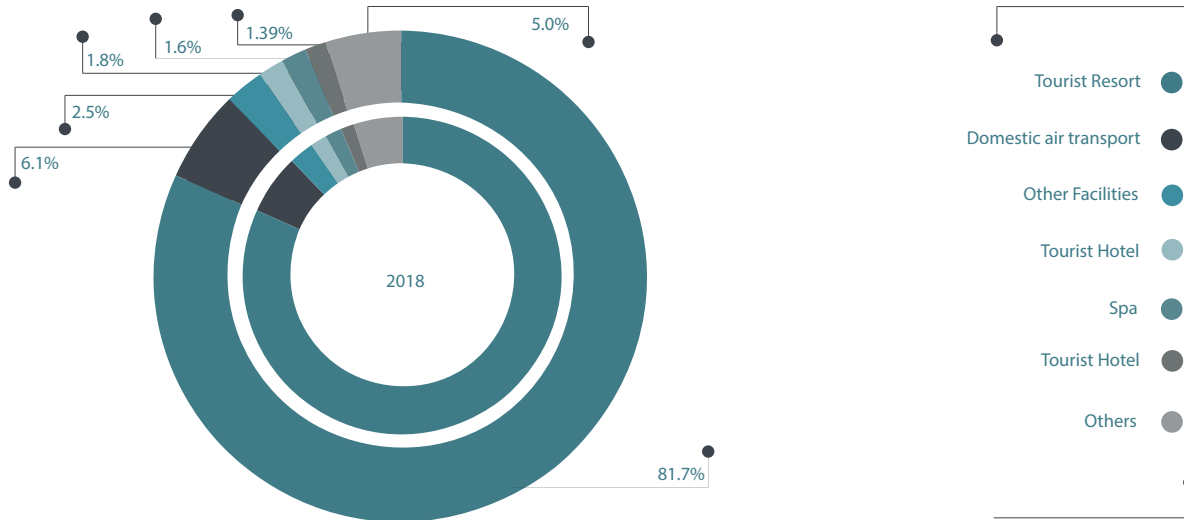


• Tourist Arrivals



In 2018, from the TGST received to MIRA, resorts comprise a share of 81.7%, while the domestic air transport providers shares 6.1% of the total TGST.

• TGST Revenue Sources



Looking into the atolls of the registered establishments operating in the tourism sector, Kaafu atoll topped the list by contributing TGST of MVR 1.86 billion, as there are 44

resorts, 121 guesthouses and other 57 taxpayers operating in the tourism sector in this atoll.

Atoll	TGST Paid
HA	70,869,045
HDh	4,529,320
Sh	7,754,335
N	295,576,205
R	111,427,967
B	506,828,404
Lh	219,411,213
K	1,861,452,304
Male' City	294,598,624
AA	364,023,355
ADh	517,355,192

Atoll	TGST Paid
V	39,329,954
M	12,157,599
F	113,318
Dh	196,874,894
Th	18,688,871
L	52,786,173
GA	67,486,695
GDh	85,131,991
Fuahmulah City	108,990
S	56,833,870
Total	4,783,338,321

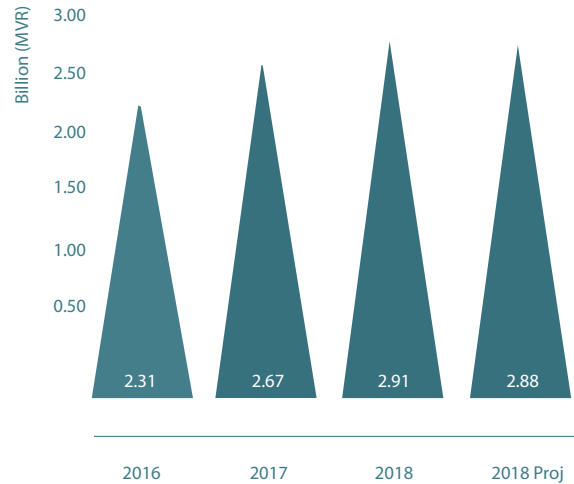
GGST

MVR 2.91 billion was received from all the other sectors except tourism sector. This is an increment of 9.2% and 1.2% compared to 2017 and forecasted revenue for the year, respectively, owing to the increment of the economic performance and business growth during the year. Additionally, in comparison to 2017, new businesses were registered for GGST and the improvement in the number of taxpayers paying by deadline led to this outcome.

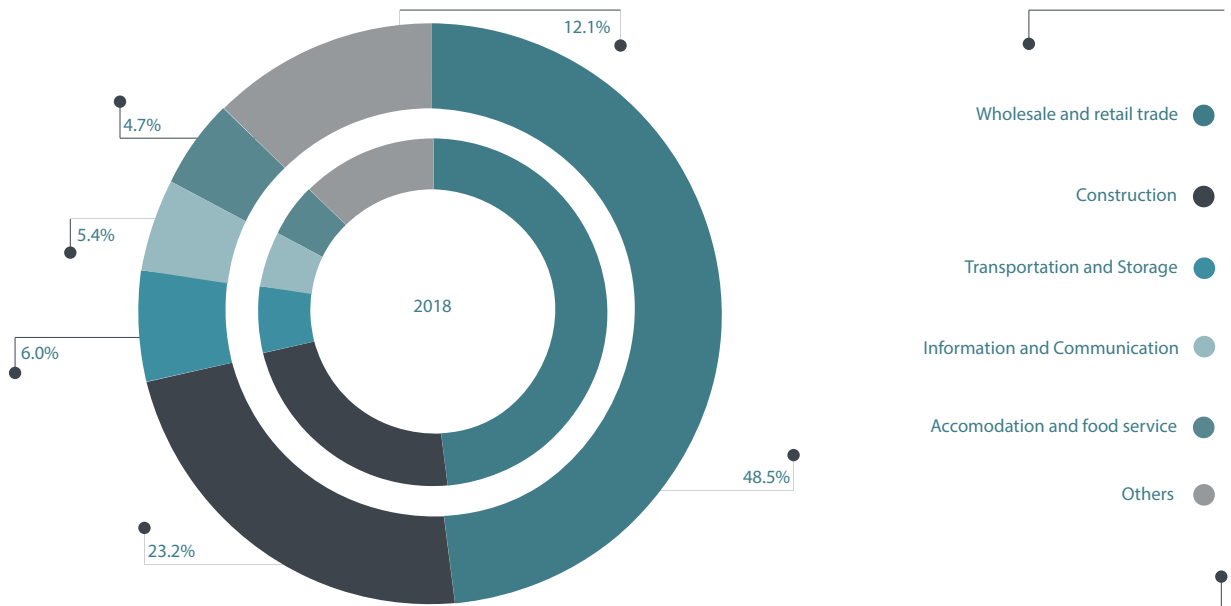
During the year, notable change brought to the GST Regulation is the determination of products such as sanitary napkins and tampons as zero rated goods.

Looking into the sectors, GGST was mostly received from wholesale and retail trade sector in 2018.

• GGST Total



• GGST Industries breakdown



GGST was received mostly from businesses operating in Male' City. MVR 2.53 billion was received from 4,565 businesses.

Atoll	GGST Paid	No. of Taxpayers
HA	3,363,222	121
HDh	10,856,326	161
Sh	3,594,279	91
N	7,137,187	124
R	5,690,852	141
B	7,761,928	142
Lh	4,979,382	95
K	93,224,816	207
Male' City	2,527,358,415	4565
AA	3,673,881	104
ADh	5,387,609	125

Atoll	GGST Paid	No. of Taxpayers
V	417,799	20
M	875,056	42
F	1,525,188	40
Dh	4,501,441	65
Th	2,670,481	113
L	4,251,891	131
GA	5,303,024	84
GDh	9,645,229	140
Fuahmulah City	8,610,597	137
S	195,837,185	379
Total	2,906,665,786	7,027

4.8.2 BPT

BPT constitute two components, which are 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.

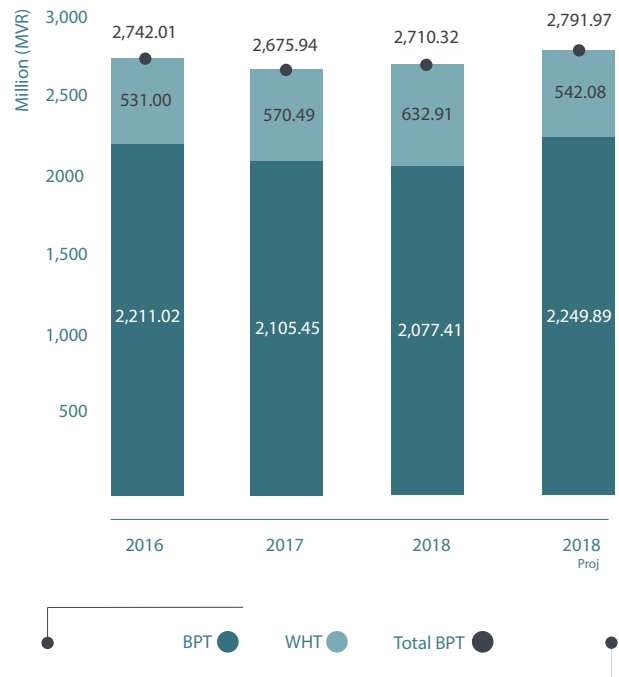
During the year, MVR 2.71 billion was received as BPT, which is an increment of 1.3% in comparison to the past year. However, a decrement of 2.9% was observed compared to projection due to the non-payment of BPT to deadline by some of the taxpayers, along with the decline in the arrears recovered during the year. In 2018, total BPT share was 16.6% of the total revenue.

In 2018, two significant changes were brought to the BPT Regulation. One is capping the allowable total loan interest under Thin Capitalization, and disallowing loss sharing among the subsidiaries while computing BPT.

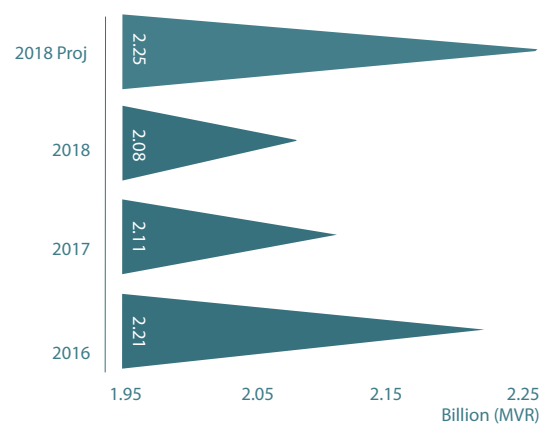
BPT: Profit Component

MVR 2.08 billion was received as BPT (profit component) in the year. This is a decrement of 1.3% and 7.7% compared to past year and the projected revenue for this year, respectively. Due to non-payment by deadline, decline of the second interim payment paid along with the decline in arrear collection, BPT collection has declined compared to 2017.

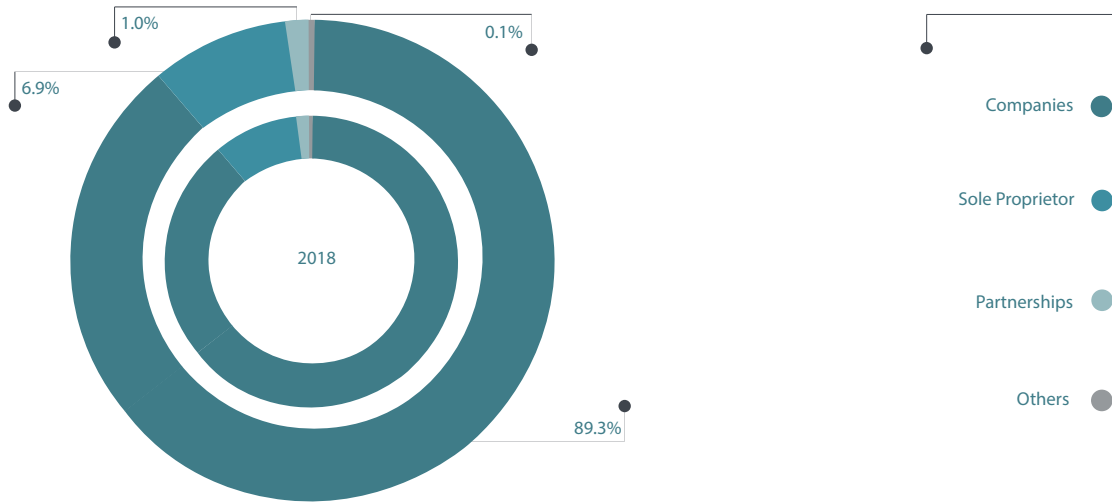
• BPT total



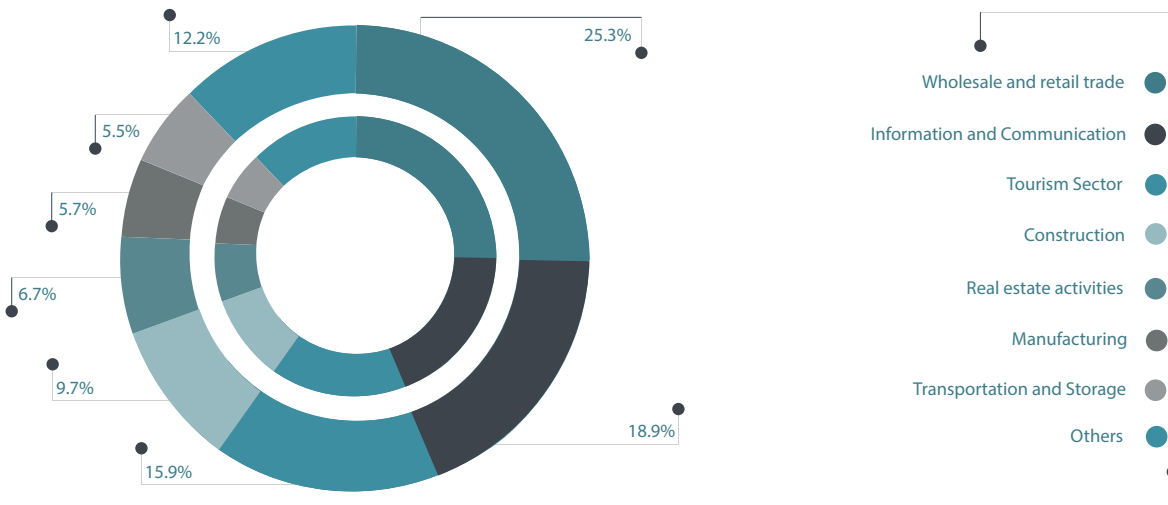
• BPT: Profit component



• BPT revenue breakdown



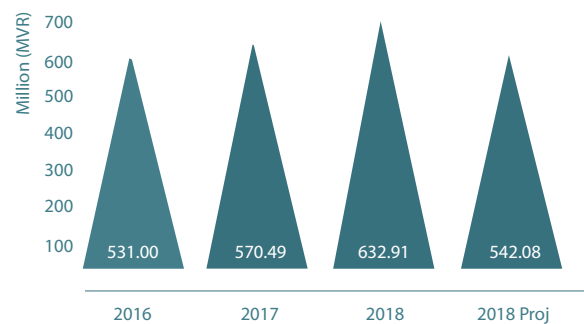
• BPT by sector



Withholding Tax

Withholding Tax collection for the year is MVR 632.91 million. This is an increment of 10.9% and 16.8% when compared to the collection of last year and the projected revenue for 2018, respectively. Main reason behind the increment of Withholding Tax is the increment in share of tax received from the tourism sector.

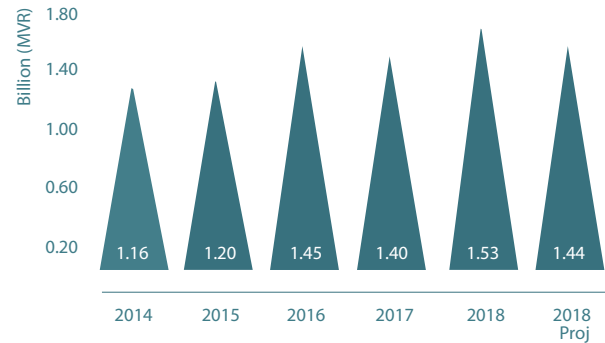
• Withholding Tax



4.8.3 Tourism Land Rent

Tourist resorts have to pay Tourism Land Rent once every calendar quarter, based on the land area of the resort. In 2018, MIRA received MVR 1.53 billion as Tourism Land Rent. Compared to the revenue received in 2017, which is MVR 1.40 billion, revenue collection in 2018 exceeded by 9.4%. Additionally, collection outdid the projected revenue by 6.6%. This favourable outcome is due to the increase in operating resorts compared to the past year.

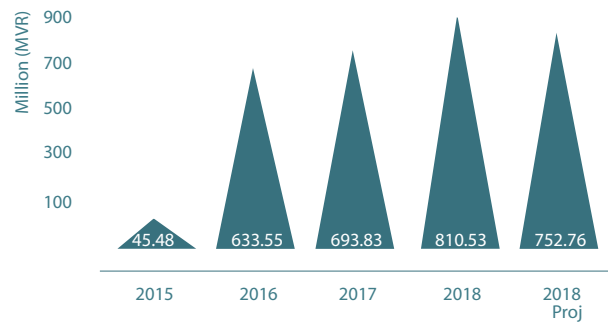
• Tourism Land Rent



4.8.4 Green Tax

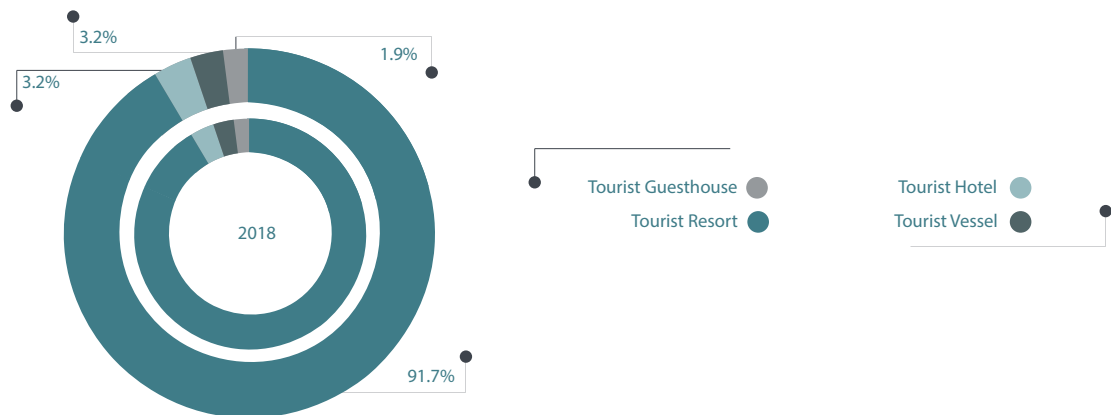
Green Tax collection for 2018 is MVR 810.53 million. This is a 16.8% increase compared to 2017 and also exceeded the projected revenue of 2018 by 7.7%. Green Tax collection has increased during 2018 due to the increase in the number of people liable to pay Green Tax, increase in tourist arrivals to the Maldives, and the actions taken under MIRA's enforcement policy for collection of taxes due to the government.

• Green Tax collection



In 2018, 91.7% of the Green Tax, with the highest bed nights, was received from tourist resorts followed by tourist guesthouses and vessels. Due to the small number of tourist hotels in the industry, Green tax paid by the hotels is the smallest. USD 6 is charged per night from tourists who stays in resorts, hotels and vessels, while USD 3 is charged from tourists who stay in guesthouses.

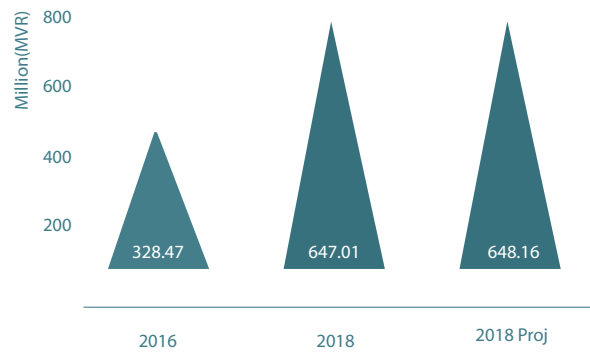
• Green Tax by category



4.8.5 Airport Development Fee

MVR 647.01 million out of the total revenue collected to MIRA during the year 2018 represents payments collected as Airport Development Fee. As this fee was collected from 1 May 2017 onwards in 2017 while collection continued throughout 2018, the amount collected doubled during 2018 when compared to the collection of 2017. However, it is a 0.2% decline compared to the projected revenue of 2018 as few airlines failed to make payments by deadline.

• Airport Development Fee



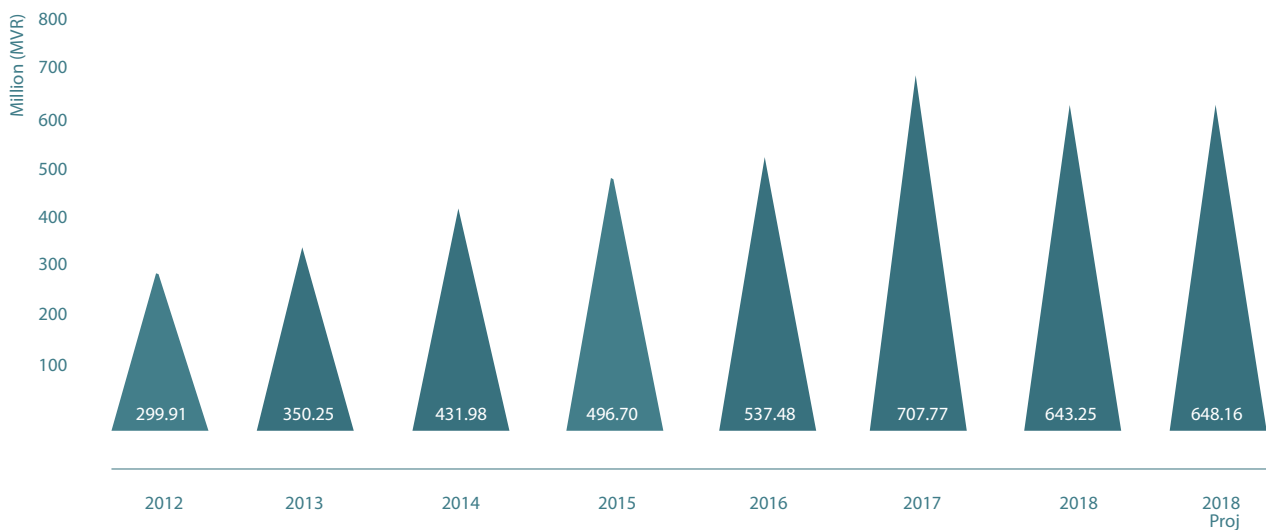
4.8.6 Airport Service Charge

MVR 643.25 million was collected as Airport Service Charge during 2018. This figure is a 9.1% decrement compared to the collection in 2017, and a 0.8% decline compared to the revenue projected for 2018.

During 2017, all charges due from previous periods were collected pursuant to the Airport Taxes and Fees Act (Law number 29/2016), which related to the Airport

Service Charge taken under the Section 11 of Airport Service Charge Act (Law Number 71/78), which explains the increase in Airport Service Charge collection in 2017 compared to 2018. Payments collected during 2018 are payments due for the respective deadlines of the year. However, the collections fell short compared to the projected collections as few airlines failed to make payments by deadline.

• Airport Service Charge



5

ACTIVITIES CARRIED OUT DURING THE YEAR

In 2018, MIRA's staff donated over MVR 150,000 to different charitable causes from their personal funds



5. ACTIVITIES CARRIED OUT DURING THE YEAR

5.1 Activities carried out to strengthen tax administration

5.1.1 Establishment of Collection Centers in atolls

To ensure ease and convenience of taxpayers' in fulfilling their tax obligations, MIRA's branch offices and collection centers are being opened across different regions of the country. During the year 2018, additional collection centers were opened in R. Ungoofaaru and Lh. Naifaru. Furthermore, MIRA Hulhumale Branch was also opened

during the year. At the end of the year, a total of 5 branches and 9 collection centers have been established in 14 different atolls of Maldives. Taxpayers of these regions can submit their tax returns and make payments to MIRA through these collection centers and branches.



• Opening Ceremony of MIRA Ungoofaaru Collection Centre

5.1.2 Launching of Zakat-al-Mal payment via MIRA mobile application

During the year 2018, MIRA enabled Zakat-al-Mal payments via MIRA mobile application. Introduction of this service allows Zakat-al-mal payers to fulfill their obligations with the help of modern technology in a convenient way. Additionally, in partnership with Ministry of Islamic Affairs, MIRA conducted various awareness programs on Zakat-al-Mal during this year.



• Launching Ceremony of Zakat-al-Mal payment via MIRA Mobile Application

5.1.3 Fine amnesty program for small businesses

A special fine amnesty program for small businesses was undertaken in 2018, in addition to the existing fine relief policy. This program was carried out from 27 August 2018 to 27 October 2018. The purpose of this fine amnesty program targeted at small businesses, which are those businesses with an annual turnover of less than MVR 10 Million, was to lessen the burden of unfulfilled tax

obligations on small businesses, and to assist them to start off with a clean slate, while encouraging voluntary compliance. Under this amnesty, all fines related to BPT, WHT, GST and Green Tax obligations that were due up to 30 June 2018 were waived off. A total of MVR 146.16 Million was waived off under this program.

5.1.4 'Miothee Raseedhu' Campaign

MIRA started a campaign under the name of 'Miothee Raseedhu' with the aim of encouraging the habit of businesses to issue a receipt or an invoice for every business transaction carried out. In addition, this campaign has helped in enhancing taxpayers' awareness on the importance of issuing tax receipts that are compliant with the tax laws and regulations. This campaign was held from 5 September 2017 to 28 February 2018. By the end of this campaign, total of 57,587 receipts were submitted by 690 participants from a total of 3,280 different businesses. Out of this, 88% of the receipts were in accordance with tax laws and regulations. Due to this campaign, taxpayers who were issuing non-compliant receipts were identified and made aware of corrections to be brought.

Under this campaign, the person who submitted the most number of receipts from most number of unique business outlets was granted a monthly cash prize of MVR 1500, and the person who submitted most number of non-compliant receipts overall was given a monthly cash prize

of MVR 1500. Furthermore, at the end of the campaign a grand prize of MVR 32,000 was awarded to the person who submitted receipts from most number of businesses throughout the campaign.



• Winner of Miothee Raseedhu Campaign

5.1.5 BPT Assistance trips to Atolls

During the year 2018, MIRA teams visited atolls to assist taxpayers in preparing financial statements and the BPT Return for the year 2017. During the visit, teams covered all the inhabited islands of Baa, Lhaviyani, Kaafu, Alif Alif, Alif Dhaalu, Vaavu, Meemu, Faafu, Dhaalu and Thaa atolls.

Individuals and “deemed partnerships” must submit BPT Return if the gross revenue for the year 2017 exceeds MVR

1 million or the taxable profit for the year 2017 exceeds MVR 500,000. Individuals and deemed partnerships must also submit BPT Return for the year 2017, if they were required to submit BPT Return for the year 2016. This activity was carried out to help those taxpayers who required assistance in the preparation of their financial statements and their BPT Return.

5.1.6 Commissioner General received the ‘Asia Tax Commissioner of the Year’ award

The Commissioner General of Taxation, Yazeed Mohamed, was awarded as the “Asia Tax Commissioner of the Year” for the year 2017, at the Asia Tax Award Ceremony held by the International Tax Review (ITR). The award was presented to the Commissioner General for his outstanding and

notable contribution to the development of the tax system in Maldives during the year. In recognition of this achievement, special award given by the president was also presented to the Commissioner General.



• Special award given by the President to the Commissioner General of Taxation in recognition of being awarded as the “Asia Tax Commissioner of the Year” for 2017.

5.2 Tax Regulations & Amendments

In 2018, 3 GST related Tax rulings, 6 BPT related rulings and 3 other tax related rulings were issued. The list of tax rulings issued are detailed below.

Title	Tax Ruling Number
GST Related Tax Rulings	
Fifth amendment to the Tax Ruling TR-2015/G23	TR-2018/G48
Twenty-fourth amendment to the Goods and Services Tax Regulation	TR-2018/G47
Registration of construction work carried out for Government social housing schemes	TR-2018/G46
BPT Related Tax Rulings	
First amendment to the Tax Ruling TR-2018/B64	TR-2018/B68
Approved banks and financial institutions	TR-2018/B67
Fifteenth amendment to the Business Profit Tax Regulation	TR-2018/B66
Employment under a contract of service	TR-2018/B65
Thin capitalization	TR-2018/B64
Submission of financial statements and appointment of auditors	TR-2018/B63
Other Tax Rulings	
Mandatory online filing of general sector GST return	TR-2018/A17
Second amendment to the Online Filing and Payment Regulation	TR-2018/A16
Mandatory online filing of BPT return	TR-2018/A15

5.2.1 Amendments brought to Laws

Fifth amendment to the Goods and Services Act (Number: 10/2011) was published on the Gazette on 3 December 2018 and commenced on the same day.

5.3 Registration of Taxpayers and other persons

By the end of 2018, total of 34,745 businesses were registered at MIRA for tax purposes, which is an increase of 11.4% compared to that at the end of 2017. During the year, 3,569 activities were newly registered, while 16 activities were deregistered. While new business activities are being registered at MIRA, persons who requested to deregister their business activities due to discontinuation of business, and identified registered business activities that are no longer required to be registered for tax purposes were removed from the taxpayer registry. In 2018, 59 businesses were given registration notices for

failing to register at MIRA even when they met the criteria for registration, and 58 of these non-registrants were registered throughout the year.

At the end of 2018, there were 1,747 active taxpayers for GST in the tourism sector and 11,464 active taxpayers in the general sector. In 2018, 1,743 new businesses were registered for GGST, while 250 new taxpayers registered for TGST. Due to various reasons, 50 taxpayers from the tourism sector GST and 950 taxpayers from general sector were de-registered during the year.

Tax Type	New Registrants during the year	De-registrants during the year	Net Total
Business Profit Tax	3,569	16	34,745
Tourism Goods and Service	250	50	1,747
General Goods and Service	1,743	950	11,464

5.4 Taxpayer and Public Awareness

5.4.1 Activities carried out to promote information

Various activities were carried out this year to raise public awareness about tax laws, regulation and tax administration. This includes 145 media interviews regarding diverse issues on taxes given to various media channels, and publication of 50 news. Additionally, 14 episodes of the tax program produced by MIRA "1415 show" and 9 new advertisements were released throughout the year. Furthermore, 2,809 posts were published on different social media platforms in 2018.

As stated in the Taxpayer Charter, in order to make tax compliance easy, MIRA has published 4 new guides and published 8 amended guides and 2 instruction sheets that reflect the changes in respective regulations and policies. Furthermore, 58 information sessions to new registrants, 15 information sessions to newly registered TGST taxpayers, 15 sessions to newly registered GGST taxpayers and 22 information sessions on MIRA connect were held during the year. Similarly, with the aim to improve the knowledge on taxes among government officials and students in school, 9 sessions for different

government offices and 12 sessions for different schools were held in 2018. Additional information sessions held during the year include sessions targeted at taxpayers that were engaged in construction work for government social housing schemes, and sessions to those taxpayers operating tourist guesthouses. In addition, information sessions were held regarding the new tax rulings issued throughout the year. Additionally, 66 information sessions were organized by the regional offices of MIRA, at regional level on different atolls and islands. Also, during the year, 40 one-to-one sessions were held in the Greater Male' area, while 1 such session was held at regional level.

Other programs held by the Maldives Tax Academy include 3 Continuing Professional Development (CPD) programs and 2 batches of Certificate 1 in Taxation. Additionally, information sessions on Zakat al-mal were held in B. Eydhafushi, B. Dharavandhoo, Th. Thimarafushi and Th. Veymandoo, in collaboration with Ministry of Islamic Affairs.

5.4.2 Community Engagement

MIRA is an organization which gives a lot of importance to actively participating in various activities to promote community engagement among staff. Every year, MIRA carries out various such activities, which are planned ahead of time. Apart from these activities, in 2018, MIRA also took part in a number of activities organized by different charitable organizations and government offices.

In 2018, staff of MIRA has donated approximately MVR 150,000 for various such causes. It is noteworthy that these donations do not include any money collected from taxpayers or any spending from MIRA's budget, but are voluntary contributions from the personal funds of MIRA staff.

During the year, MIRA staff visited the children's home, "Fiyavathi" and donated a number of essential items required for the children. A special children's evening which included various fun activities specially designed for these children was held at "Fiyavathi" during this visit. In addition, staff also donated to build a playground for the children at Care Society. Similar to previous years, MIRA staff also visited patients at IGMH and presented them with gifts.

In celebration of MIRA's 8th Anniversary, a blood donation camp was held this year as well. A large number of participants from MIRA and the general public took part in this successful event, organized in coordination with Maldivian Blood Services. Similar to previous years, another activity that was held as a part of MIRA's anniversary celebration was "Open Day", to which school students and people from general public were invited.

In addition to these activities, MIRA took part in the "Miles for Smiles" charity run organized by Ministry of Gender and Family, Ministry of Youth and Sports and Maldives Sports Corporation. MIRA also actively participated in the "Dengue Prevention" cleaning event organized by Hulhumale' Development Corporation (HDC). MIRA also took part in the "Beautiful Eyes - Buddy Walk" organized by the Down Syndrome Association of Maldives. A large number of staff from MIRA also participated in the cleaning events "Maa Saafu Male" and "National Cleaning Event" organized by Ministry of Environment.

To mark International Women's Day, grand celebrations took place this year as well. The women of MIRA were welcomed to work on red carpet and a special function was held where women of MIRA expressed their thoughts on empowerment and representation at the workplace. This year, International Men's Day was celebrated just as grandly. The men of MIRA were welcomed to work on red carpet and a special function was held where they expressed their thoughts about the day.



• Madhadhu - Fiyavathi Donation Event



• MIRA Blood Donation Camp



• Madhadhu - IGMH visit

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

5.5.1 Monitoring taxpayer compliance

To make the tax system of Maldives an efficient and effective system, MIRA aims to implement tax laws and regulations by educating taxpayers on their obligations. Monitoring taxpayer understanding of, and their compliance with, tax laws and regulations as well as taking necessary actions when required, is necessary to identify the tax base of the country and fundamental to establishing and sustainably maintaining an effective tax administration.

For this purpose, MIRA's Compliance Department reviews returns submitted by taxpayers, assesses the compliance level of taxpayers, identifies non-compliant businesses, and enforces tax laws and regulations accordingly. In

order to raise taxpayer awareness of changes to tax laws and regulations and inform them of required changes to business processes to comply with such amendments, one Saturday each month is dedicated for compliance activities carried out by the entire staff body of MIRA. 8,203 such visits were conducted during the year 2018, which includes visits carried out within the atolls by the regional branches, collection centers and the Compliance Department.

Under MIRA's Enforcement Policy, names of 1,005 non-compliant taxpayers were published and 65 taxpayers were skip-traced during the year.

5.5.2 Audits and Investigations

The tax system of Maldives is a 'self-assessment' system, in which taxpayers themselves declare the amount of taxes they are liable to pay. To determine the accuracy of information declared by taxpayers in their respective tax returns and to ascertain that taxpayers are making correct payments to MIRA, 4 departments carried out audit work in accordance with the Maldivian tax laws and regulations. With the aim to enhance efficiency of audits conducted, taxpayers were categorized per business type where different departments focused on a particular segment of businesses. In addition, to ensure transparency and fairness, all audit cases were discussed and approved by the Audit Committee. During the year 2018, 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 the year, 2,421 audits of 2,243 taxpayers were carried out, resulting in a tax impact of MVR 533.13 million. Audits completed were equivalent to 84% of the target set for the year 2018. 212 desk reviews were also completed during the year. In addition, during the atoll visits, 1,177 audits were conducted at 49 different islands.

In the year 2018, 37 investigation audits were completed with MVR 19.60 million being declared as tax impact. Criminal investigations were completed on 16 of these throughout the year.

Tax Type	Number of Audits conducted	Tax Impact (MVR, In millions)
TGST	355	121.28 m
GGST	1,015	107.35 m
Business Profit Tax	506	229.5 m
Withholding Tax	276	68.66 m
Bank Profit Tax	8	0.87 m
Green Tax	258	3.42 m
Airport Taxes and Fees	3	1.62 m

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. 103 such cases were filed at MIRA during the year 2018, which averages to 4 cases per 100 audits completed. This ratio has increased by 4% compared to that of 2017.

104 objection cases were completed during the year, which includes cases carried forward from 2017 and those received in 2018. The completed cases include 7

cases without any adjustments to the assessed amounts, 20 cases which were partially accepted, and 7 cases of which the objections were fully allowed. 68 cases were disallowed and 9 cases were withdrawn by the taxpayers.

In 2018, 3 cases were filed at the Tax Appeal Tribunal regarding the decisions made by objection section, which is 2.89% of the cases completed during the year and a 4% decline compared to the number of appealed cases in 2017.

Tax Type	Completed	Allowed	Allowed in part	Disallowed	Withdrawn
General Goods and Service Tax	41	3	10	25	3
Tourism Goods and Service Tax	14	1	4	6	3
Withholding Tax	14	1	1	11	-
Business profit Tax	33	1	5	26	2
Green Tax	2	1	-	-	1
Total	104	7	20	68	9

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 1.82 billion and with this, the total enforced collection by MIRA over the years has reached to MVR 7.3 billion.

During the year 2018, dunning notice was issued to 8,872 non-payers and 12,157 notices to non-filers. Among them, 7,466 taxpayers have responded to those notices. A total of MVR 955.12 million was recovered through the dunning process.

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 18.19 million was recovered last year. Additional MVR 124.46 million was recovered under bank account freezing action, and

MVR 162.6 million was recovered through dues clearance procedures. MIRA also made arrangements with 233 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 at the Civil Court. During the year 2018, 151 cases were filed at Civil Court by MIRA. In 2018, 20 cases were filed against MIRA, which includes 7 cases filed with the High Court, 2 cases filed with Employment Tribunal and 11 cases filed with the Tax Appeal Tribunal.

From the decisions made by courts, 69 cases were decided in favor of MIRA, 2 cases were decided against MIRA and 25 cases were settled through dispute resolution.

5.6 Activities carried out to establish beneficial relationships

5.6.1 Establishing relationship with state owned institutions

Being the institution that collects the majority of government revenue, MIRA gives great importance to building relationships with relevant government institutions in order to ensure efficient collection of revenue. During 2018, MIRA entered to an MoU with

Ministry of Finance and Treasury and Department of Higher Education to assist in collecting monies disbursed under Education Development Fund. An MOU was also signed with R.Ungoofaaruu council to provide efficient services to taxpayers residing in Raa Atoll.

5.6.2 Establishing relationship international bodies and tax authorities

MIRA joined the Belt and Road Tax Initiative (BRI) in 2018, which was initiated by China and Kazakhstan. The main purpose of Belt and Road Tax Initiative is to facilitate tax administration cooperation amongst the member countries through tax dispute resolution, capacity building and to promote sharing of experiences and best practices in tax administration.

Furthermore, MIRA worked with Global Forum on implementing the standards required to implement Automatic Exchange of Information (AEOI) Standard in Maldives. Meetings were held with Global Forum Secretariat, Mr. Sivasankaran Pattanam, and the Information Security Management Consultant, Ms. Christine Fox, to monitor the extent to which MIRA was able to achieve the tasks of AEOI action plan computed during the previous year and discussions on the remaining tasks were held.

MIRA participated in OECD's Tax Inspectors Without Borders (TIWB) program during 2018. Under this program, a technical expert specialized in transfer pricing has been appointed to assist MIRA's staff. An expert from Slovakia, Ms Silvia Karelava, has assisted and trained several teams of MIRA in carrying out transfer pricing related audits throughout year. Four teams comprising of MIRA auditors were formed under this program, and these groups were trained on how to conduct transfer pricing audit cases. The TIWB program is facilitated by the OECD and UNDP. The program will be carried out for a two-year period and the main aim of this program is to develop auditors specialized for transfer pricing related audits in MIRA. Auditors trained under this program have been receiving assistance from Ms. Silvia Karelava through offshore and face-to-face discussions.



• DTA negotiation with Singapore



• MIRA joined the assistance program provided by the Tax Inspectors Without Borders (TIWB)

5.6.3 Tax Treaties

During the year, MIRA concluded the first round of Double Tax Avoidance Agreement negotiations with Singapore, which was held from 9 - 11 July 2018. The Inland Revenue Authority of Singapore led the Singapore delegation and Maldivian delegation was led by MIRA. In addition to Singapore, several other bilateral agreements

are also being negotiated with other countries. These agreements will prevent businesses engaged in cross-border economic activities from being taxed on the same income in two jurisdictions (double-taxation) and in some instances, from being taxed in neither countries (double non-taxation).

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

Status at the end of 2018

The following tables shows the strategic priorities outline 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 2018
Establish a regionally recognized tax training institute	Two programs of Certificate 1 in Taxation in Maldives were carried out during the year. Development work on a Certificate Level 2 course was also carried out during the year.
95% of taxpayers scoring at least 90% in the survey examining the knowledge of taxpayers on basic tax matters	During the year, a survey was conducted with the aim to examine the knowledge of taxpayers regarding information on tax system. In this survey 13% of taxpayers scored more than 90%

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

Key Performance Indicator	Status at the end of 2018
Determine the tax gap and yearly reduction of the tax gap	Due to difficulties to obtain some required basic information, the tax gap was not determined during the year.
Enable online filling and payment for all taxes	During the year, MIRA mobile application's payment option was extended to include payment of Zakat-al Mal.
Ensure that at least 75% of tax returns are filed online, and 50% of payments are made online	57% of the returns submitted to MIRA during the year 2018 were filed online, and 67% of the payments collected were processed online.
MIRA presence in all atolls	In the year 2018, 3 collection centers were officially opened across the country. They are Hulhumale, Ungoofaaruu & Naifaruu collection center.
Establish strong relationships with other tax authorities and build a network of tax treaties	During the year, Double Tax Avoidance Agreement negotiations were carried out with Singapore.

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 2018
Achieve at least 95% on-time filling and payment rate	82% returns were submitted on-time during the year.
Annual increment in the percentage of return filled without errors	97% of the returns received to MIRA during the year were error-free.
Establish a fully automated risk profiling and audit selection system	A committee was established to enhance the functioning of the Audit Case Manager, and to establish an automated risk profiling system.

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

Key Performance Indicator	Status at the end of 2018
Annual reduction in arrears-to collection ratio	Arrears-to-collection ratio for the year 2018 is 6.9%
Annual reduction in the number of days taken to collect arrears from a taxpayer	With the assistance of technical consultants, development work on a mechanism to compute age analysis of arrears was carried out.

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

Key Performance Indicator	Status at the end of 2018
Improve the spending-to-collection ratio to 40 Laari per MVR 100 collected	Spending-to-collection ratio for the year 2018 is 58 Laari per MVR 100 collected.
Communicate the organizational risks to staff and take steps to minimize them	With the assistance of a technical expert from IMF, a Compliance Risk Management Committee was established and organizational risk areas were identified. Assigned risk officers were trained by the expert and steps for mitigating risks were determined.
Publication of information at continuous and regular intervals	All information, reports and news to be disseminated under Tax Acts and Regulations were published as per the information dissemination policy.

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

Key Performance Indicator	Status at the end of 2018
At least 80% of staff achieving 75% marks or higher in the quarterly performance appraisal	63% of staff achieved 75% marks or higher in the quarterly performance appraisals carried out during the year.
Improve graduate employees' ratio to 70%	Graduate Employees ration by the end of the year was 56%
At least 20% of staff are members of a professional accounting body	By the end of 2018, 8% of the staff were members of a professional accounting body.
Retain at least 90% of staff annually	78% of the staff were retained during the year.
Increase the working area per staff	Administrative work is being carried out at two buildings and adequate working space has been allocated for the staff.

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

Key Performance Indicator	Status at the end of 2018
Automate all administrative processes	Work was done on establishing a Customer Relationship Management System and to develop the reporting function of the SAP system.
Improve service standards to fulfil the requirements of ISO9001	IOS standards were identified during the year and a plan to attain the standards was drafted during the year.
Integrate all revenue collection into a single platform	By the end of 2018, 2 systems were being used for revenue collection, which are Nexus and SAP. 12 types of revenue are being collected via SAP.
Zero errors in data	Activities were carried out to improve data collection and to enhance record keeping mechanisms. In addition, staff were trained on resolving data management issues.

OUTLOOK 2019

MIRA faces its 9th year of service with the aim to further optimize the service provided to taxpayers and fulfill MIRA's international obligations.



7. OUTLOOK 2019

To widen and strengthen the efforts expended by MIRA over the past 8 years to establish a modern tax system in the Maldives, various activities have been planned for the year 2019. MIRA faces its 9th year of service with the aim to further optimize the service provided to taxpayers, fulfill MIRA's international obligations, and develop the technical expertise of MIRA's staff.

The forecasted revenue for 2019 in MVR 16.81 Billion. This is an increase of 2.7% over the amount received in 2018.

With MIRA's first strategic plan winding up by the end of 2019, the new strategic plan of MIRA for the years 2020 to 2024 will be formulated within this year. It is planned for a mission from International Monetary Fund (IMF) to assist MIRA with identifying the key milestones for this period, and to develop the new strategic plan.

Various activities have been planned for 2019 to develop the technical expertise of MIRA staff. A special Transfer Pricing Unit will be established with the aim to develop staff who have expertise in the area of transfer pricing, and special trainings to develop their knowledge and skills are to be conducted. As such, a transfer pricing expert is to

visit MIRA over several missions in 2019 under the Tax Inspectors Without Borders (TIWB) program of the OECD. In addition, a consultant in transfer pricing from Central Board of Direct Taxes (CBDT) will be having a 3-month deputation at MIRA to train the staff on tackling transfer pricing issues.

With the intention of providing services to those living across different parts of Maldives in a more accessible way, MIRA plans to open several offices during 2019. 6 new offices are planned to be opened at different points of the country during this year. In addition, to make it even more convenient for taxpayers to fulfill their tax obligations, MIRA plans to introduce payment options via Maldives Islamic Bank and State Bank of India payment gateways for MIRA's online service, MIRAconnect.

To bring the tax system of Maldives to international standards, several activities have been planned for 2019. The main objectives for the year include implementation of the Automatic Exchange of Information (AEOI) and Country-by-Country Reporting (CbCR) systems, which Maldives is obligated to fulfill as members of Global Forum and Inclusive Framework.

FINANCIAL STATEMENTS 2018

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



Statement of Receipts & Payments

For the year ended 31st December 2018

	Note	Public & Other Bank A/c's	Grants Received / Expenditure	Public & Other Bank A/c's	Grants Received / Expenditure
Receipts		2018	2018	2017	2017
Expenses from Allocated Budget	3	93,445,956	-	86,007,580	-
Previous Year's Expenses paid during Current Financial Year	4	1,462,315	-	5,641,043	-
Receipts for the Government (After deducting Refunds)	5	16,287,864,888	-	15,189,686,744	-
Non-Revenue Collection by the Authority (After deducting Refund)	6	268,609	-	1,395,114	-
Zakat-Al Mal, Sadaqah & Donations Received	5	66,643,710	-	63,365,742	-
Grants Received during the Current Year	18	-	3,469,500	-	486,525
Total Receipts		16,449,685,478	3,469,500	15,346,096,223	486,525
Payments					
Personal Emoluments	7	64,284,086	-	62,299,251	-
Pension and Redundancy	8	1,668,151	-	1,631,210	-
Travel Expenses	9,18	4,257,772	11,498	3,817,505	37,017
Supplies and Requisites	10	2,752,369	-	2,832,330	-
Operational Services	11	7,798,922	-	9,847,292	-
Training	12	2,138,049	-	1,673,435	-
Repairs and Maintenance	13	2,464,963	-	2,144,673	-
Grants, Contributions and Subsidies	14	1,591,023	-	713,058	-
Exchange rate losses & gains	15	-	-	-	-
Furniture, Machinery & Equipments	16	7,943,432	-	6,637,194	-
Deposits to Zakat Fund handed over to Min. of Islamic Affairs from the Collection by the Authority	5	66,643,710	-	63,365,742	-
Deposits to Public Bank Account from the Revenue Collected by the Authority for the Government		16,242,051,779	-	15,291,828,773	-
Total Payments (After Deducting Refunds from Deposits to Public Bank Account)		16,403,594,255	11,498	15,446,790,464	37,017
Increase/Decrease of Cash Flow during the Current Year		46,091,222	3,458,002	(100,694,241)	449,508
Opening Balance of Cash		33,443,833	678,743	134,138,074	229,235
Increase/Decrease of Cash Flow during the Current Year		46,091,222	3,458,002	(100,694,241)	449,508
Closing Balance of Cash		79,535,056	4,136,745	33,443,833	678,743

The Financial Statements are prepared and presented to the best of our knowledge, without any misleading or inaccurate information. On 09 June 2019, witness to this, the signatories on behalf of Maldives Inland Revenue Authority are:



Hassan Zareer
Deputy Commissioner General of Taxation



Ahmed Shafneez
Director General, Administration & Finance

Statement of Budget & Expenditure

For the year ended 31st December 2018

	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Variances between Final Budget & Expenditure
Budget Received						
Allocated Budget / (Actual Expenditure)	76,578,436	-	20,562,296	97,140,733	96,337,051	803,682
Total	76,578,436	-	20,562,296	97,140,733	96,337,051	803,682
Recurrent Expenditure						
Personal Emoluments	60,671,045	107,168	3,543,623	64,321,836	64,171,086	150,750
Pension and Redundancy	1,909,054	(107,168)	-	1,801,886	1,668,151	133,735
Travel Expenses	1,185,000	1,334,026	1,429,833	3,948,859	3,948,567	292
Supplies and Requisites	1,744,786	122,863	941,849	2,809,499	2,795,259	14,240
Operational Services	8,688,450	(2,867,836)	1,922,397	7,743,011	7,733,569	9,442
Training	1,168,941	775,744	168,226	2,112,911	2,112,641	270
Repairs and Maintenance	388,640	1,996,153	(145,330)	2,239,463	2,188,686	50,777
Grants, Contributions and Subsidies	715,100	898,968	(23,045)	1,591,023	1,591,023	-
Exchange rate losses & gains	-	-	-	-	-	-
Total Recurrent Expenditure	76,471,016	2,259,918	7,837,553	86,568,488	86,208,982	359,506
Capital Expenditure						
Furniture, Machinery & Equipments	107,420	(2,259,918)	12,724,743	10,572,245	10,128,069	444,176
Total Capital Expenditure	107,420	(2,259,918)	12,724,743	10,572,245	10,128,069	444,176
Total Expenditure	76,578,436	-	20,562,296	97,140,733	96,337,051	803,682
Actual Budget Balance						803,682

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

Notes to the Financial Statements (in Maldivian Rufiyaa)

As at 31 December 2018

1. Introduction

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

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

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

2.1 Financial Statements

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

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

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

2.2 Basis of Presentation

The financial statements are prepared in accordance with the "International Public Sector Accounting Standard: Financial Reporting under the Cash-Basis of Accounting". As such, expenditure under the Statement of Receipts

and Payments were recorded on the date cheques are logged in the cash book in the Ministry of Finance and Treasury's accounting software (SAP) or on the date bank transfers were authorized. This statement includes the financial transactions undertaken between 1 January to 31 December.

Expenditure stated under the Statement of Budget and Expenditure include the expenses during the year from the approved budget by the People's Majilis, and the current year's expenses paid during the initial 30 (thirty) working days of the following financial year. Due to the differences in the standards used in preparing these statements, a reconciliation statement is included in Note 19 to illustrate the differences in both statements.

Details stated under the Statement of Budget and Expenditure include the budget approved and allocated by the People's Majlis for the financial year 2018, expenditure from the allocated budget, receipts by the Authority on behalf of the government, expenses paid during the current financial year for goods and services received in the previous year and financial assistance from various bodies during the financial year.

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

2.3 Grants from Overseas Agencies

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

2.4 Foreign-currency transactions

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

2.5 Comparatives

In addition to the 2018's Financial Statement figures, 2017's Financial Statement's figures are presented for comparison purposes.

2.6 Information related to the budget

The 2018 financial statement includes the budget approved by People's Majilis to this Authority, additions and deductions by Ministry of Finance & Treasury, and virements made without affecting the total budget. Explanation(s) will be provided for instances where there is no authorization to expend from a budget surplus. Final budget is reflective of such revisions to the budget. Except for grants and cash withdrawals from budget, MIRA is responsible for all cash or cash equivalents received and are of direct control of the cash until it is deposited to the Public Bank Account. It is highlighted in the Notes to the Financial Statements that MIRA is not authorized to disburse from this cash.

3. Allocated Budget, Expenditure & the Actual Budget Balance

Details	2018	2017
Approved Budget for Maldives Inland Revenue Authority by People's Majilis	76,578,436	59,843,651
Additions/Deductions to Budget	20,562,296	27,844,226
Final Budget	97,140,732	87,687,877
Total Expenditure from Final Budget	(93,434,458)	(86,007,580)
Payments made from 2017 Budget within the initial 30 working days of the following financial year	(2,912,098)	(1,462,315)
Increase/Decrease in Petty Cash during the Financial Year	9,505	52,675
Actual Budget Balance	803,682	270,657

4. Summary of Previous Year's Pending Bills processed in the current financial year

	2018
211001 Salaries and Wages	113,000
221001 Travelling Expenses - Local Sea Travel	6,012
221002 Travelling Expenses - Local Land Travel	255
221003 Travelling Expenses - Local Air Travel	71,253
221004 Travelling Expenses - Overseas	222,881
222001 Stationery and Office Requisites	72,177
222002 IT Related Materials	12,455
222003 Fuel and Lubricants	6,301
222004 Meals for Employees During Office Hours	4,505
222005 Electrical Items	4,200
222008 Supplies for Office Cleaning	367
222999 Other Administrative Supplies	9,675

		2018
223001	Telephone, Fax and Telex	32
223002	Electricity	18,672
223003	Drinking water and sewerage	32
223004	Leased Line and Internet	2,864
223006	Hiring Charges	689
223008	Cleaning Services and Waste Disposal	2,000
223009	Postage & Message	1,281
223010	Announcements, Subscriptions and Advertisements	46,040
223011	Carriage and Conveyance	5,018
223012	Meeting or Seminar Related Expenses	3,434
223013	Official competitions and ceremonies	21,500
223014	Social Development Programs	12,966
223016	Consultancy, Translation & Other Related Services	75,277
223020	Printing Services	78,272
223024	Bank Charges and Commission	3,638
223999	Other Administrative Services	39,682
225002	Short Course Fees & Expenses - Overseas Training	31,858
225006	Staff training	9,600
226002	Repairs - Non-Residential Buildings	18,450
226010	Repairs - Machinery and Equipment	1,200
226013	Repairs - Computer Software	460,040
226014	Repairs - IT-Related Hardware	1,400
423001	Furniture & Fittings	46,990
423002	Machinery and Equipment	23,319
423008	IT Hardware	34,980
Total Expenditure		1,462,315

5. Receipts by the Authority as Income for the Government

Revenue Accounts	Revenue Clearing Collection (Atoll Councils +MED) 2018	Main & regional Offices Collection 2018	Total Collection 2018	Total Collection 2017
Tax Revenue				
113001	Tourism Tax	-	3,561	3,561
113002	Land Sales Tax	1,062,138	38,290,501	39,352,639
113003	Business Profit Tax	452,408	2,076,953,230	2,077,405,638
113004	Ownership Transfer Tax	-	383,500	383,500
113005	Bank Profit Tax	-	564,102,077	564,102,077
113006	Withholding Tax	1,359	632,911,429	632,912,788
114001	GST (Tourism)	-	4,783,338,321	4,783,338,321
114002	GST (General)	2,841,045	2,903,824,741	2,906,665,786
119001	Sale of Revenue Stamps	-	47,580,636	47,580,636
119002	Green Tax	-	810,525,818	810,525,818
119004	Airport Service Charge	-	643,250,528	643,250,528
119005	Remittance Tax	-	101,829,059	101,829,059
Royalty				
118001	Duty-Free Shop Royalty	-	76,324,061	76,324,061
118007	Fuel Re-Export Royalty	-	131,126	131,126
Non-Tax Revenue				
121001	Company Annual Fee	2,220,500	13,964,632	16,185,132
121002	Restaurant, Café, Canteen Fee	1,059,015	1,202,830	2,261,845
121003	Non-Fisheries Vessel Fee	956,472	25,680,355	26,636,827
121043	Sale of Tender documents	-	198,833	198,833
121055	Flat Maintenance	-	554,092	554,092
121075	Sale of Pass	-	2,965,677	2,965,677
121076	Resident Permit	-	304,371,750	304,371,750
121079	Import Trade Fee	4,319,010	5,514,860	9,833,870
121085	Co-operative Society Annual Fee	1,000	6,000	7,000
121086	Co-operative Society Registration Fee	800	-	800
121088	Trade Registry Fee	1,787,400	10,250	1,797,650
121089	Foreign investment administration annual fee	-	2,028,400	2,028,400
121092	Lease Period Extension	-	76,700,000	76,700,000
121093	Construction Period Extension Fee	-	105,197,100	105,197,100
121094	Airport Development Fee	-	647,005,652	647,005,652
121095	Corporate Social Responsibility Fee	-	7,680,000	7,680,000
121096	Tourism Administration Fee	-	21,484,000	21,484,000
121999	Other fees & charges	-	6,284,023	6,284,023
123001	Company Registration Fee	3,977,155	43,040	4,020,195

Revenue Accounts	Revenue Clearing Collection (Atoll Councils +MED) 2018	Main & regional Offices Collection 2018	Total Collection 2018	Total Collection 2017
123002 Partnership Registration Fee	396,000	-	396,000	328,000
123004 Guest House Registration Fee	-	555,500	555,500	635,373
123006 Foreign Trading Approval Fee	-	18,452	18,452	13,500
123007 Dive School Registration Fee	-	110,000	110,000	155,000
123014 Motor Vehicle License Fee	1,605,406	90,779,287	92,384,693	83,813,304
123017 Motor Vehicle and Vessel Registration Fee	-	110,000	110,000	146,500
123019 Bank Mortgage Registration Fee	-	480,000	480,000	480,000
123034 Sole Trader Registration Fee	1,148,800	58,700	1,207,500	1,189,500
123999 Other Registrations & License Fees	-	4,397,051	4,397,051	3,747,036
125001 Rent from Goifaalabba, Hinna	66,433	13,759,796	13,826,229	6,801,212
125002 Rent from Government Buildings	-	3,313,259	3,313,259	3,435,640
125003 Rent from Resorts	-	1,532,773,548	1,532,773,548	1,401,635,712
125004 Rent from Land for Commercial Purposes	-	99,792,130	99,792,130	111,408,005
125005 Rent from Land for Industry	290,227	7,481,133	7,771,361	8,311,090
125008 Rent from Islands for Long Term Agriculture	-	17,332,196	17,332,196	15,100,189
125009 Rent from Floating Jetty	-	84,000	84,000	96,000
125010 Falhu rah rah belehettumah rayyithu-nah dhey	-	-	-	-
125012 Land Acquisition and Conversion fee	-	322,065,841	322,065,841	543,512,032
131001 Sale of items at auction	-	-	-	-
131002 Sale of Government Building	-	790,247	790,247	874,046
131003 Sale of Government Land	1,389,466	39,745,703	41,135,169	26,647,124
126001 Fine-Breach of Law	354,235	148,907,157	149,261,392	97,684,042
126002 Fine-Breach of Regulation	44,713	19,893,548	19,938,261	21,705,901
126003 Fine-Breach of Agreement	9,051	20,627,736	20,636,787	43,477,647
126006 Traffic Violation Charges	456,961	36,173,950	36,630,911	32,760,159
126999 Other Fines and Penalties	-	3,232	3,232	2,304
129002 Reimbursement from Previous Year Budget	-	89,910	89,910	104,497
129001 Cash Received for Which Purpose Is Unknown	18,450	15,703	34,153	44,694
129998 Revenue Clearing Account	5,422,180	-	5,422,180	2,604,611
Total	29,880,225	16,259,698,161	16,289,578,386	15,190,567,843

Refunds Issued	2018	2017
119004 Airport Service Charge	(4,311)	-
113003 Business Profit Tax	-	(13,230)
121003 Non-Fisheries Vessel Fee	(89,550)	(196,250)
121096 Tourism Administration fee	(1,537,000)	-
121999 Other Fees and Charges	(61,138)	-
123014 Motor Vehicle Licence Fee	(162)	(756)
125001 Rent from Goifaalabba, Hinna	(12,537)	(479)
125012 Land acquisition and conversion fee	-	(661,986)
126006 Traffic Violation Charges	(3,250)	(4,500)
129001 Cash Received for Which Purpose Is Unknown	(5,550)	(3,898)
	(1,713,498)	(881,099)
Total Revenue Collected as Income for the Government	16,287,864,888	15,189,686,744

Zakat-al-Mal and Donations/ Sadaqah Collected by the Authority, handed over (deposited) to Ministry of Islamic Affairs	2018	2017
129007 Zakat Al-Mal	66,570,328	63,336,833
129008 Donations / Sadaqah	73,382	28,909
	66,643,710	63,365,742

6. Non- Revenue Collection by the Authority

Deposits	2018	2017
513012 Temporary Deposits	-	767,800
513010 Security Deposits collected to MIRA	583,333	-
513006 Foreign Trade Deposits	-	627,314
631003 Loan and National Student Loan	211,641	-
	794,974	1,395,114

Refunds Issued	2018	2017
513006 Foreign Trade Deposits	(526,365)	-
	(526,365)	-
	268,609	1,395,114

7. Expenditure on Personal Emoluments

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
211001 Salaries and Wages	27,272,200	(2,651,265)	620,248	25,241,182	25,221,517	24,604,953
211002 Overtime pay	4,423,770	384,565	403,075	5,211,410	5,204,740	5,035,930
212002 Professional Allowance	-	-	-	-	-	-
212005 Ramazan Allowance	1,065,000	(216,200)	-	848,800	848,800	828,500
212009 Special Allowance (Car Allowance)	90,000	-	-	90,000	90,000	90,000
212014 Dependents' Allowance	7,603,750	593,145	691,600	8,888,495	8,876,895	8,592,250
212017 Annual Leave Cancellation Allowance	-	218,250	18,800	237,050	220,300	245,917
212023 Exclusive Job Allowance	10,565,900	973,975	968,075	12,507,950	12,492,000	12,073,850
212024 Phone Allowance	254,450	47	10,265	264,762	264,128	239,117
212025 Risk Allowance	273,600	(9,520)	-	264,080	264,080	257,800
212027 Service Allowance	9,122,375	813,930	831,560	10,767,865	10,754,815	10,387,745
212999 Other Allowances	-	241	-	241	241	714
(Late fine)	-	-	-	-	(66,431)	(57,524)
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	113,000	-
	60,671,045	107,168	3,543,623	64,321,836	64,284,086	62,299,251
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	-	113,000
	60,671,045	107,168	3,543,623	64,321,836	64,171,086	62,412,251

8. Expenditure on Pension and Redundancy

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
213006 Contribution to Maldives Retirement Pension Scheme	1,909,054	(107,168)	-	1,801,886	1,668,151	1,631,210
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	-	-
	1,909,054	(107,168)	-	1,801,886	1,668,151	1,631,210
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	-	-
	1,909,054	(107,168)	-	1,801,886	1,668,151	1,631,210

9. Expenditure on Travel Expenses

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
221001 Travelling Expenses - Local Sea Travel	180,000	(639,859)	1,477,519	1,017,660	1,016,261	186,410
221002 Travelling Expenses - Local Land Travel	5,000	1,875	(800)	6,075	6,075	7,726
221003 Travelling Expenses - Local Air Travel	500,000	360,250	(4,732)	855,518	855,518	1,970,623
221004 Travelling Expenses - Overseas	500,000	1,611,760	(42,154)	2,069,606	2,069,314	1,634,169
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	300,401	18,578
	1,185,000	1,334,026	1,429,833	3,948,859	4,247,569	3,817,506
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	1,399	300,401
	1,185,000	1,334,026	1,429,833	3,948,859	3,948,567	4,099,329

10. Expenditure on Supplies and Requisites

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
222001 Stationery and Office Requisites	1,255,896	(70,000)	357,205	1,543,101	1,523,926	1,397,712
222002 IT Related Materials	87,395	(56,975)	517,718	548,138	439,110	326,672
222003 Fuel and Lubricants	68,498	(16,250)	(949)	51,299	48,377	45,751
222004 Meals for Employees During Office Hours	-	180,000	(12,441)	167,559	146,079	117,625
222005 Electrical Items	13,745	30,000	(9,265)	34,480	34,480	41,061
222007 Uniform items	190,512	(102,119)	90,000	178,393	164,189	41,076
222008 Supplies for Office Cleaning	73,740	71,000	2,919	147,659	147,659	129,817
222009 Utensils and Accessories	5,000	2,207	(500)	6,707	6,707	3,855
222010 Office Decoration Materials	-	-	-	-	-	-
222011 Curtains, Table Cloths Etc	-	-	-	-	-	-
222999 Other Administrative Supplies	50,000	85,000	(2,837)	132,163	132,163	105,280

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	109,680	623,479
	1,744,786	122,863	941,849	2,809,499	2,752,369	2,832,330
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	152,570	109,680
	1,744,786	122,863	941,849	2,809,499	2,795,259	2,318,532

11. Expenditure on Operational Services

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
223001 Telephone, Fax and Telex	319,193	(313,648)	280,548	286,093	279,929	532,866
223002 Electricity	189,700	95,771	10,223	295,694	295,694	190,339
223003 Drinking water and sewerage	30,720	(27,051)	-	3,669	3,075	460
223004 Leased Line and Internet	1,200,000	0.40	-	1,466,714	1,466,714	1,065,136
223005 Building rent and Land rent	2,460,734	(1,118,811)	-	2,460,734	2,460,734	2,499,923
223006 Hiring Charges	15,000	18,509	(5,389)	28,120	28,120	9,987
223008 Cleaning Services and Waste Disposal	71,436	26,634	70,000	168,070	135,202	52,575
223009 Postage & Message	156,000	(107,283)	(13,520)	35,197	35,197	406,868
223010 Announcements, Subscriptions and Advertisements	349,899	(836,921)	850,039	363,017	297,025	286,862
223011 Carriage and Conveyance	40,400	33,920	(2,228)	72,092	38,172	45,797
223012 Meeting or Seminar Related Expenses	50,000	15,000	(9,818)	55,182	55,182	66,454
223013 Official competitions and ceremonies	-	307,110	(843)	306,267	303,781	247,307
223014 Social Development Programmes	25,000	(200,508)	242,870	67,362	67,188	189,878
223016 Consultancy, Translation & Other Related Services	-	92,875	-	92,875	92,875	82,398
223017 Expenses on Foreign Dignitaries	35,000	(2,458)	-	32,542	32,542	51,617
223018 Visa, Work permit Fees of Expatriate Staff	5,000	17,250	-	22,250	22,250	9,000
223019 Fees to the Government	9,126	11,842	-	20,968	20,968	7,056
223020 Printing Services	1,218,124	(62,372)	484,721	1,640,473	1,526,290	1,206,962

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
223023 Participation in Fairs	-	845	-	845	845	374
223024 Bank Charges and Commission	2,290,000	(2,166,463)	21,083	144,620	144,220	2,392,681
223025 Insurance	154,323	(40,373)	-	113,950	113,950	107,700
223999 Other Administrative Services	68,795	2,771	(5,289)	66,277	66,277	70,178
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	311,398	324,875
	8,688,450	(2,867,836)	1,922,397	7,743,011	7,797,627	9,847,292
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	247,340	311,398
	8,688,450	(2,867,836)	1,922,397	7,743,011	7,733,569	9,833,814

12. Expenditure on Training

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
225001 Scholarship and Fellowship Assistance	255,157	128,658	(34,388)	349,426	334,307	108,020
225002 Short Course Fees & Expenses - Overseas Training	228,142	779,785	(29,862)	978,065	978,065	841,924
225003 Workshops Related Expenses	-	-	-	-	-	-
225004 Course Fees & Related Expenses - Local Training	685,642	(273,831)	-	411,811	411,811	371,691
225005 Conducting Training Courses	-	-	-	-	-	-
225006 Staff training	-	141,132	232,477	373,609	372,409	303,074
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	41,458	48,726
	1,168,941	775,744	168,226	2,112,911	2,138,049	1,673,435
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	16,049	41,458
	1,168,941	775,744	168,226	2,112,911	2,112,641	1,666,167

13. Expenditure on Repairs and Maintenance

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
226002 Repairs - Non-Residential Buildings	388,640	20,719	(136,570)	272,789	248,043	271,602
226009 Repairs - Furniture & Fittings	-	10,500	(6,000)	4,500	4,500	-
226010 Repairs - Machinery and Equipment	-	97,885	(2,466)	95,419	86,234	36,744
226013 Repairs - Computer Software	-	1,186,791	75	1,186,866	1,096,332	1,191,701
226014 Repairs - IT-Related Hardware	-	633,212	-	633,212	502,086	-
226016 Repairs - Motor Vehicles	-	47,046	(369)	46,677	46,677	20,191
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	481,090	624,435
	388,640	1,996,153	(145,330)	2,239,463	2,464,963	2,144,673
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	204,813	481,090
	388,640	1,996,153	(145,330)	2,239,463	2,188,686	2,001,328

14. Expenditure on Grants, Contributions and Subsidies

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
228007 Subscriptions & Fees to International Org.	715,100	898,968	(23,045)	1,591,023	1,591,023	713,058
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	-	-
	715,100	898,968	(23,045)	1,591,023	1,591,023	713,058
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	-	-
	715,100	898,968	(23,045)	1,591,023	1,591,023	713,058

15. Expenditure on Exchange rate losses & gains

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
281003 Losses on Exchange Rate	-	-	-	-	-	-
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	-	-
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	-	-

16. Capital Expenditure

Details	Allocated Budget 2018	Budget Virements	Additions/ Deductions	Final Budget for 2018	Total Expenditure 2018	Total Expenditure 2017
423001 Furniture & Fittings	52,420	(250,843)	378,440	180,017	114,449	371,745
423002 Machinery and Equipment	30,000	338,138	(25,054)	343,085	287,778	180,537
423005 Reference Books & Exhibition Goods	-	1,350	(1)	1,349	1,349	5,827
423006 Communication Infrastructure	20,000	41,777	-	61,777	26,777	54,974
423007 Computer Software	-	(2,228,803)	2,228,803	-	-	-
423008 IT Hardware	5,000	(173,972)	10,146,505	9,977,533	7,399,305	2,023,161
423999 Other Equipments	-	12,434	(3,950)	8,484	8,484	-
424001 Motor Vehicles	-	-	-	-	-	-
451012 Minor Extensions to Non-residential Buildings	-	-	-	-	-	-
Payments made from previous year's budget within the initial 30 working days of current financial year	-	-	-	-	105,289	4,000,951
	107,420	(2,259,918)	12,724,743	10,572,245	7,943,432	6,637,194
Payments made from current financial year's budget within the initial 30 working days of the next financial year	-	-	-	-	2,289,926	105,289
	107,420	(2,259,918)	12,724,743	10,572,245	10,128,069	2,741,532

17. Payments made from 2018's budget within the initial 30 working days of the following financial year

Details	2018
221001 Travelling Expenses - Local Sea Travel	1,399
222001 Stationery and Office Requisites	19,175
222002 IT Related Materials	109,028
222003 Fuel and Lubricants	2,887
222004 Meals for Employees During Office Hours	21,480
223003 Drinking water and sewerage	579
223008 Cleaning Services and Waste Disposal	32,867
223010 Announcements, Subscriptions and Advertisements	63,130
223011 Carriage and Conveyance	33,920
223013 Official competitions and ceremonies	2,486
223014 Social Development Programmes	175
223020 Printing Services	114,183
225001 Scholarship and Fellowship Assistance	14,849
225006 Staff training	1,200
226002 Repairs - Non-Residential Buildings	24,745
226010 Repairs - Machinery and Equipment	9,185
226013 Repairs - Computer Software	67,900
226014 Repairs - IT-Related Hardware	102,982
423001 Furniture & Fittings	65,568
423002 Machinery and Equipment	55,306
423006 Communication Infrastructure	35,000
423008 IT Hardware	2,134,052
	2,912,098

18. Grants Received during the Current Financial Year

Details	Grants/ Expenses 1 - 2018	Grants/ Expenses 2 - 2017
Opening Balance of Grants received b/f from Previous Year	678,743	229,235
Grant received from ADB - Technical assistance to strengthen the tax administration from ADB's Domestic Resource Mobilization Trust Fund	3,469,500	-
Grant received from Ministry of Islamic Affairs to be utilized for "Zakat Campaign" to create awareness among the public regarding Zakat-al-Mal	-	486,525
Total Grants Received	4,148,243	715,760

Details	Grants/ Expenses 1 - 2018	Grants/ Expenses 2 - 2017
<i>Expenditure from Grants</i>		
223012 Meeting or Seminar Related Expenses	1,295	-
221003 Travelling Expenses - Local Air Travel	10,202	37,017
	11,498	37,017
Balance of Grants after Deducting Expenses*	4,136,745	678,743

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

The Statement of Receipts and Payments was prepared as per the cash-basis by recording the income in financial statements on the date it was received. The expenses were recorded in the Statement of Receipts and Payments on the date the payment was run in SAP system. This statement comprises of receipts and payments for the

financial year commencing on 1 January 2018 and ending on 31 December 2018. However, the Statement of Budget and Expenditure includes the payments made from 2018 financial year's budget within the initial 30 (thirty) working days of the following financial year. Below is the reconciliation of the differences in these two statements.

Total Expenditure as per Statement of Budget & Expenditure	96,337,051
Add:	
Payments made from 2017's budget within the initial 30 working days of current financial year (2018)	1,462,315
Deduct:	
Payments made from 2018's budget within the initial 30 working days of current financial year (2019)	2,912,098
Total Expenditure as per Statement of Receipts & Payments	94,887,268
Increase/Decrease in Petty Cash during the Financial Year	9,505
Total	94,896,774

Statement of Assets as at 31st December 2018

	Note	2018	2017
Non-Current Assets			
Closing Balance of Fixed Assets	4	97,644,789	87,093,744
Total of Non-Current Assets		97,644,789	87,093,744
Current Assets			
Cash Receivables	2	2,247,056,344	789,527,446
Outstanding Payables	3	2,912,098	1,462,316
Cash-In-Hand Balance at the end of Year	6, 7	79,594,501	33,516,925
Total of Current Assets		2,329,562,943	824,506,687
Total Assets		2,427,207,732	911,600,431

Statement of Capital & Liabilities as at 31st December 2018

	Note	2018	2017
Outstanding Payables	3	2,912,098	1,462,316
Fixed Assets	4	97,644,789	87,093,744
Cash Receivables	2	2,247,056,344	789,527,446
Cash-In-Hand Balance at the end of Year	6, 7	79,594,501	33,516,925
Total Assets		2,427,207,732	911,600,431

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

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

1.1 Transactions/adjustments post-dating the Statements

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

1.2 Cost concepts used in the Statements

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

1.3 Capital and Liabilities

Capital and liabilities are disclosed at cost. Payables amount is the outstanding payments to vendors as at 31 December 2017. Funds needed for payables are included in the Statement of Capital and Liabilities as it is allocated to the budget. Receivables are outstanding payments

from taxpayers which shall be deposited to the Public Bank Account once paid.

1.4 Cash Receivables

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

1.5 Summary of Assets

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

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

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

2. Cash Receivables as Revenue for the Government

Details	Dues recorded 2018	Doubtful and Disputed Cases from dues 2018	Dues receivable 2018	Dues receivable 2017
Tax Revenue				
113001 Sale of items at auction	623,677	(623,677)	-	-
114001 Goods and Services Tax (Tourism)	180,290,571	(75,355,806)	104,934,764	182,651,245
114002 Goods and Services Tax (General)	432,624,801	(432,624,801)	-	296,681,950
113003 Business Profit Tax	613,142,264	(550,438,304)	62,703,960	223,458,727
113006 Withholding Tax	134,848,261	(116,991,110)	17,857,151	-
119002 Green Tax	33,892,682	(18,379,113)	15,513,569	51,657,925
119004 Airport Tax and Fee	15,212,433	(11,030,373)	4,182,060	16,846,973
119005 Remittance Tax	-	-	-	161,585
Non-Tax Revenue				
121001 Company Annual Fee	87,998,500	(87,998,500)	-	-
121002 Restaurant, Café, Canteen Fee	558,000	(558,000)	-	-
121003 Non-Fisheries Vessel Fee	3,319,985	(3,319,985)	-	-
121055 Property Maintenance fee	639,400	-	639,400	545,800
121078 Partnership Annual Fee	274,000	(274,000)	-	-
121079 Import Trade Fee	2,665,160	(2,665,160)	-	-
121085 Co-operative Society Annual Fee	122,400	(122,400)	-	-
121089 Foreign Investment Administration Fee	185,040	(185,040)	-	-
121999 Other Fees and Charges	43,945	(43,945)	-	-
123006 Foreign Trading Approval Fee	354,959	(354,959)	-	-
123014 Guest House Registration Fee	6,681,070	(6,681,070)	-	-
125001 Fees on Administration of Inhabited Islands	922,000	(277,113)	644,887	1,007,786
125002 Rent from Government Buildings	5,087,608	(3,902,145)	1,185,463	1,179,811
125003 Rent from Resorts	2,300,776,370	(1,511,169,172)	789,607,198	-
125004 Rent from Land for Commercial Purposes	38,081,574	(26,385,970)	11,695,603	10,352,463
125008 Long Term Agricultural Lease	12,932,440	(12,180,699)	751,742	4,033,582
131002 Sale of Government Building	747,708	-	747,708	949,598
126001 Fine-Breach of Law	1,504,586,424	(1,504,530,444)	55,980	-
126002 Fine-Breach of Regulation	2,891,257	(2,891,257)	-	-
126003 Fine-Breach of Agreement	6,791,082,321	(5,554,545,463)	1,236,536,858	-
Royal				
118002 Foreign Trade Royalty	4,592,489	(4,592,489)	-	-
118003 Foreign Fishing Royalty	776,854	(776,854)	-	-
118009 Yellowfin Tuna Export Royalty	2,365,598	(2,365,598)	-	-
Total	12,178,319,792	(9,931,263,448)	2,247,056,344	789,527,446

3. Details of Payables to Vendors

Details	2018
221001 Travelling Expenses - Local Sea Travel	1,399
222001 Stationery and Office Requisites	19,175
222002 IT Related Materials	109,028
222003 Fuel and Lubricants	2,887
222004 Meals for Employees During Office Hours	21,480
223003 Drinking water and sewerage	579
223008 Cleaning Services and Waste Disposal	32,867
223010 Announcements, Subscriptions and Advertisements	63,130
223011 Carriage and Conveyance	33,920
223013 Official competitions and ceremonies	2,486
223014 Social Development Programmes	175
223020 Printing Services	114,183
225001 Scholarship and Fellowship Assistance	14,849
225006 Staff training	1,200
226002 Repairs - Non-Residential Buildings	24,745
226010 Repairs - Machinery and Equipment	9,185
226013 Repairs - Computer Software	67,900
226014 Repairs - IT-Related Hardware	102,982
423001 Furniture & Fittings	65,568
423002 Machinery and Equipment	55,306
423006 Communication Infrastructure	35,000
423008 IT Hardware	2,134,052
	2,912,098

4. Summary of Assets

Details	Year Opening Balance	Acquisitions during 2018	Value of Assets transferred to another organization during 2018	Value of Assets (on Historical Cost Convention Basis) at the end of 2017
423001 Furniture & Fittings	7,904,375	180,017	-	8,084,392
423002 Machinery and Equipment	4,494,448	343,085	-	4,837,532
423005 Reference Books & Exhibition Goods	83,047	1,349	-	84,396
423006 Communication Infrastructure	557,712	61,777	-	619,489
423007 Computer Software	47,379,581	-	-	47,379,581
423008 IT Hardware	23,249,525	9,977,533	(21,200)	33,205,859
423999 Other Equipments	15,296	8,484	-	23,780
424001 Motor Vehicles	3,409,761	-	-	3,409,761
451012 Minor Extensions to Non-residential Buildings	-	-	-	-
	87,093,744	10,572,245	(21,200)	97,644,789

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

Details	2018	2017
129007 Zakat Al-Mal	66,570,328	63,336,833
129008 Donations / Sadaqah	73,382	28,909
	66,643,710	63,365,742

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

Details	2018	2017
Collections not deposited to Public Bank Account	79,445,488	33,363,770
Balance of Petty Cash (In-hand)	5,250	2,375
Cash Prize for Inter-School Drawing Competition 2017	-	3,000
Petty Cash Withdrawn to be used in 6 Branch Offices to be opened	-	9,000
Cash Prize for 13 Episodes of TVM Vaaru Quiz	-	5,000
Cash Prize for VOM Vaaru Quiz Season 3	-	500
Cash Prize for "Miothee Raseedhu" campaign	-	41,000
Balance of Pocket Money & Incidental for 02 Tax Consultants	-	19,189
Salary of a terminated staff (September & October)	84,318	-
	79,535,056	33,443,833

7. Cashier Float in Hand at the end of Current Financial Year

Details	2018	2017
Cashier Float (In use)	59,445	57,882
Cashier Float (not in use) taken for New Branch Offices to be opened	-	15,210
	59,445	73,092

2017 RANLAARI AWARD WINNERS



Ooredoo Maldives Plc (BPT Category)



Maldives Inflight Catering Pvt Ltd (BPT Category)



Four Seasons Resort Maldives at Landaa Giraavaru (TSGT, Resort-Bed Capacity between 150 to 250 Beds Category)



One & Only Reethi Rah (TSGT, Resort-Bed Capacity more than 250 Beds Category)



Crown Tours (Maldives) Pvt Ltd (TGST, Travel Agency Category)



Cheval Blanc Randheli (TSGT, Resort-Bed Capacity less than 150 Beds Category)



Hulhule' Island Hotel (TGST, Tourist Hotel Category)



Ocean Grand (TGST, Tourist Guest House Category)



Four Seasons Explorer (TGST, Tourist Vessel Category)



D Blue Pvt Ltd (GGST, Medium Businesses Category)



Reethi Rah Resort Pvt Ltd (Withholding Tax Category)



Copier Plus Pvt Ltd (Small Businesses Category)



Dhiraagu Plc (State Owned Enterprises Category)



Reethi Rah Resort Pvt Ltd (Withholding Tax Category)



Bank of Maldives Plc (Bank Profit Tax Category)

NOTE:
Trans Maldivian Airways Pvt. Ltd won (Category: TGST, Domestic Air Transportation) & (Category: B.P.T)

8TH ANNIVERSARY EVENT HIGHLIGHTS



Fathimath Aameza, Assistant Commissioner General of Enforcement and Moosa Haleem, Director General of Individual Business - Official hosts of the ceremony



Asma Shafeeu, Director General of Planning and Development, announcing the Winners of VaaruFoari Quiz Competition



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



Ahmed Ali, Assistant Commissioner General of Revenue Operations, announcing the Winners of RanLaari awards



Aminiya School, Winner of VaaruFoari Inter-School Quiz Competition





Address by H.E Vice-President, Mr. Abdulla Jihad



Winners of RanLaari Awards 2017



Address by the Commissioner General of Taxation, Yazeed Mohamed



Board Members cutting the MIRA Anniversary Cake



MIRA Anniversary Cake



MIRA 8th Anniversary Event