

2024

Annual Report



MALDIVES
INLAND REVENUE
AUTHORITY

www.mira.gov.mv

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*2024

MIRA collected MVR 28.10 billion in revenue, marking the highest annual collection ever recorded. 98.8% of these payments were processed electronically.

MIRA successfully implemented amendments to the GST Act, Income Tax Regulation, Green Tax Regulation, and Airport Taxes and Fees Regulation.

MIRA conducted a comprehensive evaluation of 22 internal security policies, implementing measures to strengthen system security and resilience.

MIRA launched a Tax Crime Mitigation Strategy to combat tax evasion, enhance compliance, and enforce proportionate actions against tax system abuse.

MIRA introduced special recovery programs, successfully recovering MVR 3.7 billion in previously uncollected taxes.

MIRA became a member of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM), strengthening international tax collaboration.

MIRA introduced "Gulhigen MIRA" initiative to deliver more personalized services, strengthen engagement with taxpayers, and foster a culture of voluntary compliance.





Chairperson's Message

Ahmed Saaid Musthafa

Chairperson

The past year has been a period of diligent efforts to strengthen the foundations of tax administration and promote a taxpayer-centric approach to compliance. With the implementation of legislative reforms, significant focus was placed on the collection of outstanding revenue owed to the state, as part of our broader objective to enhance fiscal discipline and ensure equitable revenue mobilization.

In response to the challenges posed by rising levels of unpaid dues, the government, in close collaboration with MIRA, undertook proactive mea-

sures to identify revenue risks and engage constructively with taxpayers. These initiatives, underpinned by reinforced enforcement mechanisms, contributed to the recovery of a notable portion of arrears. The dedication and professionalism demonstrated by the Board and the employees of MIRA in formulating and operationalising rules and procedures aligned with recent amendments to tax legislation deserve special recognition. Of particular significance was the revision to the Income Tax Regulations, requiring companies generating income in foreign currency to remit taxes

in their presentation currency. This amendment has been instrumental in augmenting the government's revenue in US dollars, during the past year.

MIRA remains steadfast in its mission to cultivate a culture of voluntary compliance and deliver accessible and efficient services to all taxpayers. In this regard, the publication of MIRA's Strategic Action Plan for the next four years serves as a blueprint for strengthening the institutional capacity of the Authority. Crafted with the collective input of staff, the plan articulates a clear direction for

enhancing taxpayer services, promoting accountability, and adopting modern operational frameworks that support the realisation of MIRA’s strategic objectives.

Establishing a taxpayer-friendly environment stands as a fundamental pillar in ensuring the sustainable implementation of a modern and effective tax system. In line with this objective, the ‘Gulhigen MIRA’ initiative was launched last year, several activities have been adopted aimed at fostering trust and strengthening stakeholder relationships. Through this initiative, targeted efforts were undertaken to reduce the compliance burden, raise awareness of tax obligations, and provide taxpayers with the tools and support necessary to meet their responsibilities effectively. The approach reflects MIRA’s commitment to building strong, cooperative relationships with taxpayers and other key stakeholders.

The achievements of the past year reflect the unwavering dedication and resilience of the MIRA team. I take this opportunity to express my sincere gratitude to the management and staff of the MIRA for their continued commitment to excellence. I also wish to extend my appreciation to the Board of Directors of the MIRA for their invaluable support and guidance. As we look ahead, I remain confident that 2025 will be a year of continued progress and success in MIRA’s work.



Commissioner General of Taxation's Message

Hassan Zareer

Commissioner General of Taxation

Established on 18 March 2010 under the Tax Administration Act, the Maldives Inland Revenue Authority (MIRA) was entrusted with the mandate to build a modern and efficient tax system in the Maldives. I am honored to have served as its first Deputy Commissioner General. Since its inception, MIRA has aimed to establish a successful and robust tax system in the Maldives by developing itself into an exemplary institution recognized both nationally and regionally and I believe MIRA has achieved significant milestones over the years. After completing my tenure and spend-

ing five years away from direct involvement in implementing the tax system, I am privileged to return as Commissioner General of Taxation, dedicated to further strengthening and advancing the tax system.

During the Covid-19 pandemic, MIRA provided vital assistance and support to taxpayers, which was instrumental in helping taxpayers navigate pandemic-related challenges. However, the payment behavior of some businesses has still not returned to an optimal level following the easing of the pandemic. This has led to a notable increase in outstanding tax liabilities over a

short period of time. Therefore, one of my top priorities was to engage with taxpayers with substantial outstanding dues and explore feasible arrangements for the settlement of these obligations. As a result, these initiatives received a positive response from taxpayers and significantly contributed to improving MIRA's revenue collection over the past year.

As paying taxes is both a legal obligation and a national responsibility, MIRA is undertaking extensive efforts are underway to cultivate a culture of voluntary compliance, with a particular focus on those

who frequently fall short of their tax obligations. To support this, a two-year "Compliance Improvement Plan" has been published last year, with the goal of encouraging and assisting taxpayers to fulfill their obligations voluntarily, prior to enforcement measures.

The success of the tax system is heavily dependent on the cooperation of taxpayers. Therefore, I place great importance on engaging with taxpayers and understanding the circumstances they face. It is also our vision to position MIRA as a facilitative agency, rather than solely as an enforcement agency. Accordingly, special efforts are being undertaken under the initiative "Gulhigen MIRA," in collaboration with MIRA staff, taxpayers, and relevant government institutions. Over the past year, substantial progress has been achieved in employee training, system enhancements, regulatory and policy strengthening, administrative restructuring, and other key institutional development initiatives at MIRA.

Over the past year, meaningful progress has been accomplished in strengthening MIRA's role and enhance the Maldives' tax system within the international tax landscape. Notably, MIRA has been elected as the 2025-2026 Co-Chair of the "Asia Initiative," representing the Asia Region of the Global Forum under the OECD. Addition-

ally, MIRA has also been elected to the Management Committee of the Commonwealth Tax Administrators Association and appointed as the Regional Director for Asia. Furthermore, Maldives signed the BRITACOM Agreement, officially joining the initiative. I believe these accomplishments are significant milestones for MIRA in establishing a strong presence in the international arena.

With a clear vision for the future of MIRA, the Strategic Plan for the next four years was developed and published. Additionally, the Tax Crime Mitigation Strategy and the Tax Intelligence Framework, aimed at enhancing and strengthening MIRA's capacity to conduct tax-related investigations, were also formulated and published during this year. I hope to bring significant changes in MIRA through the Digital Transformation Roadmap which was developed over the past year. This roadmap aims to strengthen administrative functions and enhance the ease of MIRA's services for both taxpayers and employees through technology. A key focus will be the implementation of an electronic invoicing system in the near future. This system will be integrated with both taxpayers and MIRA's system to streamline the tax return submission process and contribute to a more efficient and comprehensive tax system.

Marking 15 years of progress, MIRA celebrates its anniversary after a 14 year journey. Throughout this time, MIRA has successfully introduced and implemented a modern tax system in the Maldives, demonstrating excellence and achieving remarkable outcomes. These accomplishments reflect the steadfast support of the Board of Directors, the contributions of former Commissioner Generals, the foresight of senior leadership, and, above all, the dedication and hard work of MIRA's employees. I extend my heartfelt gratitude to all MIRA staff for their tireless efforts in driving the institution's continued success. I also greatly appreciate the valuable advice and guidance provided by the MIRA Board in shaping policies and strengthening administrative management, which continues to be a vital source of support in my role. Furthermore, I sincerely appreciate the ongoing cooperation of government agencies in helping us fulfill our mandate. My heartfelt gratitude goes to the taxpayers and the people of the Maldives for their trust and confidence in MIRA. With the guidance of Allah SWT, I remain committed to further fortifying the tax system in the coming year and striving for even greater accomplishments. May MIRA and our nation continue to thrive, embracing a future of prosperity and progress.

Management

Board Members

The MIRA Board, appointed under Section 4(a) of the Tax Administration Act (Act No. 3/2010), is responsible for advising on tax regulations, overseeing tax policy implementation, and advising the Commissioner General as necessary.



Ahmed Saaid Musthafa

Chairperson
April 2024 - To Date



Fathuhulla Jameel

Commissioner General of Taxation
October 2019 - February 2024



Hassan Zareer

Commissioner General of Taxation
May 2024 - To Date



Ahmed Saruvash Adam

Chairperson
September 2019 - February 2024



Makhzoom Saleem

Board Member
November 2019 - November 2024



Aishath Asha Ali

Board Member
August 2015 - To Date



Leena Mohamed Zahir Hussain

Deputy Chairperson
August 2015 - To Date



Dhaha Shuaib

Board Member
December 2024 - To Date




Mumthaz Abdul Rasheed

Board Member
August 2020 - To Date



Husham Waheed

Board Member
August 2020 - To Date



Meetings and Attendance

Name	Meetings Held	Attended	Attendance
Ahmed Saruvash Adam (2019 – Feb 2024)	4	4	100%
Ahmed Saaid Musthafa	11	11	100%
Leena Mohamed Zahir Hussain	16	15	94%
Fathuhullah Jameel (2019 – January 2024)	1	1	100%
Hassan Zareer	10	10	100%
Aishath Asha Ali	16	13	81%
Makhzoom Saleem (2019 – November 2024)	15	15	100%
Husham Waheed	16	15	94%
Mumthaz Abdul Rasheed	15	15	100%
Dhaha Shuaib	1	1	100%

Pursuant to Section 4 (h) of the Tax Administration Act, Mr. Ahmed Saaid Musthafa, Deputy Minister of Finance was appointed as the Chairperson of MIRA's Board of Directors from April 2024 onwards.

In accordance with Section 4(d)(3) of the Tax Administration Act, Mr. Hassan Zareer, the Commissioner General of Taxation, has been appointed as a member of MIRA's Board of Directors effective May 2024.

During the year, the term of Uz. Makhzoom Saleem concluded, and Ms. Daha Shuaib was appointed as a new member of MIRA's Board of Directors.

As per Section 7(e) of the Tax Administration Act, Ms. Mariyam Juwairiyya, Fiscal Analyst of Tax Policy Unit, Ministry of Finance served as the secretary of the Board, for the period of January 2024 to February 2024. From March 2024 onwards, Ms. Nadheema Latheef, Assistant Fiscal Executive, Tax Policy Unit, Ministry of Finance is serving as Secretary of the Board.



Activities of the Board

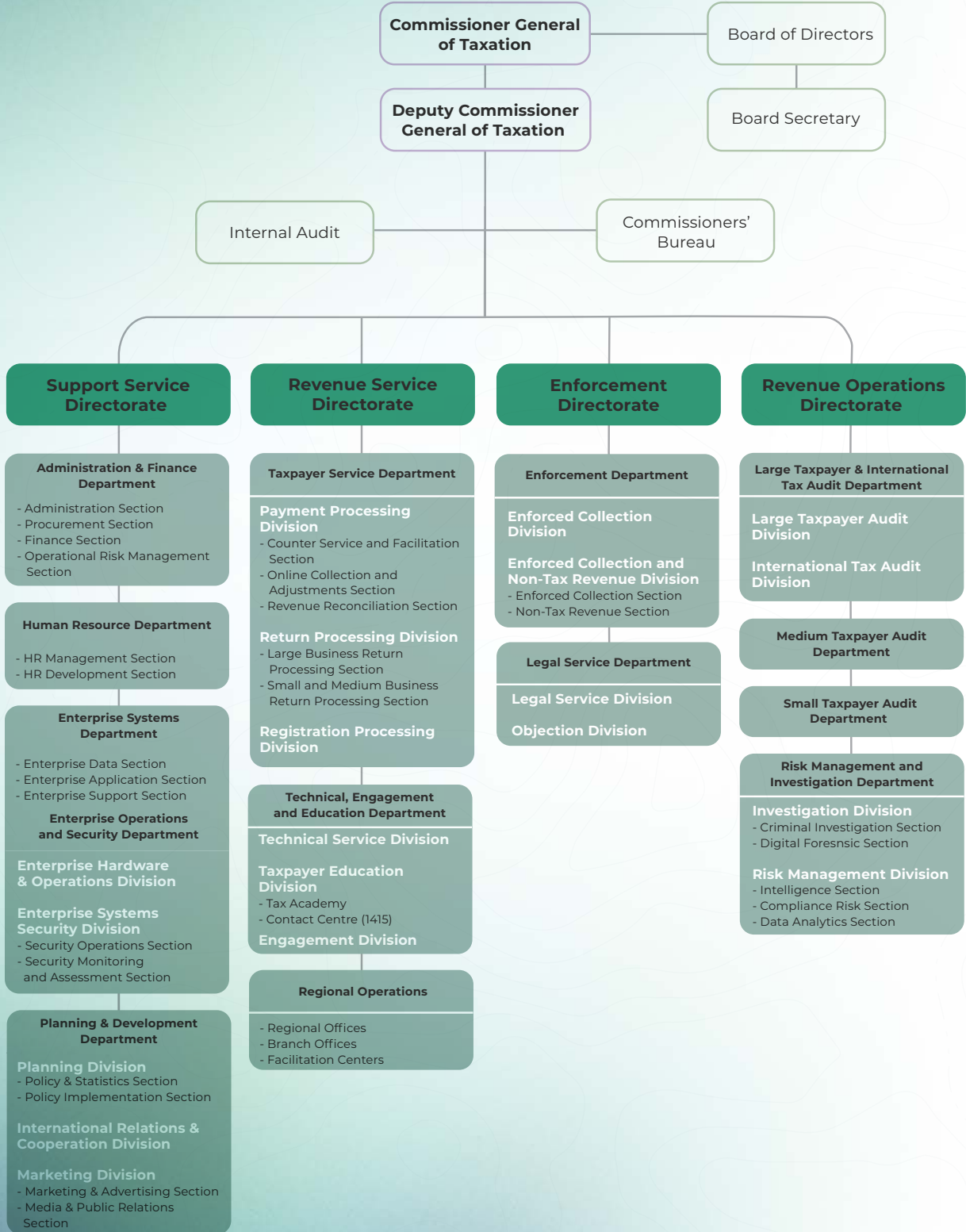
Important issues have been put forth for the Board of Directors of MIRA to consider and advise on, to further strengthen the tax system and administration of MIRA.

The following highlights key discussions from the Board meetings:

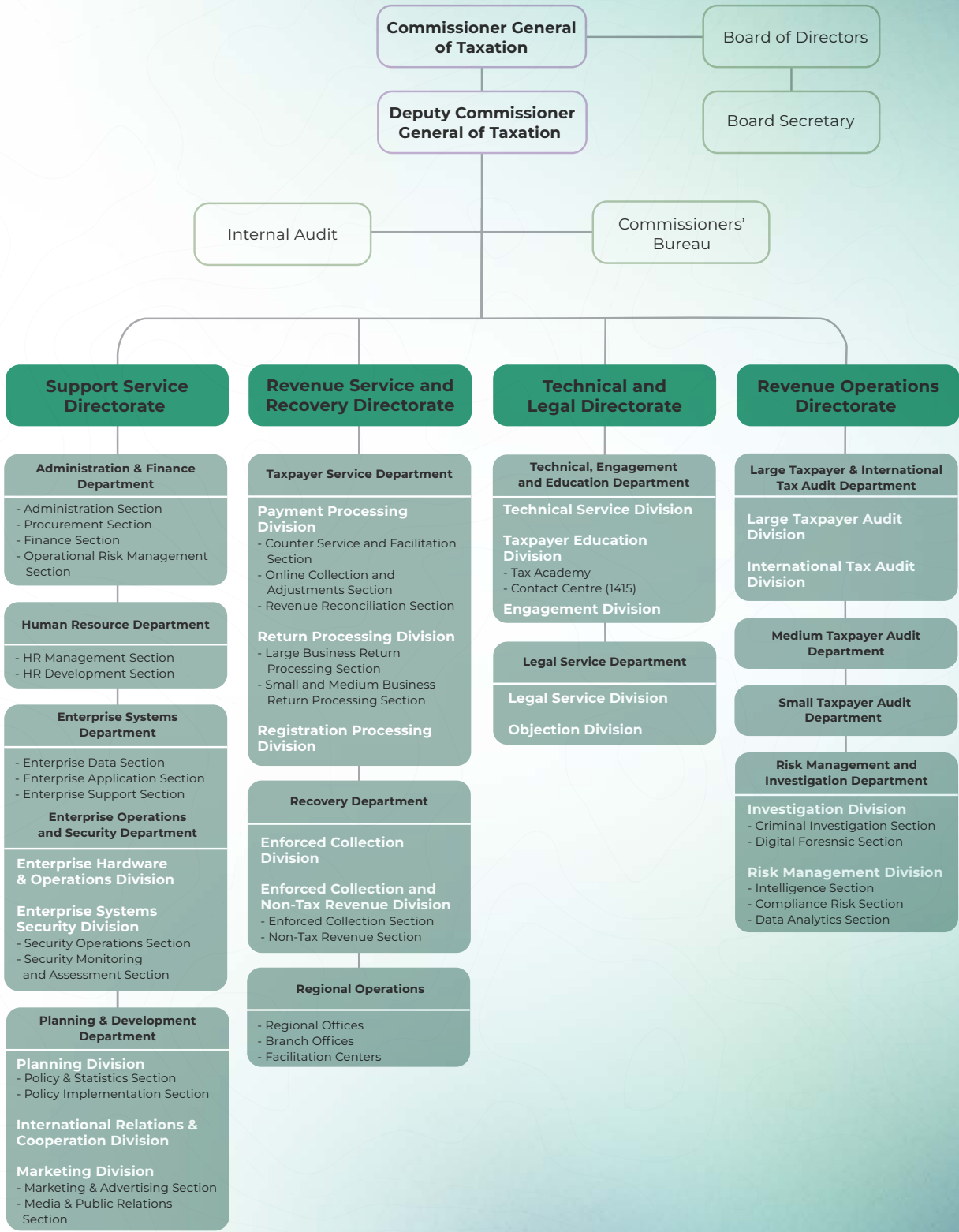
- Finalising Second amendment to the Airport Taxes and Fees Regulation
- Finalising Third amendment to the Green Tax Regulation
- Finalising Thirty-first amendment to the Goods and Services Tax Regulation
- Finalising Fifth amendment to the Income Tax Regulation
- Finalising Regulation on submission of information to MIRA by developers and investors of special economic zones
- Finalising Special Installment plan
- Discuss the amendments needed to tax legislation in response to Supreme Court decisions
- Finalising First amendment to the General Enforcement Policy
- Finalising First amendment to the policy on accessing bank account information and freezing bank account
- Finalising Third amendment to the Name and Shame Policy
- Finalising Third amendment to the Country-by-Country Reporting Regulation
- Finalising the Tax Ruling on Deduction in respect of donations made in money

Organizational Structure

Organizational Structure at the beginning of 2024



Organizational Structure from November 2024 onwards



The organizational structure was amended in November 2024, and the following changes were brought:

- Revenue Service Directorate was renamed to Revenue Service and Recovery Directorate, and Enforcement Directorate was renamed to Technical and Legal Directorate.
- Revenue Service and Recovery Directorate now includes the Taxpayer Service Department, Recovery Department and Regional Operations.
- The Recovery Department, previously known as the Enforcement Department, has been renamed to reflect its expanded mandate.
- The Recovery Department, previously known as the Enforcement Department, has been renamed to reflect its expanded mandate.

Directorates

Support Service Directorate

Administration and Finance Department

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



Human Resource Department

The department’s functions are organized into two key areas: Human Resource Management and Human Resource Development. It is responsible for overseeing all matters related to MIRA’s workforce, including the recruitment of qualified personnel and the training and development of employees. Additionally, the Human Resource team plays a vital role in fostering a positive organizational culture by planning and implementing initiatives that promote engagement and motivation among MIRA’s 300 employees.



Information Technology

Enterprise Systems Department

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



Enterprise Operations and Security Department

The department is primarily responsible for the procurement and maintenance of MIRA’s hardware infrastructure, safeguarding network security, and providing technical support to staff in resolving IT-related issues. It also ensures the protection of information stored within MIRA’s network. Additionally, system security assessments are conducted in collaboration with external technical experts to identify vulnerabilities and implement appropriate security enhancements.



Revenue Service and Recovery Directorate

Taxpayer Service Department

The Taxpayer Service Department is primarily responsible for delivering comprehensive services to taxpayers. Its key functions include identifying individuals and entities required to register for taxation, facilitating both registration and deregistration processes, and maintaining an accurate and up-to-date taxpayer register. Additionally, the department manages taxpayer accounts, processes tax returns, receives payments, and performs payment reconciliation to ensure accuracy and compliance.



Planning and Development Department

The Planning and Development Department ensures MIRA’s activities align with its strategic goals. It disseminates tax information through public outreach, analyzes and publishes revenue statistics, and monitors organizational performance against strategic goals. Its responsibilities further extend to collaborating with foreign tax authorities and development partners and overseeing the implementation of the Maldives’ commitments within the international tax landscape.



Recovery Department

The Recovery Department plays a vital role in upholding the integrity and fairness of the tax system. It is responsible for recovering outstanding taxes and other defaults owed to the Government, taking enforcement actions against defaulters and non-filers of tax returns, issuing tax clearance certificates, and processing tax refunds for eligible taxpayers.



Regional Offices

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

Revenue Operations Directorate

Large Taxpayer and International Tax Audit Department

This department plays a critical role in ensuring tax compliance among large businesses through audits. It is also responsible for verifying that taxpayers accurately calculate their tax liabilities in accordance with applicable laws and regulations. Additionally, the Large Taxpayer and International Audit team contributes significantly to maintaining fairness in cross-border tax transactions, helping uphold the integrity of international tax practices.



Medium Taxpayer Audit Department

This department is responsible for conducting audits and related activities for businesses classified as medium taxpayers. Its primary role is to ensure that these taxpayers calculate and report their tax liabilities accurately and in full compliance with applicable tax laws and regulations.



Small Taxpayer Audit Department

This department is responsible for conducting audits and related activities for businesses classified as small taxpayers. Its primary role is to ensure that these taxpayers calculate and report their tax liabilities accurately and in full compliance with applicable tax laws and regulations.



Risk Management and Investigation Department

The Risk Management and Investigation Department's responsibilities include designing and implementing MIRA's strategies to assess taxpayer compliance with laws and regulations and taking appropriate action to support those in need of assistance or address instances of non-compliance. The department also oversees taxpayer risk profiling, conducts criminal investigations, and carries out extensive audits. Additionally, it is responsible for collecting intelligence necessary to manage compliance risks effectively.



Technical and Legal Directorate

Technical, Engagement and Education Department

This department is responsible for drafting rulings, regulations, and other technical documents related to changes in tax legislation. It also engages directly with taxpayers to support compliance and promote tax awareness among both taxpayers and the public. Additionally, the department prepares technical advisory materials on tax policy, oversees the planning and implementation of these policies, and manages the MIRA hotline (1415) and support email (1415@mira.gov.mv).



Legal Service Department

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



Internal Audit

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



Committees

17 Committees

199 Committee Meetings

34 Staff Members

13 Departments Represented

Committees have been formed as per Staff Regulation to serve support functions and to better streamline decision making and align cross functional activities of MIRA. The Committees of MIRA play a critical role in supporting informed decision making with regards to operational and technical matters.

At the end of 2024, the committees in place were:

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

Senior Management



Hassan Zareer

Commissioner General of Taxation



Fathimath Ameerza

Deputy Commissioner General of
Taxation



Ahmed Shareef

Assistant Commissioner General,
Revenue Service & Recovery



Mohamed Najiz

Chief Technology Officer



Fathimath Shifaza

Director General, Human Resource



Ahmed Shafneez

Director General, Administration and Finance



Mohamed Ali Waheed

Director General, Technical, Engagement and Education



Ibrahim Rasheed

Director General, Risk Management and Investigation



Nahshal Mohamed

Deputy Director General, Enterprise Systems



Nafa Waheed

Deputy Director General, Medium Taxpayer Audit



Mariyam Himmath Hassan

Deputy Director General, Planning and Development



Ibrahim Faisal

Senior Director, Internal Audit



Ahmed Zakariyya

Senior Director, Return Processing



Yoosuf Shiraz

Senior Director, Engagement



Adha Amir

Director, Small Taxpayer Audit



Aminath Shiyana

Director, International Tax Audit



Shifa Thaufeeq

Director, Risk Management



Mohamed Jinah Ibrahim

Director, Enterprise and Hardware
Operations



Aishath Suha

Director, Payment Processing



Ikram Ibrahim

Deputy Director, Medium Taxpayer
Audit



Abdul Matheen Abdul Sattar

Deputy Director, Regional Operations



Ahmed Hussain

Deputy Director, Enterprise Systems Security



Mariyam Yasha

Deputy Director, Legal Service



Fathimath Shiuma

Deputy Director, Investigation



Samahath Abdulla

Deputy Director, Large Taxpayer Audit



Azha Ahmed

Deputy Director, Enforced Collection



Hussain Amir

Deputy Director, Taxpayer Education



Ahmed Manik

Deputy Director, Enterprise Systems



Fathimath Amaanee Khalid

Deputy Director, Technical Service



Abdul Ghaffar Abdulla

Deputy Director, Marketing



Ameenullah Naseer

Deputy Director, Objection

4.5 Human Resources Management and Development

316 Staff working at MIRA at the beginning of the year

42 Staff hired during the year

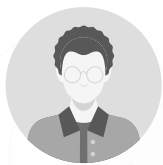
32 Staff promoted during the year

58 Staff resigned / terminated during the year

300 Staff working at MIRA at the end of the year

-5.06% Decline in staff compared to last year

 Gender Ratio



42.67%
Male Staff



57.33%
Female Staff

M.F Ratio

0.74:1



● ● ● Staff educational Level

Bachelor’s degree or equivalent qualification **118** staff ↗ **39.33%**

Master’s degree or equivalent qualification **75** staff ↗ **25.00%**

● ● ● Staff Training

3 Induction Programs were held for new staff

20 local seminars, conferences and meetings ↗ **195** participants

40 trainings and workshops were held by overseas parties ↗ **321** participants

25 seminars / conferences / meetings were held by overseas parties ↗ **65** participants

At the end of 2024, **13** staff were studying ACCA on MIRA sponsorships

Expenditure

Total Expenditure:

MVR

114.61
Million

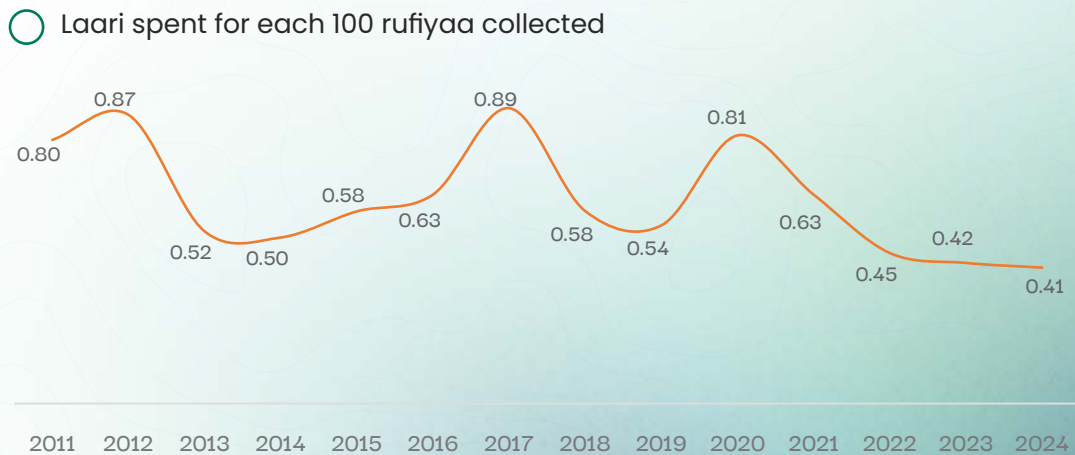
94%

of the approved budget
for MIRA

8.6%

higher compared to 2023

The increase in expenditure is primarily due to a rise in recurrent costs compared to the previous year.



Recurrent Expenditure

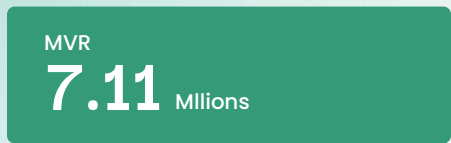


93.8% of the total expenditure



From recurrent expenditure, most of the expense was on employees' salaries and allowances which accounts up to 77.0% of total recurrent expenditure. This is an increment of MVR 4.01 million compared to 2023

Capital Expenditure



6.2% of the total expenditure



MVR 7.11 million was spent on capital expenditure, 88.6% of which related to the acquisition of Information Technology hardware. An increment of MVR 5.02 million compared to 2023

For every

MVR 100

Collected



41 Laari

was spent



For every Rufiyaa spend
by MIRA

MVR
244

was collected as Revenue

Revenue

Total Collection

Total Collections:
MVR
28.10
Billion

Tax Revenues

MVR
22.7 Billion

Compared to 2023:
an increment of 10.5%



Compared to projection:
increment of 9.7%

Non-Tax Revenues

MVR
5.33 Billion

Compared to 2023:
an increment of 25.8%

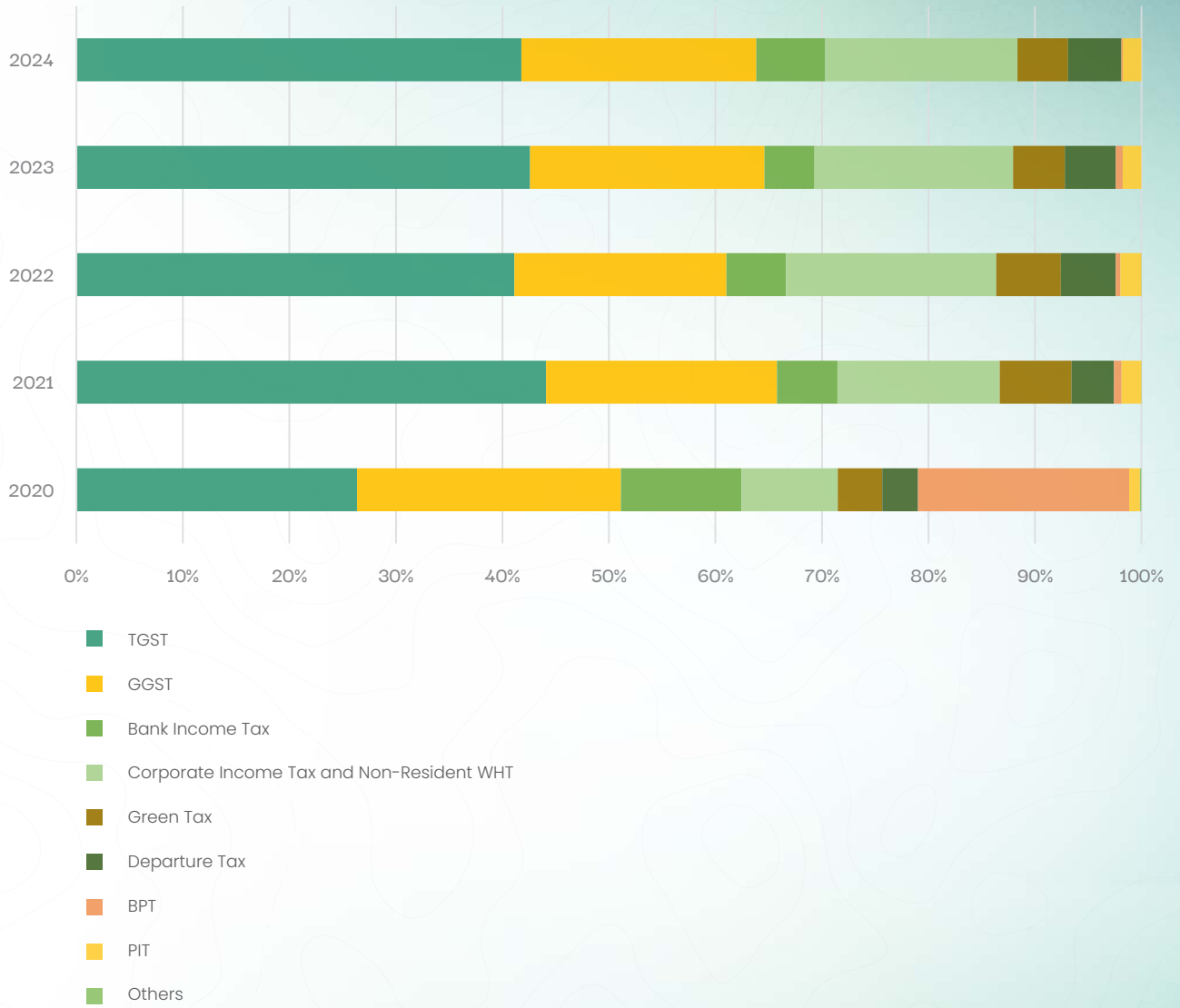


Compared to projection:
increment of 38.5%

Revenue collection 2020 - 2024



Total Tax Revenue



Comparison of tax revenues against previous year and projection

TGST

Actual 2023

MVR 8,778.26 Millions

Actual 2024

MVR 9,511.79 Millions
 +8.4% Compared to 2023
 +12.1% Compared to Projection

Projection 2024

MVR 8,483.26 Millions

Reason for increment / decrement compared to 2023

- Tourist arrivals in 2024 were 8.76% higher than the previous year, contributing to the increment in TGST revenue.
- Reported total sales (excluding output tax) increased by 3.6% compared to the previous year. Additionally, there was an increment in taxable sales (excluding output tax) by 3.9% compared to the previous year.
- Declared TGST for this year is 7.0% higher than last year.
- In 2024, 94.2% of TGST collections were payments made within the deadlines of within the year, followed by 5.4% of recovered dues of past deadlines and 0.5% from assessed tax.

Reason for increment / decrement compared to projection

- Tourist arrivals during 2024 exceeded projections by 3.51%, contributing to the favorable TGST outcome.
- A 4.3% increase in total sales and timely taxpayer payments throughout the year contributed to collections surpassing projections
- Starting from June 2024, taxpayer engagement activities aimed at improving compliance contributed to a favorable increase in revenue compared to projections.

GGST

Actual
2023

MVR 4,533.51 Millions

Actual
2024

MVR 5,024.17 Millions

+10.8% Compared to 2023

+8.0% Compared to Projection

Projection
2024

MVR 4,652.23 Millions

Reason for increment / decrement compared to 2023

- Among the total GGST collected, 87.7% represented payments made on time, while the remaining 12.3% consisted of dues received after the deadline.
- The increase in dues collected, amounting to MVR 125.68 million more than last year was a key factor driving the overall revenue growth compared to 2023.

Reason for increment / decrement compared to projection

- Projection of GGST is based on GDP growth and average collection of GGST for the past years.
- Declared GGST for this year is 5% higher than last year.
- GGST declared for 2024 totals MVR 5.58 billion, of which 78% (MVR 4.33 billion) was collected within the year.

Income Tax (Companies and non-individuals)

Actual
2023

MVR 2,773.98 Millions

Actual
2024

MVR 2,793.07 Millions

+0.7% Compared to 2023

-9.7% Compared to Projection

Projection
2024

MVR 3,093.08 Millions

Reason for increment / decrement compared to 2023

- The Income Tax declaration for 2023 is 2.8% (MVR 76.49 million) higher than the tax declared for 2022.
- The Top industries for tax year 2023 (in millions)

Industry	2022	2023	-/+
Tourism Sector	708.62	792.56	(83.94)
Wholesale and retail trade	677.13	566.61	110.53
Construction	369.16	158.99	210.17
All other sectors	1,046.79	1,207.06	(160.27)
	2,801.70	2,725.20	76.49

- In 2024, 92.3% of Income Tax collection were payments made within deadlines of the year, 7.3% were recovered dues from previous periods and the remaining 0.4% were advance payments for upcoming deadlines.
- The dues recovered during the year is MVR 32.33 million higher than last year.

Reason for increment / decrement compared to projection

- Revenue fell short of projections due to fewer taxpayers making timely payments than anticipated.
- A total of MVR 291.27 million remained unsettled by 253 taxpayers for the deadlines of 24H1, 23H2, and 2K23. Compared to the previous year, timely payments declined by MVR 25.32 million, contributing to a revenue shortfall in revenue against projections
- For the tax year 2022, 1,176 taxpayers reported taxable income exceeding the MVR 500,000 tax-free threshold. However, this number declined to 1,094 taxpayers in the 2023 tax year.

Bank Income Tax

Actual
2023

MVR 967.67 Millions

Actual
2024

MVR 1,470.31 Millions

+51.9% Compared to 2023

+48.0% Compared to Projection

Projection
2024

MVR 993.13 Millions

Reason for increment / decrement compared to 2023

- The payment due in January 2025 was settled within this year, resulting in a significant increase in annual Bank Income Tax revenue.

Reason for increment / decrement compared to projection

- The projection for Bank Income Tax is based on the financial sector's GDP growth, which increased by 8.88% this year compared to 2022. This growth, combined with the early payment of Bank Income Tax, contributed to revenue collections exceeding projections.

Non-resident Withholding Tax

Actual
2023

MVR 1,070.08 Millions

Actual
2024

MVR 1,298.34 Millions

+21.3% Compared to 2023

+20.5% Compared to Projection

Projection
2024

MVR 1,077.90 Millions

Reason for increment / decrement compared to 2023

- The overall increase in non-resident withholding tax revenue was largely driven by improved dues collection and a rise of MVR 109.52 million in Capital Gains Withholding Tax during the year. Declarations for non-resident withholding tax increased by 2.0% compared to the previous year. Among the taxable categories, the largest growth was seen in 'Dividend', 'Fees for technical services', and 'Payments for performances by public entertainers in the Maldives'. Below is the tax declaration breakdown by category:

Taxable Category	2022	2023	-/+
Dividend	100.49	125.34	+24.7%
Fees for technical services	484.30	501.32	+3.5%
Payments for performances by public entertainers in the Maldives	5.78	7.47	+29.3%

Reason for increment / decrement compared to projection

- Non-resident withholding tax revenue includes payments on capital gains earned by non-residents in the Maldives. While capital gains withholding tax is not included in projected revenue due to its transaction-based nature, the collection of MVR 194.72 million under this category during the year has led to a notable increase in overall non-resident withholding tax revenue compared to estimates.
- Following the enactment of the Fifth Amendment to the Income Tax Regulation, effective from 31 October 2024, taxpayers whose functional currency is not Maldivian Rufiyaa are now required to present their tax returns and pay tax in United States Dollars. This resulted in an increase in the proportion of revenue collected in USD.

Employee Withholding Tax

Actual 2023 **MVR 219.49 Millions**

Actual 2024 **MVR 246.89 Millions**
 +12.5% Compared to 2023
 +3.4% Compared to Projection

Projection 2024 **MVR 238.71 Millions**

Reason for increment / decrement compared to 2023

- The tax declared in 2024 was 9.6% higher compared to 2023.
- The number of taxpayers paying Employee Withholding Tax (EWT) increased by 6.5% compared to last year.
- 53.8% of EWT payments were made from the salaries of employees working in the tourism industry.

Reason for increment / decrement compared to projection

- Employee Withholding Tax withheld from salaries was projected to increase, based on the monthly average collection in 2022 and 2023, and factoring the a 13.8% growth in GDP.
- The projected monthly average for 2024 was MVR 20.49 million, while the actual monthly average collection for the year stands slightly higher at MVR 20.56 million.
- The increase in dues collected compared to last year, along with 42 new taxpayers declaring and paying Employee Withholding Tax in 2024, contributed to collections exceeding projections.
- Following the enactment of the Fifth Amendment to the Income Tax Regulation, effective from 31 October 2024, taxpayers whose functional currency is not Maldivian Rufiyaa are now required to present their tax returns and pay tax in United States Dollars. This resulted in an increase in the proportion of revenue collected in USD.

Industry	Collection (MVR in millions)
Tourism sector	132.67
Wholesale and retail trade	34.05
Human health and social work activities	16.97
Financial and insurance activities	11.49
Construction	10.57
Others	41.02

Personal Income Tax

Actual
2023

MVR 145.64 Millions

Actual
2024

MVR 153.71 Millions

+5.5% Compared to 2023

+2.5% Compared to Projection

Projection
2024

MVR 149.93 Millions

Reason for increment / decrement compared to 2023

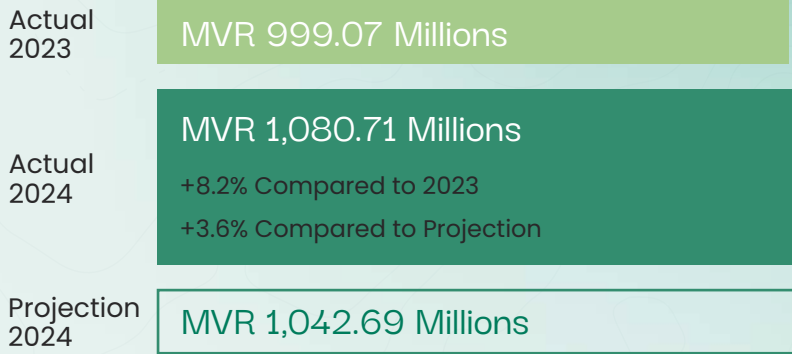
- PIT tax declaration for tax year 2023 is 2.3% higher than the tax year 2022.
- For the tax year 2022, 1269 taxpayers reported income exceeding the MVR 720,000 tax-free threshold. However, this number increased to 1332 in tax year 2023.
- Highest increment was observed for Agriculture, forestry and fishing followed by Manufacturing activities, which is detailed below (in millions):

Industry	2022	2023	-/+
Agriculture, forestry and fishing	20.49	177.82	8.68 times
Manufacturing	993.38	1,037.96	+4.49%
Accommodation and food service activities	356.96	373.49	+4.63%

Reason for increment / decrement compared to projection

- The 2024 projection was based on anticipated GDP growth and the previous year's non-compliance filing rate.
- Due to the increase in reported taxable income for 2022 and an increase in the number of taxpayers, Personal Income Tax collections exceeded projections.

Green Tax



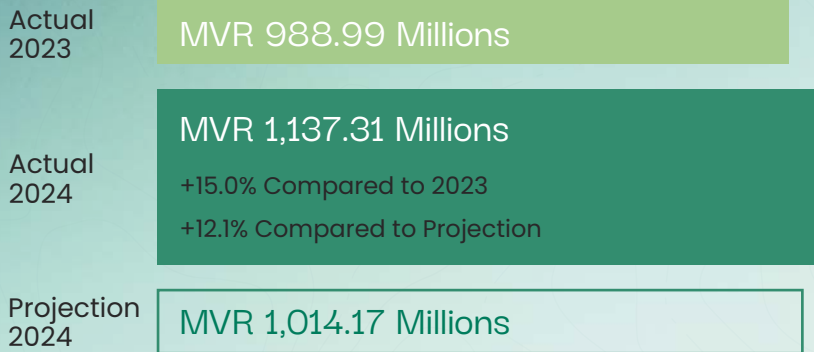
Reason for increment / decrement compared to 2023

- Tourist arrivals in 2024 increased by 8.76% compared to the previous year, which contributed to a 7.9% rise in Green Tax collections in 2024.
- Green Tax is levied at a rate of USD 6 per tourist per night for stays at tourist resorts, hotels, and vessels, and USD 3 for stays at tourist guesthouses. The total Green Tax collected in 2024 increased compared to 2023.

Reason for increment / decrement compared to projection

- Tourist arrivals exceeded projections by 3.51%, and the number of taxable bed nights increased by 8.0%, both of which contributed to Green Tax collections surpassing projected figures.

Departure Tax



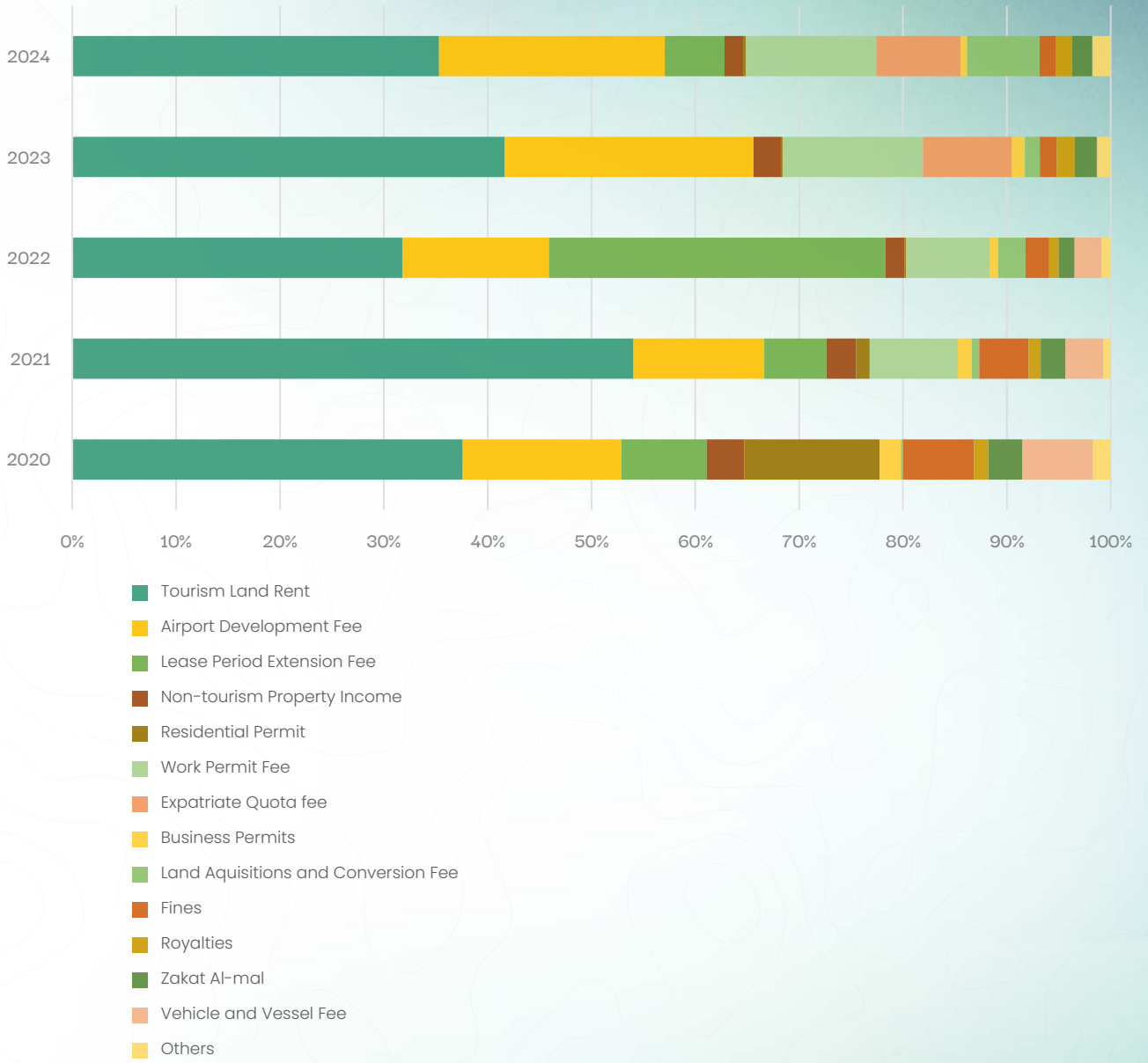
Reason for increment / decrement compared to 2023


- Increase in tourist arrivals by 8.76% in 2024 compared to 2023, contributed to an increment in departure tax collections.
- Recovery of outstanding dues increased by MVR 8.95 million compared to the previous year.
- Departures in 2024 increased by 10.0%, compared to 2023, further contributing to the growth in departure tax revenue.

Reason for increment / decrement compared to projection

- Departures exceeded projections by 13.3%, with the largest increase observed in Economy Class departures, which increased by 11.1%.

Non-tax Revenue



 **Comparison of Non-tax revenues against previous year and against projection**

Tourism Land Rent

Actual 2023

MVR 1,764.61 Millions

Actual 2024

MVR 1,883.54 Millions

+6.7% Compared to 2023

+7.4% Compared to Projection

Projection 2024

MVR 1,753.67 Millions

Reason for increment / decrement compared to 2023

- In 2024, 10.8% of Tourism Land Rent collections were derived from overdue payments; an increase from 2.5% in 2023. This significantly contributed to the overall increase in Tourism Land Rent Collections.

Reason for increment / decrement compared to projection

- New taxpayers began paying rent according to their scheduled timelines, contributing to actual revenue exceeding projected figures.
- Higher recovery of dues from past deadlines also played a key role in boosting collections beyond projections.

Airport Development Fee

Actual 2023 **MVR 1,016.37 Millions**

Actual 2024 **MVR 1,159.26 Millions**
 +14.1% Compared to 2023
 +14.3% Compared to Projection

Projection 2024 **MVR 1,014.17 Millions**

Reason for increment / decrement compared to 2023

- Tourist arrivals in 2024 increased by 8.76% compared to 2023, leading to a positive impact on ADF collection.
- Airport Development Fee revenue collected in 2024 consists of 97.6% payments made within the current year's deadlines, while the remaining 2.4% came from recoveries of overdue payments from previous years.
- The amount recovered from overdue payments in 2024 is MVR 10 million higher than in 2023.

Reason for increment / decrement compared to projection

- Departures exceeded projections by 13.3%, with Economy class showing the highest growth at 11.1%.

Work Permit Fee

Actual 2023

MVR 573.31 Millions

Actual 2024

MVR 670.93 Millions

+17.0% Compared to 2023

+21.4% Compared to Projection

Projection 2024

MVR 552.76 Millions

Reason for increment / decrement compared to 2023

- A payment of MVR 350/- per month is payable as work permit fee by expatriate employees.
- The compliance efforts of Maldives Immigration, led to a higher collection of Work Permit Fee in this year.

Reason for increment / decrement compared to projection

- The efforts of Maldives Immigration had led to a higher revenue than projected.

Expatriate Quota Fee

Actual 2023

MVR 361.98 Millions

Actual 2024

MVR 432.25 Millions

+19.4% Compared to 2023

+69.2% Compared to Projection

Projection 2024

MVR 255.43 Millions

Reason for increment / decrement compared to 2023

- In 2024, MVR 294.67 million were collected for 147,334 quotas and MVR 137.58 million were received as partial payment.
- In 2023, MVR 319.85 million were collected for 159,924 quotas and MVR 42.13 million were received as partial payment.

Reason for increment / decrement compared to projection

- Projection for this fee is based on the number of quotas issued. Employers have the option to settle the payment on installment basis over a period of 12 months as approved MED. Since many employers opted to settle the dues in installments, collection has surpassed the projection significantly

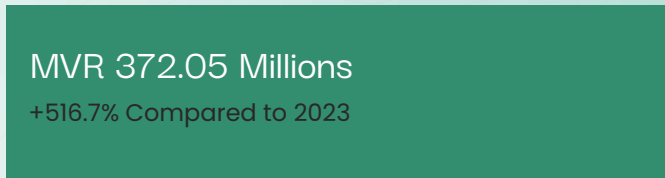
Land Acquisition and Conversion Fee

Actual
2023



MVR 60.33 Millions

Actual
2024



MVR 372.05 Millions

+516.7% Compared to 2023

Reason for increment / decrement compared to 2023

- In 2024, 79.3% of Land Acquisition and Conversion Fee collection were payments made towards cross subsidy acquisition cost. 20.7% were collecting fees of newly leased islands and the remaining 0.02% were payments made as subsequent fees.
- Pursuant to the Third Amendment to the Regulation on Leasing Islands, Lands, and Lagoons under Cross-Subsidization for Tourism Purposes (R-125/2022), effective from August 2024, these payments were to be made to MIRA, instead of the trust fund under the Tourism Ministry, which led to a higher collection in 2024.

Reason for increment / decrement compared to projection

- No projection for this fee, since this fee is not required to be paid under a specific schedule

Non-tourism Property Income

Actual 2023 **MVR 112.22 Millions**

Actual 2024 **MVR 96.24 Millions**
 -14.2% Compared to 2023
 -2.1% Compared to Projection

Projection 2024 **MVR 98.27 Millions**

Reason for increment / decrement compared to 2023

- Non-tourism property income in 2024 declined by MVR 16.03 million compared to 2023.
- Rent collection responsibilities were transferred to Malé City Council, resulting in reduced collections by MIRA.
- Some taxpayers paid their 2024 rent liabilities in advance during 2023, contributing to lower revenue recorded in 2024.

Reason for increment / decrement compared to projection

- Revenue fell below projections due to the transfer of collection responsibilities from MIRA to the City Council.

Royalties

Actual 2023 **MVR 73.68 Millions**

Actual 2024 **MVR 84.17 Millions**
 +14.2% Compared to 2023
 +15.1% Compared to Projection

Projection 2024 **MVR 73.11 Millions**

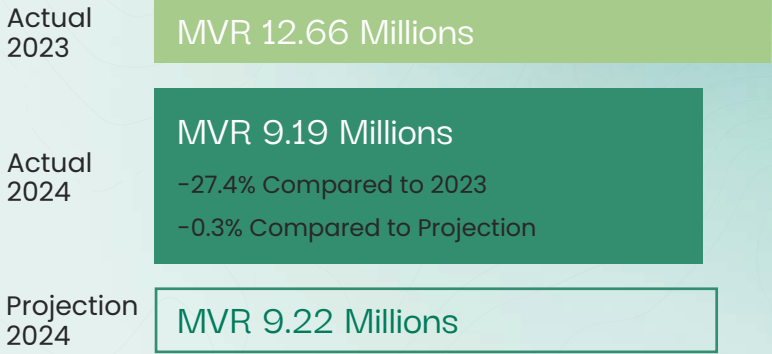
Reason for increment / decrement compared to 2023

- In 2024, only Duty-free Royalty has been collected as royalty.
- An 8.76% increase in tourist arrivals this year compared to 2023 contributed to higher revenue reported from duty-free shops.

Reason for increment / decrement compared to projection

- The royalty projection is calculated based on tourist arrivals and the royalty amount collected per capita from duty-free sales.
- The 3.51% increase in tourist arrivals compared to the estimated figures, along with the resulting rise in duty-free shop revenues, led to a higher collection of duty-free royalties, surpassing the projection.

Plastic Bag Fee



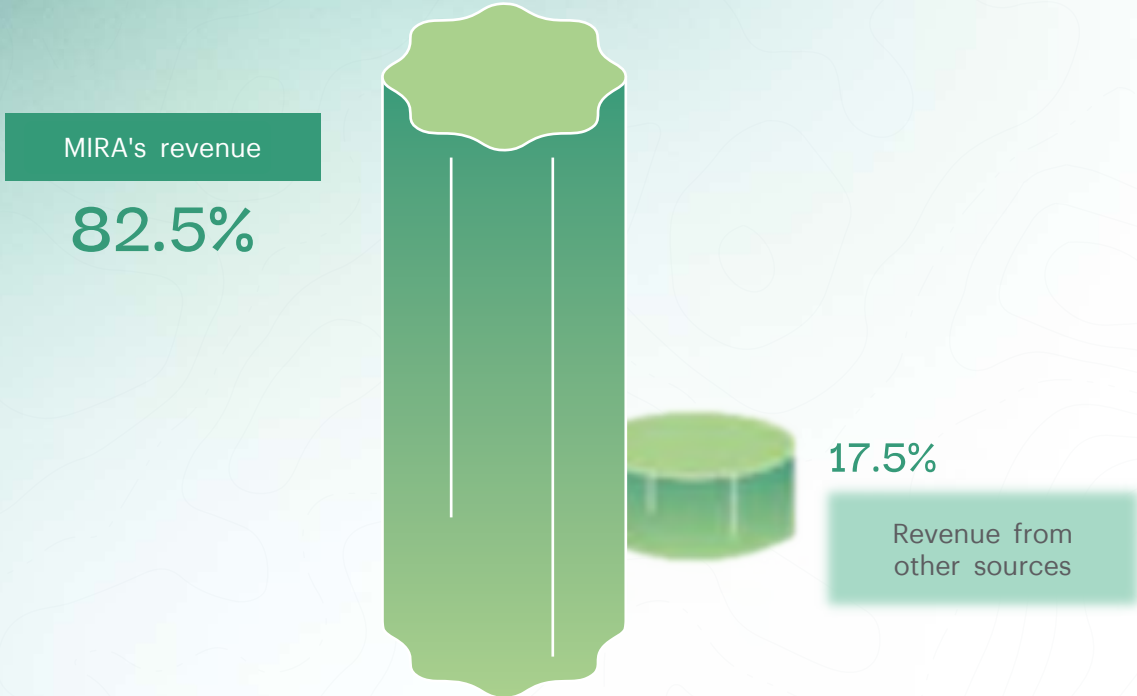
Reason for increment / decrement compared to 2023

- Plastic Bag Fee is a fee collected under the Waste Management Act (No: 24/2022) by businesses operated in the Maldives on plastic bag fees provided free of charge or sold at the point of sale at the rate of MVR 2 per plastic bag. Under regulation no: 2023/R-76 Plastic Bag Fee collected by GST registered persons are collected by MIRA.
- This regulation was effective from 18 April 2023. Collection of plastic bag fee commenced from May 2023 onwards.
- The Fee declared by the taxpayers had declined by 28.8% in 2024, compared to last year.

Reason for increment / decrement compared to projection

- The revenue projections were based on the assumption that the introduction of a plastic bag fee would lead to a gradual year-on-year decline in the use of single-use plastic bags.
- Plastic bag revenue collected in 2024 was 2.2% lower than projected.

Contribution of MIRA to total Government Revenue

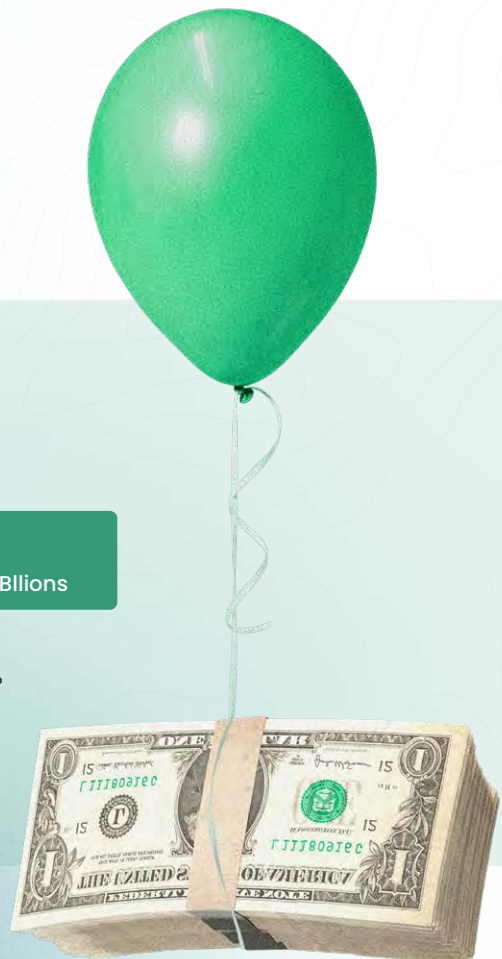


USD revenue

Total Collections:
USD
1.07
Billion

Equivalent to
MVR
16.45 Billions

Compared to 2023:
an increment of 12.9%



○ Revenue collection 2020 - 2024



○ Highlights of USD Revenue Collection:

Revenue

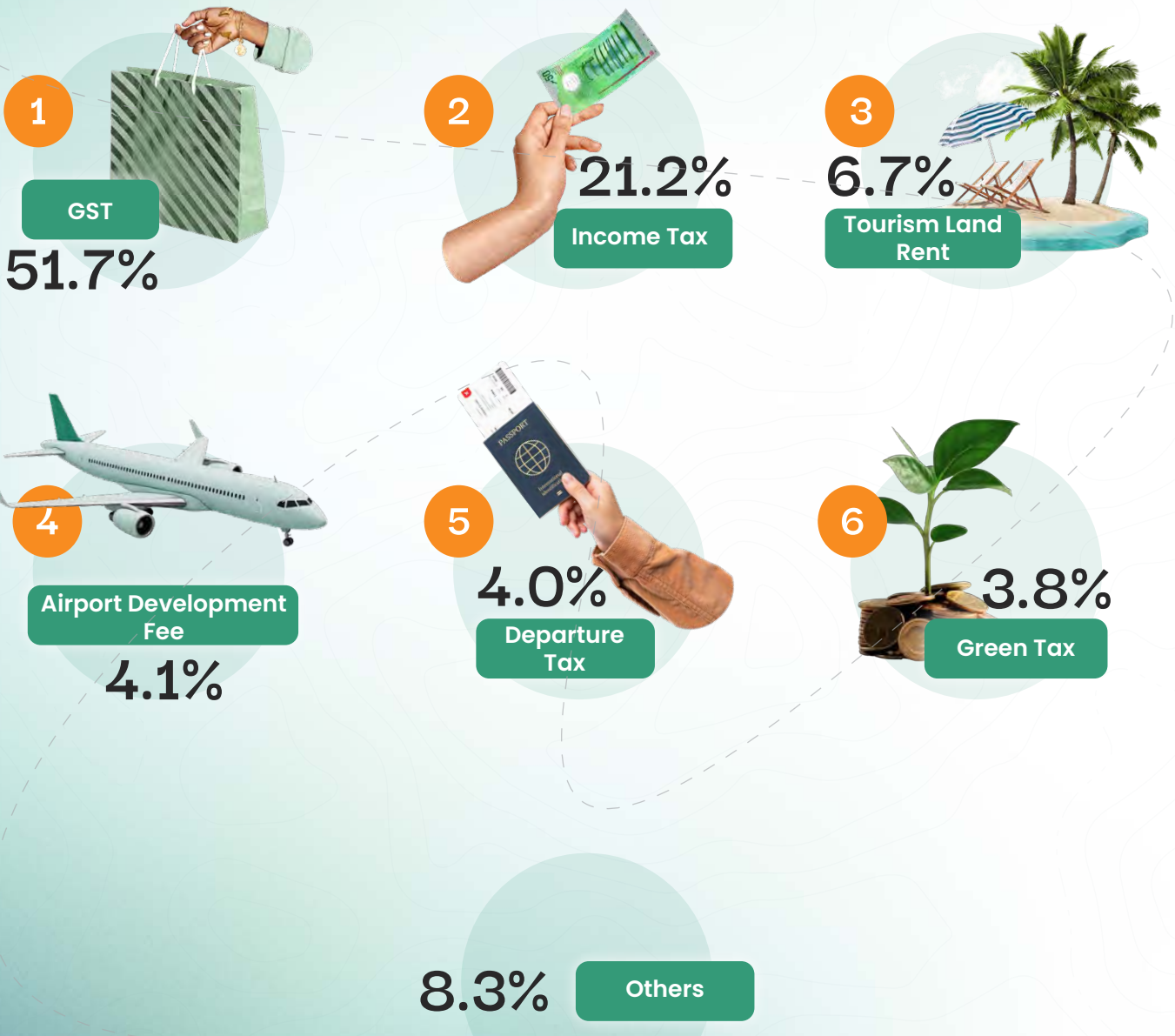
In accordance with the amendment to the Maldives Tourism Act, the collection of Lease Period Extension Fees commenced this year.

Recovery of outstanding dues related to Tourism Land Rent was higher this year.

The leasing of new islands and the introduction of the Cross-subsidy Acquisition Fee by MIRA contributed to an increase in USD revenue.

Following Fifth Amendment to the Income Tax Regulation, the introduction of Non-Resident and Employee Withholding Tax and Capital Gains Withholding Tax payments in USD, previously accepted only in MVR, further increased USD collection.

 Top Revenue Contributors of the year
2024



GST

Total GST Collections:

MVR

14.54

Billion



Compared to 2023: an increment of 9.2%

Compared to projection: increment of 10.7%

GST share from the tourism sector is 65.4%, while all other sectors contributed 34.6% to the total GST revenue

TGST

Total TGST Collections

MVR

9.51

Billion

Equivalent to USD 619.99 millions

Compared to 2023: an increment of 8.4%

Compared to projection: increment of 12.1%

○ Revenue collection 2020 - 2024



○ Total Sales (excluding tax) reported via TGST returns for 2024 and 2023

Category	2023	2024	Year over year % change
Resort Tourist	64,894.08	67,223.12	+3.6%
Water Sports Facilities	310.64	292.99	-5.7%
Other facilities	332.29	286.38	-13.8%
Tour Operators	6,149.48	6,443.47	+4.8%
Foreign Tourist Vessels	112.07	84.64	-24.5%
Domestic Air Transport Provider	4,638.98	5,059.26	+9.1%
Home stay tourist guesthouse	0.31	1.44	+370.3%
Tourist Hotel	930.08	867.31	-6.7%
Tourist Guesthouse	1,163.11	1,305.99	+12.3%
Tourist Vessels	759.66	697.49	-8.2%
Diving School	1,092.70	1,098.70	+0.5%
Shops	367.08	311.81	-15.1%
Spa	265.89	269.30	+1.3%
Total	81,016.37	83,941.90	+3.6%

Deadlines in 2024: December 2023 to November 2024 and 23Q4 to 24Q3
 Deadlines in 2023: December 2022 to November 2023 and 22Q4 to 23Q3
 Figures reported in USD are converted to MVR with an exchange rate of 15.36

GGST

Total GGST Collections
 MVR **5.02** Billion

Compared to 2023: an increment of 10.8%

Compared to projection: increment of 8.0%

○ Total GGST collection 2012 - 2024



○ Total Sales (excluding Tax) from the general sector for 2023 and 2024

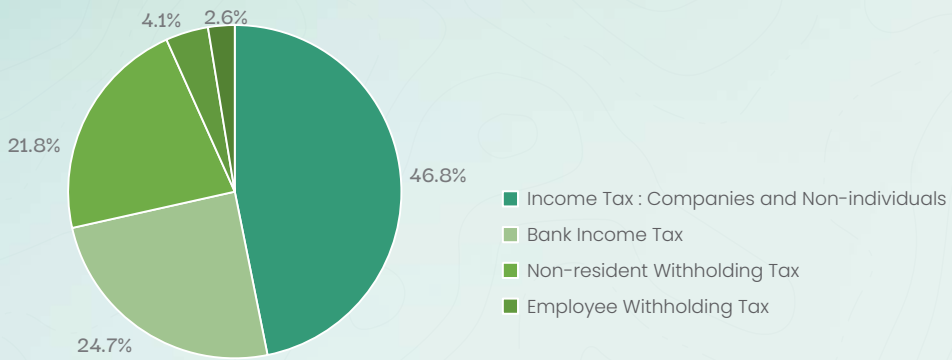
Industry	Tax reported in 2023 (MVR)	Tax reported in 2024 (MVR)	Year over year % change
Transportation and storage	13,712.58	15,216.65	+10.97%
Electricity, gas, steam and air conditioning supply	5,745.55	6,737.44	+17.26%
Human health and social work activities	579.25	1,377.68	+137.84%
Construction	23,248.94	24,006.61	+3.26%
Other service activities	5,784.91	6,371.59	+10.14%
Financial and insurance activities	1,094.51	1,495.80	+36.66%
Real estate activities	597.57	930.75	+55.76%
Others	102,427.87	99,589.43	-2.77%
Total Sales less Tax reported	153,191.17	155,725.94	+1.65%

Deadlines in 2024: December 2023 to November 2024 and 23Q4 to 24Q3

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

Income Tax

The highest income tax contributor in 2024 is Income Tax from Companies and Non-individuals, followed by Non-resident Withholding Tax, Bank Income Tax, Employee Withholding Tax and Individual Income Tax.



The most notable increase in revenue compared to 2023 was observed in Bank Income Tax.

Income Tax – Companies and non-individuals

Total return submitted

4,027

Private Company

3,705

Cooperative Society

07

Partnership

304

Public Limited Company

07

Others

04

○ Tax declaration for Corporate Income Tax for 2023 and 2022 (Reported during 2023 and 2024 respectively)

Category	2023 (Tax payable for 2022)	2024 (Tax payable for 2023)	Year over year % change
Construction	158.99	369.16	+132.2%
Wholesale and retail trade	566.60	677.13	+19.5%
Information and Communication	251.37	292.68	+16.4%
Transportation and Storage	228.72	258.18	+12.9%
Human health and social work activities	35.55	44.29	+24.6%
Electricity, Gas, steam and Air Conditioning supply	25.58	33.62	+31.4%
Financial and Insurance activities	52.02	58.20	+11.9%
Others	1,406.36	1,068.44	-24.0%
	2,725.20	2,801.70	+2.8%

Bank Income Tax

Total Bank Income tax Collections
MVR **1,470.31** Billion

80% of Bank Income Tax are paid by local bank

remaining 20% are receipts from foreign banks operating in the Maldives

○ Bank Income Tax collection 2012 - 2024



Non-Resident Withholding Tax

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

○ Reported NWT declarations 2023 – 2024

Taxable Categories for Non-Resident Withholding Tax	2023 (in MVR millions)	2024 (in MVR millions)	Year over year % change
Rent in relation to immovable property situated in the Maldives	8.61	9.48	+10.0%
Royalty	144.95	122.55	-15.5%
Interest	88.71	111.69	+25.9%
Dividends	100.49	125.34	+24.7%
Fees for technical services	484.30	501.32	+3.5%
Commissions paid for services provided in the Maldives	82.97	75.16	-9.4%
Payments for performances by public entertainers in the Maldives	5.78	7.47	+29.3%
Payments for carrying research and development in the Maldives	0.41	0.34	-17.8%
Payments to a contractor	114.42	97.52	-14.8%
Insurance premium paid	18.59	19.86	+6.8%
Reported Total Withholding Tax	1,049.22	1,070.71	+2.0%

Taxable period – 2023: December 2022 to November 2023

2024: December 2023 to November 2024

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

Employee Withholding Tax

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

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

Remuneration subject to Employee Withholding Tax (Monthly)	Tax rate	Tax payable 2024 (in million MVR)
MVR 60,000 or less	0%	-
More than MVR 60,000 but less than or equal to MVR 100,000	5.5%	55.26
More than MVR 100,000 but less than or equal to MVR 150,000	8%	52.25
More than MVR 150,000 but less than or equal to MVR 200,000	12%	30.26
More than MVR 200,000	15%	77.21

○ Employee withholding tax declaration by industry

Industry	2023 (in million)	2024 (in million)	Year over year % change
Tourism	117.39	130.75	+11.4%
Wholesale and retail trade	25.77	30.54	+18.5%
Financial and insurance activities	8.59	11.46	+33.4%
Human health and social work activities	14.94	17.06	+14.2%
Administrative and support service activities	8.04	9.56	+18.9%
Professional, Scientific and technical activities	4.48	5.47	+22.2%
Transportation and storage	2.63	3.30	+25.4%
Others	37.95	32.67	-13.9%
Total	219.79	240.80	+9.6%

Taxable period - 2023: December 2022 to November 2023

2024: December 2023 to November 2024

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

Personal Income Tax

○ Income Tax rates for individuals are as below

Annual Taxable Income (MVR)	Tax rate	Tax declaration 2K23 (in million MVR)
MVR 720,000 or less	0%	-
More than MVR 720,000 but less than or equal to MVR 1,200,000	5.5%	27.18
More than MVR 1,200,000 but less than or equal to MVR 1,800,000	8%	26.52
More than MVR 1,800,000 but less than or equal to MVR 2,400,000	12%	21.81
More than MVR 2,400,000	15%	116.58

○ Personal Income Tax Declarations

Industry	Tax declaration 2K23	Tax declaration 2K22	Year over year % change
Agriculture, Forestry and Fishing	11.58	1.33	+768.0%
Manufacturing	1.35	0.46	+192.8%
Accommodation and Food service activities	5.84	5.22	+11.8%
Tourism Sector	7.11	6.62	+7.3%
Administrative and support services	19.23	18.90	+1.7%
Other service activities	3.59	3.34	+7.7%
Professional, scientific and technical activities	0.89	0.67	+33.1%
Others	142.34	157.56	-9.7%
Total	191.94	194.11	-1.1%

Tourism Land rent

Total Tourism Land Rent Collections:

MVR

1.83
Billion



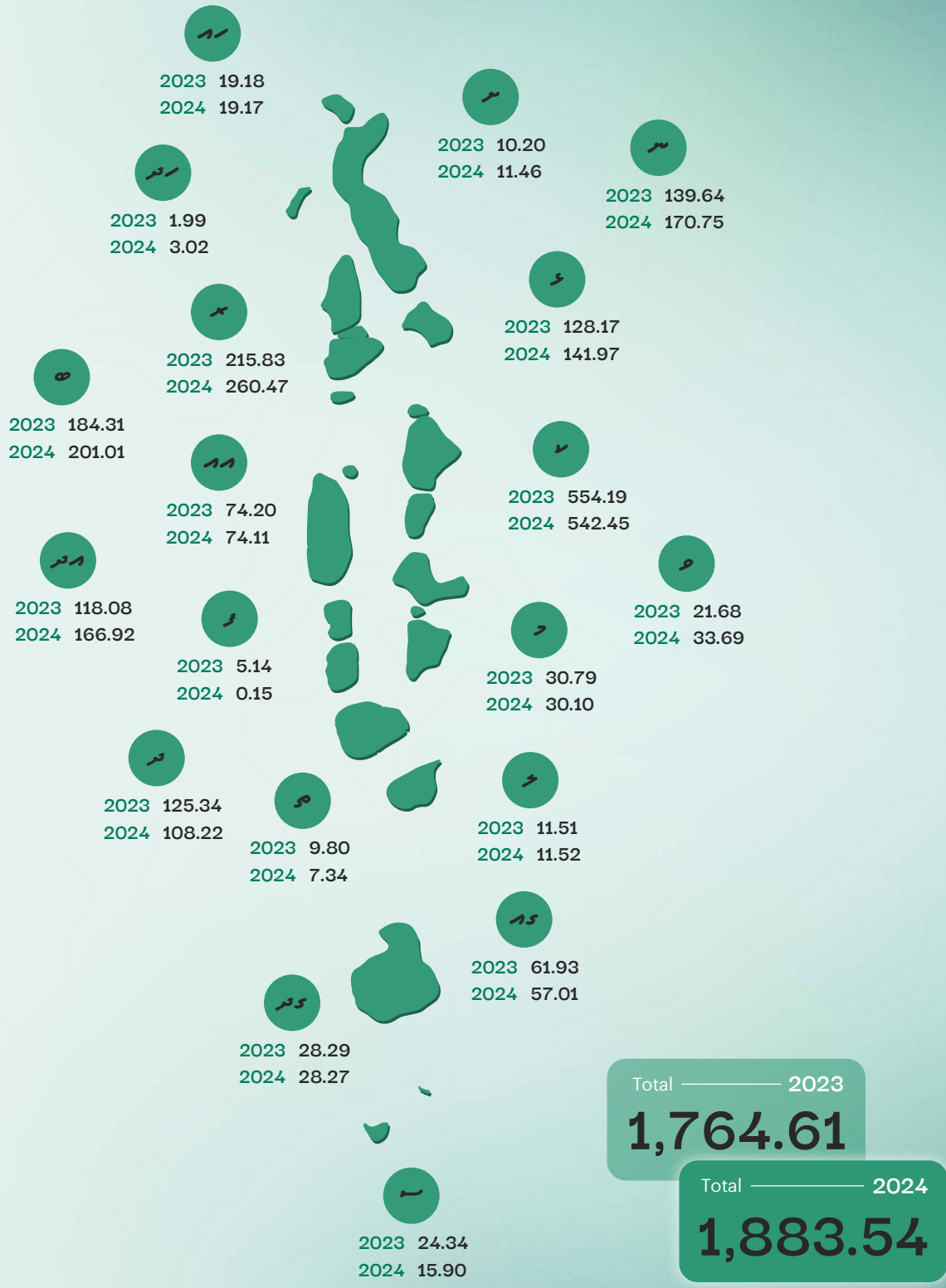
Equivalent to USD 115.01 million

Compared to 2023: an increment of 6.7%

Compared to projection: increment of 7.4%



○ Collection by atoll level



Airport Development Fee

Total ADF collection

MVR

1.16
Billion

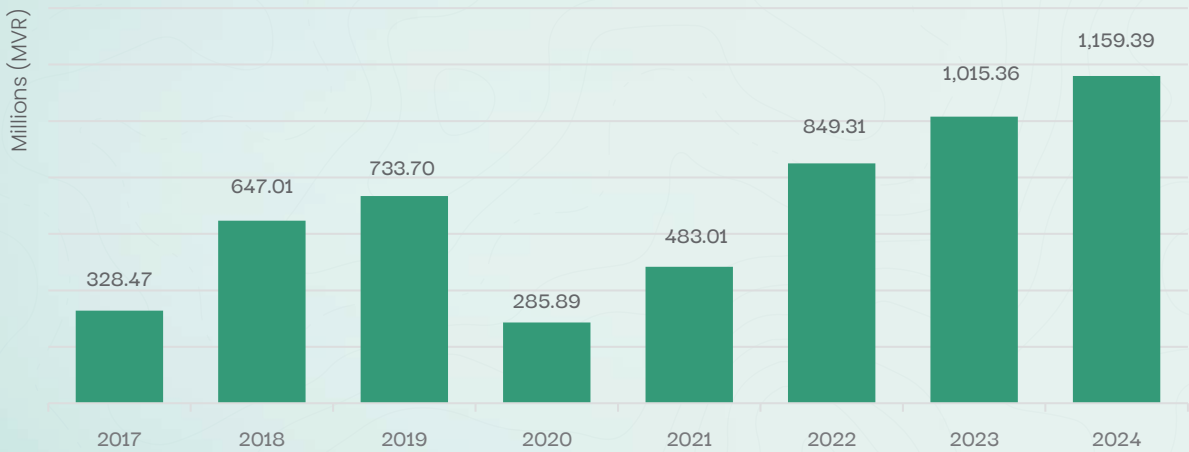
Equivalent to USD 75.19 million

Compared to 2023: an increment of 14.1%

Compared to projection: increment of 14.3%

Airport Development Fee collection 2017 - 2024

In 2024, the amount reported by foreign passengers as Airport Development Fees increased by 12.1% compared to 2023.



ADF payable by Foreigners



○ ADF payable by Maldivians



Departure tax

Total DPT collection

MVR

1.14
Billion

Equivalent to USD 74.15 million

Compared to 2023: an increment of 15.0%

Compared to projection: increment of 12.1%

Departure Tax collection 2012 - 2024



Departures by Class

Industry	2024		2023	
	Maldivian Passengers	Foreign Passengers	Maldivian Passengers	Foreign Passengers
Private Jet	6,743	-	7,791	14
First Class	9,460	82	9,280	1,100
Business Class	199,300	5,024	176,431	5,391
Economy Class	2,000,596	315,675	1,834,830	271,522
Total Passengers	2,216,099	320,781	2,028,332	278,027

Green Tax

Total Green Tax collection

MVR

1.08
Billion

Compared to 2023: an increment of 8.2%

Compared to projection: increment of 3.6%

Green Tax collection 2015 - 2024



The taxable period for Green Tax in 2024 is from December 2023 to November 2024. And the taxable period for 2023 is from December 2022 to the end of November 2023.

Green tax by category

Category	2023	2024	Growth
Guesthouse	3,587,758	4,130,644	+15.1%
Homestay	1,704	9,786	+474.3%
Hotels	1,063,608	1,178,838	+10.8%
Resorts	61,644,905	66,329,957	+7.6%
Vessels	1,436,430	1,508,184	+5.0%
Total	67,734,405	73,157,409	+8.0%

○ Top ten nationality of tourists from each category

Top Ten Markets Resort sector	Taxable nights
1 Russia	1,676,795
2 Germany	1,440,184
3 United Kingdom	1,439,530
4 China	978,207
5 Italy	799,375
6 India	428,460
7 United States of America	353,691
8 Switzerland	350,795
9 France	326,050
10 Austria	241,745

Top Ten Markets Hotels	Taxable nights
1 Russia	28,066
2 China	26,565
3 Germany	24,172
4 United Kingdom	17,484
5 Italy	16,067
6 India	13,603
7 United States of America	13,357
8 United Arab Emirates	9,598
9 Australia	9,339
10 Sri Lanka	8,442

Top Ten Markets Guesthouses	Taxable nights
1 Italy	140,340
2 China	135,696
3 Russia	126,879
4 India	86,002
5 Spain	65,466
6 Germany	53,632
7 Poland	47,493
8 Bangladesh	45,843
9 Czech Republic	32,648
10 United Kingdom	30,300

Top Ten Markets Vessels	No Of Taxable Days
1 Italy	29,506
2 United States of America	22,345
3 Germany	19,780
4 France	19,719
5 United Kingdom	19,640
6 China	16,557
7 Spain	15,562
8 Russia	12,142
9 Australia	11,840
10 Switzerland	10,356

Activities carried out during the year

Activities carried out to improve tax administration

Amendment of 3 Enforcement Policies underneath the Tax Act

1. Amendment to the rules under the Name and Shame Policy

- Under this policy, MIRA will send a “first notice” within 15 days if the tax return is not filed or paid within the time limit prescribed.
- If a taxpayer fails to file or pay their tax return within the initial 15-day period specified in the first notice, they are required to comply within an additional 15 days. Failure to do so will result in the issuance of a Final Notice.

2. Amendment to the Policy on accessing bank account information and freezing bank accounts

- Amendment of Article 3(h) of the Policy

3. 3rd Amendment to the Name and Shame Policy

- Amendment of Article 2(h)(n)(b), Article 3, Article 4(h) and Article 6(h) of the Policy
- Deletion of Article 4(g)(n)(b) of the Policy

Signing the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) Memorandum of Understanding (MoU)

- MIRA became a signatory to the BRITACOM Memorandum of Understanding (MoU), after it was signed by the Commissioner General of Taxation.
- BRITACOM is a prominent platform for fostering cooperation among tax administrations across the Belt and Road Initiative (BRI) region, with a focus on advancing tax administration capabilities, improving mutual assistance and promoting sustainable economic growth.



MIRA’s Digital Transformation Roadmap

- In 2024, with the assistance of the Asian Development Bank (ADB), MIRA finalized its digitalization roadmap, prioritizing the initiatives which will digitize and automate MIRA’s processes and services.
- The main areas of focus on MIRA’s digital transformation roadmap are:
 - Implementing Electronic Invoicing
 - Upgrading MIRA’s core ERP system
 - MIRACONNECT Upgrade
 - Data Governance development
 - Establishment of a Zero Trust Network

Regulations and Guides published in 2024

MIRA publishes detailed guides on how to prepare tax returns every year to facilitate taxpayers in complying with their tax obligations. In 2024, existing regulations have been amended and changed along with the changes to tax laws.

18

completed guides were published

08

guides were translated

04

new Dhivehi Tax Guide published

08

new English Tax Guides published

Guides published in 2024 include:

- Guide Income tax return filing requirements for tax year 2023
- Guide to Taxation of Charitable Organizations
- Guide to BML tokenization payment in MIRACONNECT
- Green Tax Guide
- Guide to Airport Taxes and Fees

04

Regulations were published

05

amendments to regulations drafted

02

tax rulings published

04

tax policies published

Regulations published in 2024 include:

- 3rd amendment to the CBCR regulation
- 5th amendment to the ITR on MIRA website
- 2nd amendment to the ATFR
- 3rd amendment to the Green Tax regulation
- 31st amendment to the GST regulation

Amendments to Policies over the year 2023

7th Amendment to the Goods and Service Tax Act (Number: 20/2024)

The 7th Amendment to the Goods and Services Tax Act was published in the gazette on 5 November 2024. Under this amendment, the TGST rate will increase from 16% to 17%, effective 1 July 2025. Additionally, goods sold and services supplied by shops, diving schools, spas, water sports facilities, and other establishments located on tourist resorts, integrated tourist resorts, resort hotels, hotels, tourist guest houses, picnic islands, private islands, tourist vessels, yacht marinas, and other such establishments authorized by the Ministry of Tourism, excluding shops and cafés operating exclusively for employees of these establishments)are included in the amendment as tourism goods and services.

2nd Amendment to the Airport Taxes and Fees Act

Under the amendment to this Act, the Departure Tax rate and the Airport Development Fee have been revised. The amendments are as follows:

Departure Tax

Travel Class	From 1 January 2022 till 30 November 2024		From 1 December 2024 onwards	
	Maldivian passengers	Foreign passengers	Maldivian passengers	Foreign passengers
Economy Class	12 USD	30 USD	12 USD	50 USD
Business Class	60 USD	60 USD	120 USD	120 USD
First Class	90 USD	90 USD	240 USD	240 USD
Private Jet	120 USD	120 USD	480 USD	480 USD

Airport Development Fee

Travel Class	From 1 January 2022 till 30 November 2024		From 1 December 2024 onwards	
	Maldivian passengers	Foreign passengers	Maldivian passengers	Foreign passengers
Economy Class	12 USD	30 USD	12 USD	50 USD
Business Class	60 USD	60 USD	120 USD	120 USD
First Class	90 USD	90 USD	240 USD	240 USD
Private Jet	120 USD	120 USD	480 USD	480 USD

Moreover, revisions were made to the sections 'Refund of Taxes and Fees Collected in Contravention of the Law to Passengers' and 'Following the Tax Administration Act.' Section 13 (c) has also been repealed under the amendment.

This amendment was published in the gazette on 5 November 2024.

13th Amendment to the Maldives Tourism Act (Number: 9/2024)

The 13th Amendment to the Maldives Tourism Act was published in the gazette on 29 August 2024. Under this amendment, Section 5 (Lease of Islands, Land, and Lagoons for Tourism Purposes) (i)(5), Section 9 (Lease Period) (c), (g)(1), and (g)(2), and Section 16-16 (Development and Lease of Private Islands) (e) have been revised. Additionally, a new provision has been included under Section 9 (g)(2).

14th Amendment to the Maldives Tourism Act (Number: 21/2024)

The 14th Amendment to the Maldives Tourism Act was published in the gazette on 5 November 2024. Under this amendment, Section 5 (Lease of Islands, Land, and Lagoons for Tourism Purposes) (f) and Section 35 (Tax) (g), (h), and (j) have been revised.

According to this amendment, the Green Tax rate will be USD 6 per guest from 1 January 2023 to 31 December 2024, and USD 12 per guest from 1 January 2025 onwards. However, if the hotel or tourist guesthouse has fewer than 50 rooms, the Green Tax rate will be USD 3 per guest from 1 January 2023 to 31 December 2024, and USD 6 per guest from 1 January 2025 onwards. Furthermore, children under the age of 2 will be exempt from the Green Tax effective 1 January 2025.

Additionally, Section 5 (d)(2) and Sections 35 (k), (l), and (m) have been repealed under the amendment.

5th Amendment to the Income Tax Regulation (Number: 2024/R-84)

According to the amendments, if the functional currency of a person is a currency other than the rufiyaa, the presentation currency for interim payments and withholding tax for that person will be USD, effective from the tax year 2024 onwards, with the exception of the first interim return for the tax year 2024. If the functional currency is the rufiyaa, the tax payable and interim payment payable can be made to MIRA in either rufiyaa or USD. Moreover, a subsection has been added after Section 106 (Presentation Currency) (d), and additional subsections have been added after Section 107 (Presentation Currency of the Return) (b) of the regulation. According to these new subsections, if the functional currency of a person required to submit a return is a currency other than the rufiyaa, the return must be prepared in USD. The currency should be exchanged according to the principles outlined in International Accounting Standards 21, using a rate within $\pm 2\%$ of the rate published by the Maldives Monetary Authority.

31st Amendment to the Goods and Services Tax Regulation (Number: 2024/R-116)

The 31st Amendment to the Goods and Services Tax Regulation was published in the gazette on 25 November 2024. Under this amendment, Section 7 (Separate Registration) (c) and Section 43 (Output Tax and Input Tax) (e) were revised. Additionally, a new subsection was added after Section 7(c), a new section titled 'Goods and Services Supplied by Domestic Air Transportation Service Providers' was introduced after Section 57, a new section titled 'Shops and Cafes Operating Exclusively for Employees of Such Tourist Establishments' was introduced after Section 105-1, and a new subsection was introduced after Section 113-3 (Repealed Tax Rulings).

This regulation also included changes to the TGST rate and other details related to the amended Goods and Services Tax Act.

3rd Amendment to the Green Tax Regulation (2024/R-117)

The 3rd Amendment to the Green Tax Regulation was published in the gazette on 25 November 2024. This amendment revised Section 8 (Green Tax Computation) (b), (c), and (d), as well as the definition of Green Tax under Section 22 (Definitions) (a). Furthermore, new subsections were added under Section 8 (b), (d), and (f), as well as under Section 18 (Record Keeping). Section 9-1 of the regulation was repealed. The amendment also introduced changes to the Green Tax rate, along with other provisions related to the amended Maldives Tourism Act.

2nd Amendment to the Airport Taxes and Fees (Number: 2024/R-110)

The 2nd Amendment to the Airport Taxes and Fees Regulation was published in the gazette on 7 November 2024. Under this amendment, Section 12-3 (Travel Class Downgrade) (b) and Section 18 (Refunds in Respect of Airport Taxes and Fees Charged in Violation of the Act) were revised. Additionally, a new subsection was added after Section 10 (Commencement of Collection of Airport Development Fee) (c) and Section 10-1 (Commencement of Collection of Departure Tax) (b). Furthermore, Section 12-3 (Travel Class Downgrade) (c) was repealed. These amendments include provisions regarding changes to the Airport Development Fee and Departure Tax, in accordance with the amended Airport Taxes and Fees Act.

3rd Amendment to the Country-by-Country reporting Regulation (Number: 2024/R-10)

The 3rd Amendment to the Country-by-Country Reporting Regulation was published in the gazette on 28 January 2024. Under this amendment, Section 4 (Filing Obligation of Country-by-Country Reports) (b-2) was repealed, and a new subsection was added after Section 4 (b-2). As per this amendment, the filing requirement specified in Section 4 (b) will be applied to the Country-by-Country report with respect to the fiscal year ending in the year 2024 and thereafter.

Regulation on submission of information to MIRA by developers and investors of Special Economic Zones (Number: 2024/R-106)

This regulation includes the purpose of determining the scale of economic activities undertaken within the special economic zones and the computation of tax expenditure due to the incentives accorded under the Act to the zone developers and investors, the information to be submitted to MIRA by zone developers and investors, and the manner of submission. The regulation was published in the gazette on 28 October 2024.

Regulation on the Cruising and Docking of Foreign Tourist Vessels (Number: 2024/R-2)

The new Foreign Tourist Vessel Regulation was formulated in accordance with Section 24 (b) of Law Number 2/99 (Maldives Tourism Act) to regulate the cruising and docking of foreign tourist vessels in Maldivian waters. Under this regulation, vessels over 20 meters in length are required to pay a fee of USD 1,000 to MIRA to obtain a cruising permit, along with a daily fee of USD 100 for cruising and docking in Maldivian waters. Additionally, passenger liners cruising in Maldivian waters are subject to a daily fee of USD 850. Additional details regarding other fees, fines, renewal of licenses and tax are included in this regulation. The regulation was published in the gazette on 2 January 2024.

Income Tax: Deduction in respect of donations made in money

This ruling was issued pursuant to the authority granted under Section 84 of Law Number 3/2010 (Tax Administration Act). According to this ruling, only monetary donations will be deductible in the computation of taxable income under Section 21 of the Act.

The ruling was published on 14 March 2024 and is effective from 1 March 2024

Goods and Service Tax: First Amendment to the Tax Ruling TR-2015/G30 (TR-2024/G50)

This ruling is issued pursuant to the authority granted under Section 84 of Law Number 3/2010 (Tax Administration Act). According to this amendment, paragraphs 8 and 10 (e) were revised. This Ruling is effective from 26 August 2024

Amendments to policies over the year 2024

First amendment to the General Enforcement Policy (Number: 2024/G-34)

The amended policy includes revisions to section 2 (Procedure for action) (a) and (b) of the Policy number 2022/G-11 (General Enforcement Policy). Under this amendment, if the taxpayer has not filed or paid taxes within the mandated period, a non-filing or non-payment notice will be sent to the taxpayer requesting them to file the return or make payment within 15 days. If the taxpayer still has not filed or paid the amount, a final notice will be sent, instructing the taxpayer to file the return or pay the amount within another 15 days.

This amendment was published in the gazette on 20 October 2024.

First amendment to the policy on accessing bank account information and freezing bank accounts (Number: 2024/G-32)

The amended policy includes revisions to Section 3 (Circumstances in which Funds in Bank Accounts may be Ordered to be Withheld) (a) of Policy number 2022/G-9 (Policy on accessing bank account information and freezing bank accounts). Under this amendment, MIRA can order the freezing of bank accounts once all mandated notices have been sent to the non-compliant taxpayers, and if the taxpayers meet the conditions outlined in this provision.

This amendment was published in the gazette on 20 October 2024.

Third amendment to the Name and Shame Policy (2024/G-33)

The amended policy includes revisions to Section 2 (Name and Shame) (a), (c), and (e); Section 3 (Areas to Verify Before Name and Shame); Section 4 (How to Name and Shame) (a); Section 6 (Exceptions) (a); and the removal of Sections 4 (b), (c), and (e) from the Policy number 2022/G-10 (Name and Shame policy).

This amendment was published in the gazette on 20 October 2024.

Registration of Taxpayers and other Persons

At the end of 2024, a total of **75,977** activities were registered at MIRA.

During the year 9,252 new taxpayers were registered

31 taxpayers registered under Income Tax were deregistered.

Total TGST Registrants at the end of 2024

4,412

379 New Registrants during the year 2024

129 De-registrants during the year 2024

Total GST Registrants at the end of 2024

22,391

1,392 New Registrants during the year 2024

362 De-registrants during the year 2024

Income Tax

	No of Taxpayers	No of Deregistered TPs
Income Tax	75,977	31
Bank Income Tax	8	0
Individual Income Tax	53,735	5
Income Tax - Companies and non-individuals	21,546	25
Employee withholding Tax	683	1
Insurer Income Tax	5	0

EWT registrants during 2024

No of Taxpayers	Employees	Employers
No. of Employees as of 2024		14,264
No. of Employers as of 2024	683	
Income Tax Registration for each Category		
Government Office / Institution	47	
Individual	15	
Private Limited Company	548	
Public Limited Company	8	
Partnership	23	
Re-registered Foreign Company	39	
Trust	0	
Co-operative Society	1	
Others	2	
Income tax deregistered during 2024	1	

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

Monitoring taxpayer compliance

Compliance Day activities

521 Taxpayers were reached via phone call

2,604 Taxpayers were reached via field visit

Compliance Inspection

3,517 successful compliance inspections were conducted in Male'.

1,866 successful compliance inspections were conducted by regional operations.

Assisting Taxpayers

4,867 participants were participated in 524 information sessions


118 complaints were received to MIRA.

103 complaints were attended

Actions under Enforcement Policy

Work is ongoing to skip trace 1 taxpayer.

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



Audits and Investigations

Audits conducted

257 taxpayers were audited in 347 cases.

433.97 million Rufiyaa was the resulting tax impact.

Tax type	No. of audits completed	Tax Impact (MVR)
Income Tax: companies and non-individuals	99	153,397,967.92
BPT	47	113,950,478.76
TGST	50	71,477,873.18
GGST	72	51,688,169.00
Employee Withholding Tax	38	37,055,690.97
Non-resident Withholding Tax	5	3,090,493.00
Personal Income Tax	10	1,396,553.05
Green Tax	23	1,001,436.48
Bank Income Tax	3	907,811.56
Total	347	433,966,473.92

Investigations conducted

38 investigative audits conducted.

15 of these cases were convicted of criminal offenses.

41.16 million Rufiyaa was the resulting tax impact.

 Taxpayer Objection

Taxpayer Objections

56 audit related objections were filed.

1 non-audit related objections were filed.

Completed Objections

39 audit related objections were completed.

2 non-audit related objections were completed.


7 objections were fully allowed.

6 objections were partly allowed.

26 objections were disallowed.

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

Tax type	Pending cases at the start	Cases received	Cases completed	Pending cases at the end
GGST	-	2	2	-
TGST	-	11	9	2
Withholding Tax (BPT regime)	2	-	2	-
BPT	-	13	12	1
Income Tax – Personal Income Tax	-	1	1	-
Income Tax – Companies and non-individuals	-	16	7	9
Income Tax – Non-resident Withholding Tax	-	1	-	1
Income Tax – Employee Withholding Tax	-	11	5	6
Green Tax	-	1	1	-
Subtotal 2023	2	56	39	19
Non-audit related objections	1	1	2	-
Total 2023	3	57	41	19

 **Enforcement Activities**

Enforcement actions

- 52,158** notices were issued to non-filers.
- 4,311** taxpayers filed their returns according to the notices.
- 36,843** notices were issued to non-payers.
- 8,139** taxpayers paid their taxes according to the notices.
- 1,029** Installment plans were arranged for taxpayers.

MVR 3.76 billion was recovered through enforcement actions.

Details	Number of taxpayers	Amount (MVR)
Through dunning	15,038	2,740,236,373.71
Dues clearance	2,781	625,740,374.13
Name and Shame	488	43,945,820.78
Account Freezing Policy	501	109,424,463.76
Through legal action	13	86,733.00
Through Reminder Calls	148	239,878,760.92
Total enforced collection	18,969	3,759,312,526.30

Installment details:

Details	Number of taxpayers	Amount (MVR)
Installment plans granted	1,029	2,512,390,953.90
Recovery from Installment plans granted	3,535	894,741,673.11

Cases filed by MIRA

- 1** cases filed in Civil Court.
- 5** cases filed in High Court.
- 3** cases filed in Magistrate Court.

Cases filed against MIRA

- 3** cases filed in Civil Court.
- 1** cases filed in Supreme Court.
- 14** cases filed in Tax Appeal Tribunal

Cases completed in courts

- 55** cases completed in favour of MIRA.
- 5** cases decided partly in favour of MIRA.
- 7** cases decided against MIRA.
- 2** case dismissed without grounds for appeal or contribution.
- 2** cases withdrawn.
- 2** Judgment passed for other cases which does not fall into any category.

Details	In favour of MIRA		Against MIRA	Cases Dismissed	Cases Withdrawn	Others	Total
	Fully	partly					
Supreme Court	1	1	1	0	0	0	3
High Court	4	1	3	0	0	0	8
Civil Court	47	0	0	2	2	5	56
Tax Appeal Tribunal	1	3	3	0	0	0	7
Megistrate Courts	2	0	0	0	0	0	2
Total 2023	55	5	7	2	2	5	76

Activities carried out to establish beneficial relationships

Establishing relationship with international bodies, tax authorities and local offices

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

Taking part in international conferences and platforms:

22 - 24 January 2024

Visit to the Inland Revenue Board of Malaysia and National Institute of Valuation (INSPEN)



www.mira.gov.mv



gov.mv

6 - 8 February 2024

1st UNDP Global Dialogue on Public Finance and Tax for Gender Equality held in Istanbul, Turkey.



29 – 30 April 2024

93rd Management Committee meeting of the Commonwealth Association of Tax Administrators



24 – 27 June 2024

6th Asia Initiative Meeting, Armenia



24 – 26 September 2024

5th Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF), Hong Kong



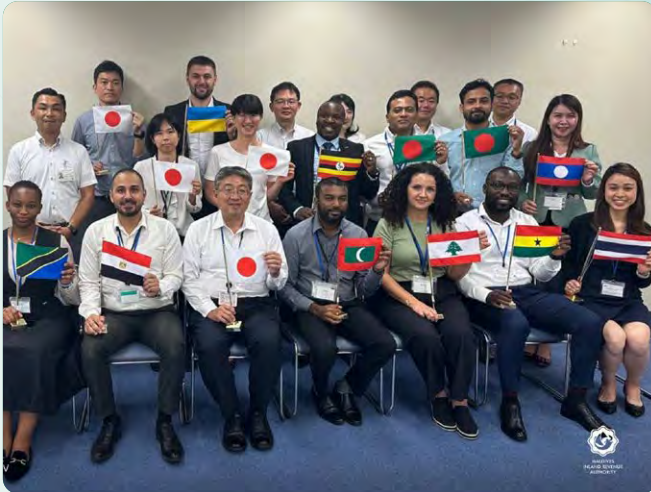
17 – 18 September 2024

International Tax Conference, New Delhi, India



3 September – 5 October 2024

International Seminar on Taxation organized by Japan International Cooperation Agency



21 – 25 October 2024

44th Annual CATA Conference, Mauritius





24 – 26 November 2024

7th Asia initiative
high level meeting



24 – 29 November 2024

17th Global Forum Plenary Meeting
and associated meetings, Paraguay



29 October – 28 November 2024

International Seminar on Taxation organized by Japan International Cooperation Agency



5 – 7 December 2024

Foundation for International Taxation Annual Conference



○ Joining international and Regional initiatives

26 September 2024

Joined Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM)



25 October 2024

Maldives appointed as the Regional Director of the Commonwealth Association for Tax Administrators



○ Memorandum of understanding signed



31 October 2024

MOU signed with Villa College to facilitate a platform for future leaders to seek knowledge enhancement, training and internship opportunities



M I R A

Gulhigen MIRA is an initiative launched by MIRA in August 2024, during the organization’s 14th anniversary event. This initiative represents a strategic rebranding effort. The term Gulhigen MIRA, which translates to “Together with MIRA,” reflects the institution’s evolving role as a more facilitative and service-oriented institution.

This new visual identity represents MIRA’s ongoing commitment to building trust, encouraging voluntary compliance, and continuously enhancing taxpayer experience. It encourages a culture where paying taxes is viewed not only as a legal obligation but also as a moral responsibility.

Gulhigen MIRA encourages a renewed understanding of how the authority and taxpayers interact. The core message emphasizes listening, guiding, helping, and facilitating, which are qualities that define the kind of institution MIRA aspires to be recognized as.

Gulhigen MIRA also reinforces collaboration with key stakeholders, including taxpayers, tax agents, consultants, government entities, and the public; by promoting values of mutual respect, transparency, and open engagement.

By improving services and simplifying processes, Gulhigen MIRA supports a more seamless and supportive tax environment. Taxpayers are assured that their voices are heard, their concerns are valued, and that services are delivered with fairness and approachability. Most importantly, MIRA provides a safe and responsive space where feedback is welcomed and addressed with care and confidence.

Activities that took place via Social Media platforms

- 10 Media interviews through various news channels
- 26 News publications
- 4 advertisements related to the campaign
- 593 social media posts

Social media analytics of 2024

- 593 social media posts
- 1,595,156 Impression
- 1,445,809 reach
- 114,287 followers



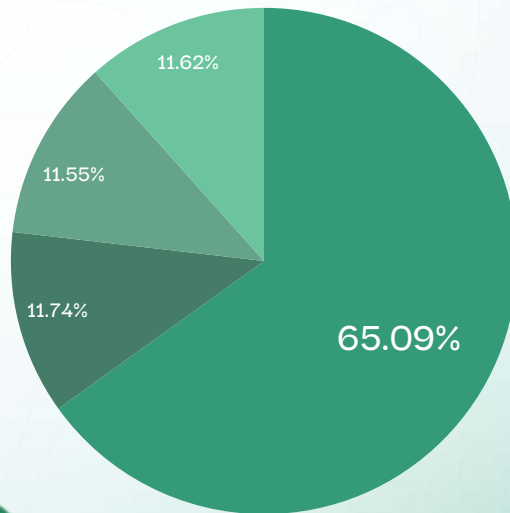
Activities held by MIRA to increase awareness and build the brand image

- 12 guides launched
- 18 guides and 40 instruction sheets reviewed and changed.
- 172 sessions held with 3,667 participants
- 74 MIRA staff took part in training and informative sessions.



1415 call center analytics of 2024

- 35,434 phone calls
- 6,394 E-mails
- 6,289 Viber messages
- 6,324 Live chat message



- (65.09%) phone calls
- (11.74%) E-mails
- (11.55%) Viber messages
- (11.62%) Live chat message



Strategic Plan 2020 – 2024

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

Key Performance Indicators	Status at the end of 2024
Equip taxpayers with the knowledge they need to fulfill their obligations	<ul style="list-style-type: none"> • A taxpayer survey was conducted in 2024, covering areas of tax knowledge, taxpayer services and awareness, and taxpayer perception. • During the year, the Dhivehi version of the questionnaire for the survey was finalized, and volunteers were trained to administer the survey. • By the end of November 2024, the survey was completed, with 475 taxpayers selected as participants. • A total of 767 attempts were made to contact these taxpayers, leading to 279 successful responses. • The findings of the survey were presented to senior executives on 5 December 2024.

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

Key Performance Indicators	Status at the end of 2024
Maintain an accurate and up-to-date registration database	<p>Removed from MIRA’s Registry</p> <ul style="list-style-type: none"> • A total of 273 inactive GST CO’s associated with non-filing and late filing were deregistered. • Deregistration of inactive taxpayers is continued on a quarterly basis from the late filers and non-filers list. <p>Added to MIRA’s Registry</p> <ul style="list-style-type: none"> • 12,191 business activities were registered in MIRA based on new activities registered at Ministry of Economic Development (MED) in 2024. • 3,813 sole proprietorships and 3,228 entities were registered for Income Tax.

Key Performance Indicators	Status at the end of 2024
	<p>Other updates to MIRA’s Registry based on information received from other agencies</p> <ul style="list-style-type: none"> • The status of 83 companies which commenced winding up and 25 companies which dissolved in 2024 were updated in MIRA’s registry based on MED data. • The taxable period of 161 taxpayers were changed to monthly based on GST sales data in SAP. • The status of 146 deceased taxpayers were updated on SAP and dunning/fine locks were activated where necessary.
<p>Increase the use of online filing and payment by taxpayers</p>	<ul style="list-style-type: none"> • 94.31% of the returns submitted to MIRA in 2024 were filed on-line. • 94.45% of the payments were received via online platforms.
<p>Ensure that MIRA has a presence in all atolls</p>	<ul style="list-style-type: none"> • No new collection centers or branches were opened or closed during the year. • As of 2024, MIRA is providing its services in a total of 19 offices in 18 atolls of the Maldives.
<p>Facilitate tax administration changes stemming from legislative development</p>	<ul style="list-style-type: none"> • During the year, the fifth amendment to the Income Tax Regulation was implemented, which introduced revisions to the presentation currency. • Necessary updates were made to MIRA’s systems, and a comprehensive approach was adopted, including awareness campaigns, interviews, and training sessions for staff. • A total of 28 information sessions on Income Tax were conducted, with the participation of 163 members of the public. • 30 information sessions on GST were conducted with 278 members of the public.

Strategic Priority 3: Improve voluntary compliance through a compliance risk management framework

Key Performance Indicators

Status at the end of 2024

Implement a Compliance Risk Management Framework

- Majority of the activities planned under the multi-year Compliance Improvement Plan 2023-2024 was successfully implemented by the end of the year.
- The risks to be addressed in the Compliance Improvement Plan 2025-2026 were identified, and appropriate treatments for these risks were developed based on suggestions received during a workshop held with risk officers and senior staff of MIRA.
- These activities will be presented to the Risk Management Steering Committee, and the Compliance Improvement Plan for 2025-2026 is scheduled to be endorsed in January 2025.

Implement automated risk profiling for targeted compliance treatments

- Several procedures followed repetitively across various risk assessments were identified and planned to be carried out as an automation project in collaboration with the Enterprise Data Section (EDS), thereby reducing duplication of efforts.
- One such project was almost completed, where initial automation work was done by EDS, testing was completed by the Data Analytics Section (DAS), and feedback was provided to EDS to implement the necessary updates.
- It is important to highlight that focus and efforts were prioritized on creating central datasets in SQL, which are crucial for multiple risk assessments and integral to a comprehensive approach to automation.
- During the process, data schemas were prepared in SQL after standardizing the data fields in SAP reports, to ensure consistency and efficiency.

Increase accuracy of voluntary disclosures by taxpayers

During 2024,

- 86 returns were amended.
- 39 returns were with increased liability.
- 41 returns were with reduced liability.
- 6 returns were with no change in liability.

347 audits were completed with a tax impact of MVR 437.38 million. 77 repeated non-compliers were identified.

Key Performance Indicators

Status at the end of 2024

Increase the on-time filing and payment rates

The on-time filing rate of 2024 was 71.72%

- GST – 70.07%
- Income Tax – 76.88%
- GRT – 73.36%
- ATF – 88.12%

The on-time payment rate for 2024 was 62.13%

- GST – 57.11%
- Income Tax – 79.71%
- GRT – 60.66%
- ATF – 67.77%

Strategic Priority 4: Improve audit efficiency and results

Key Performance Indicators

Status at the end of 2024

Improve risk-based audit approach

To standardize the audit process, work on the following audit manuals has been ongoing throughout the year:

- The Tax Audit Manual has been updated and distributed to the auditors. A training session for one department was successfully conducted.
- The Transfer Pricing Manual has been submitted to the Audit Committee for approval.

To improve efficiency and effectiveness of risk based audit activities, work on the following guidance material have been ongoing during the year:

- A guidance note for auditors on the Tourism Sector’s Guest-houses has been published.
- The Managers Resource Guide has been uploaded and shared with the managers group.
- The Third-Party Document Request Procedure has been shared with the auditors.
- The research paper on the Banks SLP area in IFRS 9 has been distributed to the auditors.
- All audit departments have published their weekly and monthly performance reports.

Key Performance Indicators	Status at the end of 2024
<p>Increase audit coverage</p>	<ul style="list-style-type: none"> • The pilot audits for EWT and NWT have been successfully completed. • Income Tax audits have been completed, with some cases currently at the execution stage. • Non-filer audits have been completed, with several cases now at the execution stage
<p>Improve quality of audit processes</p>	<p>The following activities were carried out to build technical expertise and knowledge to improve the quality of audits:</p> <ul style="list-style-type: none"> • The TIWB program has been successfully completed by the end of the first quarter of 2024. • Technical assistance for the telecom and construction industries was provided as part of the US treasury - Office of Technical Assistance (OTA) mission during the year. • A total of 9 knowledge enhancement sessions were conducted in 2024. • 6 skill development sessions were held in 2024. • The Tax Auditors Conference was conducted in July 2024.

Strategic Priority 5: Deter abuse of the system through regulated actions

Key Performance Indicators	Status at the end of 2024
<p>Improve detection of serious non-compliance and abusive practices</p>	<ul style="list-style-type: none"> • Like in previous years, a detailed analysis of cases involving serious tax offences was conducted and referred for appropriate actions. • A tax crime mitigation strategy and intelligence framework were developed and implemented with technical assistance from the TIWB mission. • This strategy and framework aim to enhance the intelligence function, ensuring the timely and accurate detection of tax crimes and serious non-compliance issues. • Amendments have been proposed to the Tax Administration Act to widen MIRA's access to third-party data and MOUs with partner agencies are under review to enhance collaborations in detecting tax and other crime.

Key Performance Indicators	Status at the end of 2024
<p>Improve quality of criminal investigations</p>	<ul style="list-style-type: none"> • During 2024, four cases were forwarded for prosecution, all of which received technical guidance of Subject Expert under the TIWB Criminal investigation Program. • Under this Technical Assistance program, which was successfully concluded in August 2024, an Investigation Manual was developed in-house, which is aimed at improving the quality of criminal investigation and streamline the investigation processes. • Further, with the aim of improving quality and completion rates of investigations, MIRA has formed its own Digital Forensic Section, acquiring required resources under technical assistance of the ADB. The formation of this dedicated function for the analysis of digital evidence acquired for investigations is expected to vastly increase the quality of output and decrease the amount of time spent for data screening & Data analysis stages. • Apart from this, similar to previous years, Investigation Division staff took part in training programs aimed at capacity building in areas related to conducting financial investigations, Exchange of Information Requests (EOIR) and digital forensics.

Strategic Priority 6: Improve the management of debt collection

Key Performance Indicators	Status at the end of 2024
<p>Reduce the arrears-to-collection ratio of the collectible core tax arrears</p>	<ul style="list-style-type: none"> • The arrears to collection percentage of collectible core tax arrears at the end of 2024 is 23.83%. • The arrears to collection percentage of collectible core tax arrears at the end of 2023 is 15.80%.
<p>Reduce annually the time to collect arrears from the taxpayers</p>	<p>Enforcement actions taken to recover Tax revenue.</p> <ul style="list-style-type: none"> • Sent 46,367 First Notices. • Sent 42,634 Final Notices. • To reduce the time to collect tax arrears, 588 taxpayers were 'Named and Shamed'. • 119 taxpayer cases were sent for account freezing. • 8 cases were sent for legal action. • 1,029 installment agreements were signed. <p>Enforcement actions taken to recover non-tax revenue.</p> <ul style="list-style-type: none"> • Monthly arrear reports were shared with relevant ministries.

Strategic Priority 7: Adopt a risk-based approach throughout the organization

Key Performance Indicators	Status at the end of 2024
<p>Identify the high-risk enterprise risks for programs and projects and ensure they are well-understood and actioned</p>	<ul style="list-style-type: none"> • Collaborated with Internal Audit to initiate the Business Impact Analysis and Risk Identification process within MIRA. • Developed a new template with the help of Internal Audit to facilitate risk assessments across all MIRA departments. • Organized fire training and awareness sessions, in collaboration with MNDF, for selected MIRA staff members. • Completed the Standard Operating Procedures (SOPs) for Risk Registers, Risk Action Plans, and Tabletop exercises during the year.
<p>Develop and implement a long-term business continuity plan</p>	<ul style="list-style-type: none"> • SOP for Business Continuity Planning (BCP) was completed during the year. • Established a risk cluster to develop continuity solutions, in collaboration with the IMF consultant. The consultant recommended the formation of a dedicated IT risk cluster, and initial meetings with the IT department were held to begin developing solutions. • Implemented an Incident Management Application for MIRA.
<p>Assess organizational performance and allocate resources according to risk</p>	<ul style="list-style-type: none"> • Resource allocation according to the risks has not been carried out thus far.

Strategic Priority 8: Enhance human resource capacities

Key Performance Indicators	Status at the end of 2024
<p>Empower staff to engage with taxpayers and their representatives at an equal level by promoting professional training and education</p>	<ul style="list-style-type: none"> • Proportion of technical staff with a professional qualification at the end of 2024 is 18.37% <p><i>It should be noted that currently only ACCA Fellowship, members, affiliates and CMA are considered as professional qualification.</i></p>

Key Performance Indicators	Status at the end of 2024
<p>Train and develop staff to meet the challenges of the future</p>	<ul style="list-style-type: none"> • During the year, 50 overseas training/workshops were held, as well as 36 overseas seminars and conferences. • 3 induction programs were held for new staffs. • 21 staff development programs. • 50 local trainings/workshops and 20 local seminars and conferences were held during this year
<p>Retain our well-trained and professional staff</p>	<ul style="list-style-type: none"> • Staff retention at the end of 2024 is 85.03%.

Strategic Priority 9: Implement benchmark practices in organizational processes

Key Performance Indicators	Status at the end of 2024
<p>Enhance accountability and transparency</p>	<ul style="list-style-type: none"> • MIRA published its Operation Plan of 2025 in December 2024. • MIRA published 12 monthly reports and 4 quarterly reports during the year as well as the Annual Report of 2023.
<p>Maintain modern tax administration standards and approaches</p>	<p>During the year, 16 training programs were conducted for 161 staff to meet the professional international standards.</p> <p>Asian Development Bank (ADB) and Global Forum</p> <ul style="list-style-type: none"> • MIRA received technical assistance in areas of Digital Transformation, strengthening cybersecurity and moving to SAP basis and securing digital forensic equipment and training the team. • Scoping for additional training was also done <p>Tax Inspectors Without Borders (TIWB)</p> <ul style="list-style-type: none"> • Assistance for capacity building for auditors on transfer pricing issues faced in auditing taxpayers in tourism and hospitality industry. • Training was held for Criminal Investigation team and successfully launched Tax Crime Mitigation Strategy, Tax Intelligence Framework and Investigation Manual.

Key Performance Indicators

Status at the end of 2024

The Office of Technical Assistance (OTA)

- Provided technical assistance in the areas of audit, enforcement and human resources.
- Quality review of internal audit function was commenced and assisted compliance teams to identify and treat non-compliance.

International Monetary Fund

- Technical assistance to strengthen compliance of Hight Netwealth Individuals, internal audit, formulating strategic plan of MIRA, transport sector audits

South Center Tax Initiative (SCTI)

- Training on Two-pillar initiative

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

Key Performance Indicators

Status at the end of 2024

Providing digital solutions to facilitate taxpayers

- Enable viewing of Fine notices issued due to late filing of EWT, NWT, GRT, and GST
- Enabled Maldives Islamic Bank (MIB) USD payments for MIB account holders
- Enabled BML Card tokenization to pre-authorize payments to MIRA.
- GST Online Registration facilitated via MIRAconnect

Automating 90% of MIRA’s operational processes by the end of 2024

Digital Transformation Project

- An onsite mission was conducted with ADB consultants to drill down MIRA’s Digitalization Roadmap and E-invoicing.
- Meetings were conducted with several vendors regarding the implementation of e-invoicing.

Key Performance Indicators

Status at the end of 2024

Automation of MIRA processes

- Implemented audit logging for MIRA and Maldives Customs Services (MCS) integration
- Automated system reports and added additional reports to MIRA SQL Server Reporting Services (SSRS).
- Developed and released the Taxpayer 360 app for testing.
- Applied functional currency changes to the system in alignment with tax policy updates.
- Developed the Incident Management application.
- Automated Arrear Report generation and Dunning management processes for the recovery department.

Integration with other agencies

- Provided API integration with TradeNet for validating TIN and Registration numbers during application processes via One-Gov.
- Coordinated with MMA to obtain API access for IMUGA data, developing an internal application to retrieve relevant data from IMUGA.
- Established the test portal for the Maldives domestic solution, facilitating Exchange of Information refresher training for the 2023 filing year. The portal was connected to the OECD CTS Conformance portal to simulate the transmission of data to foreign jurisdictions, enabling testing cases with foreign jurisdictions.
- Established data consent sharing with MMA on MIRAconnect.

Internal Trainings

- Conducted Power BI training sessions to enhance technical capacity of staff.
- Conducted SAP TRM workshops to explore the system’s capabilities.

Develop and implement an IT strategy for the acquisition of hardware and software tools

- The necessary equipment and licenses were procured in accordance with our procurement plan to support uninterrupted operations.
- HP Synergy servers were procured and migrated from existing, out-of-support servers to host MIRA’s critical systems.
- Firewalls were installed across all MIRA branch locations, and CCTV systems were implemented at both the main office and all branch sites. Additionally, a new wireless solution was introduced at the Main and Orchid building.

Key Performance Indicators	Status at the end of 2024
	<ul style="list-style-type: none"> The ICT Master Plan was not finalized by the end of the year; however, work is ongoing in collaboration with the Ministry of Finance (MoF) to ensure the successful implementation of SAP HANA.
<p>Implement an integrated case management system</p>	<ul style="list-style-type: none"> The system processes have been reviewed, and based on the advice from SAP consultants, it has been determined that these processes can be integrated into the planned SAP HANA migration scheduled for 2025.

Strategic Priority II: Ensure a safe and secure IT environment

Key Performance Indicators	Status at the end of 2024
<p>Implement an IT governance plan</p>	<ul style="list-style-type: none"> The Data Governance project was not executed in 2024. However, the Digital Transformation roadmap and its major components were finalized during the year.
<p>Assessment under the digital transformation maturity model</p>	<ul style="list-style-type: none"> It was decided not to conduct an assessment in 2024, as significant system upgrades and digitalization efforts are still in progress.

Strategic Priority 12: Enhance Operational Efficiency and Information Security

Key Performance Indicators	Status at the end of 2024
<p>Implement an information security framework in alignment with guidance of ISO Standards</p>	<ul style="list-style-type: none"> Policies aligned with international standards were finalized this year The procurement process for ISO certification was completed; however, despite three calls for bids, no vendor met MIRA’s requirements.

Strategic Priority 13: Enhance International relations

Key Performance Indicators	Status at the end of 2024
<p>Implementation of bilateral and multilateral tax instruments signed by the Maldives</p>	<ul style="list-style-type: none"> • Under the agreement of Convention on Mutual Administrative Assistance in Tax Matters (MAAC), Maldives has successfully completed the third year of Common Reporting Standard (CRS) reporting. • The CRS information received is utilized by the risk teams for analytical purposes.
<p>Fulfillment of obligations with regards to international commitments</p>	<ul style="list-style-type: none"> • Throughout the year, discussions were held with the Ministry of Finance Tax Policy Unit regarding the implementation of Pillar 1 and 2 initiatives, and proposals for relevant laws and regulations were also shared.
<p>Collaboration with development partners</p>	<ul style="list-style-type: none"> • During the year, MIRA has received Technical Assistance on the areas of transfer pricing audit, criminal investigation, SAP basis Cybersecurity and Digital Forensic Equipment, High Netwealth Individuals Audit, Internal Audit, Transport Sector Audit, development of Strategic Plan, Enforcement, Development of HR and engagement. • Ongoing collaboration with HMRC focused on Automatic Exchange of Information - CRS, transfer pricing issues, and financial sector audits. • The Inland Revenue Board of Malaysia agreed to provide assistance to MIRA staff on the areas of transfer pricing, digitalization and issues arising from taxation of informal or shadow economies.

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

Key Performance Indicators

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

Status at the end of 2024

- During the year, a consultation event was organized with stakeholders of the business community such as tax agents, law firms, and associations to discuss MIRA’s strategic direction for the period 2025–2028.
- During the event, taxpayers’ concerns and recommendations for MIRA were addressed, and the relevant changes have been incorporated into MIRA’s final Strategic Plan for the period 2025–2028.

Strategic Priority 15: Cooperate with other public sector bodies

Key Performance Indicators

Improve the level of collaboration with other public sector bodies

Status at the end of 2024

- Meetings were conducted with relevant ministries and other public sector entities to discuss MIRA’s strategic outlook for the period 2025–2028.
- Efforts are ongoing to revise the Memorandum of Understanding (MoU) signed with the Maldives Police Service, the Anti-Corruption Commission, and the Auditor General’s Office.
- Additionally, discussions are underway to finalize a new MoU with the Malé City Council.

Strategic Plan 2025 – 2028

The year 2025 marks an important milestone for us as we begin our journey toward 15 years of service excellence. It is only fitting that we start this journey towards such a milestone by significantly revamping MIRA’s strategic goals for the next 4 years while also re-positioning the organization as a facilitator.

A key feature of the new strategic plan (2025-2028) is the use of the Objectives and Key Results (OKR) framework. This approach will help us monitor and track our strategic goals, improve performance, drive change, and ensure better alignment through continuous adjustments. Additionally, the OKR method encourages active involvement from everyone at MIRA, fostering greater participation across the organization.

MIRA’s strategic plan for 2025-2028 includes 9 Strategic Objectives and 27 Key Results, summarized below.

1. Achieve cost efficiency & financial sustainability

1. Optimize 95% utilization of MIRA’s risk-oriented program-based budget from 2025 onwards.
2. Relocate operations to MIRA’s own facility by the end of 2028 to ensure secure and efficient services.

2. Build stronger stakeholder relationships

3. Strengthen stakeholder participation in tax regulations and rulings development by implementing structured engagement, ensuring that relevant stakeholder feedback is reviewed and considered where necessary beginning in 2025.
4. Securing 80% of assistance required for MIRA via development partners annually.
5. Achieve a 5% annual improvement in public perception of MIRA through “Gulhigen MIRA” initiative.
6. Enhancing tax transparency and aligning with international standards through robust practices.

3. Enhance the taxpayer experience through simplification and efficiency

7. Improving quality of services and increase taxpayer satisfaction through implementation of comprehensive service standards by the end of 2026.
8. Increase self-service capabilities in MIRA’s online services by 2028.
9. Implementing electronic invoicing by the end of 2026 and achieve a 90% adoption rate among our large Taxpayers by the end of 2027.
10. Increase efficiency of the tax system through resolving at least 90% of objection cases within 90 days, achieving a minimum annual overturn ratio of 40%, and increasing the percentage of successful legal cases in favor of MIRA to 50% by the end of 2028.
11. Ensure 100% compliance with legally mandated timelines for implementation of new tax laws and amendment to existing tax laws.

4. Fostering a culture of voluntary compliance through taxpayer education and awareness

12. Ensure nationwide accessibility of tax knowledge through improved communication, engagement and awareness for taxpayers by the end of 2026.
13. Ensure timely revenue collection through increasing on-time filing and payment rate of core taxes up to 75% for all taxpayers and up to 90% for large taxpayer by 2028.

5. Implement a comprehensive Enterprise Risk Management and Information Security Management framework

14. Implement a comprehensive business continuity plan by the end of 2025 and implement an effective enterprise risk management system by the end of 2026.
15. Implement a security system that verifies all users and devices before granting access to systems and data, and to establish a security operations center to monitor and respond to threats by 2026.

6. Achieve automation through technology and data integration

16. Establishment of a centralized data management system which encompasses data analytics and reporting by the end of 2027.
17. Seamlessly integrating MIRA's system with selected third-party platforms and establishing an integrated tax ecosystem through unified digital identity by the end of 2028.
18. Implement automation across key functions in MIRA by the end of 2028.

7. Timely detection and mitigation of compliance risks through graduated treatments

19. Achieve annual reductions in the tax compliance gap through strengthening MIRA's Compliance Risk Management Framework and establishing a comprehensive compliance gap measurement system by 2026.
20. Implement timely penalties for tax evasion and abusive practices by improving the quality of investigations and achieving a 90% success rate by 2027.
21. Revamp the tax recovery process with tailored recovery techniques to reduce tax debt by 15% annually and collaborate with line ministries to achieve a 10% annual reduction in non-tax debt.
22. Simplification of Tax Assessment and improve the timeliness of tax audits with improvement of quality of tax assessment.

8. Establish a compelling work environment and improve staff retention

23. Achieve 90% in employee satisfaction scores as measured by annual surveys by the end of 2026.
24. Maintain a sustainable retention rate of 90% by 2026.

9. Enhance organizational culture centered on upskilling, continuous learning, growth, and fostering strong relationships

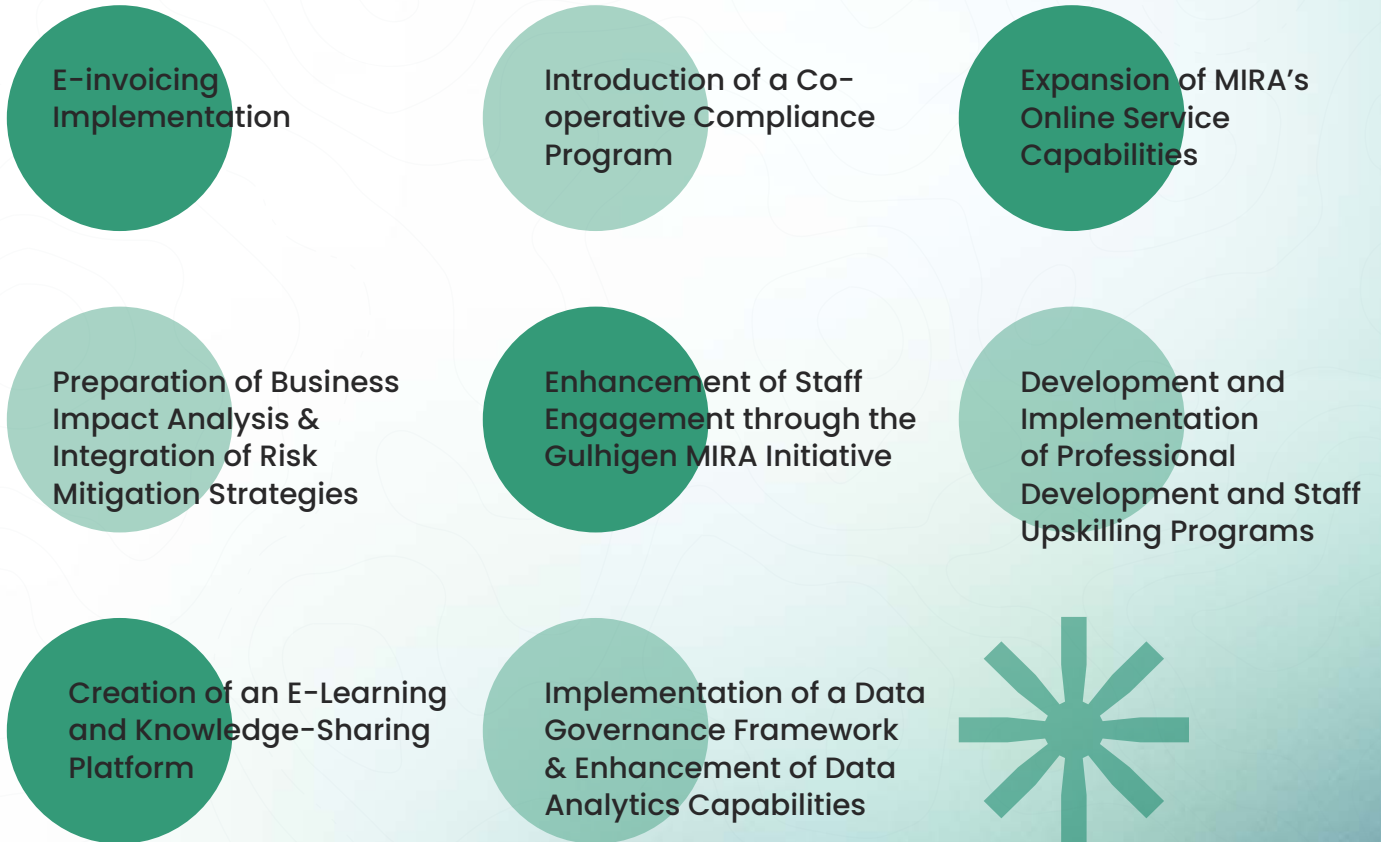
- 25. Establish a comprehensive recruitment and succession plan by 2026.
- 26. Ensure 100% of core staff are proficient in digital solutions and technologies by 2028.
- 27. Ensure 90% participation of staff in Learning and Development Programs by 2028 to foster organizational learning and knowledge sharing.

Outlook 2025

Several initiatives have been planned for the upcoming year focused on achieving our strategic goal of effortless taxation by the year ending 2028. The administrative activities for 2025 will be planned and organized in line with the Strategic plan 2025 – 2028 and Operational plan of 2025.

The initiatives are guided by MIRA’s Compliance Improvement Plan, which aims to strengthen tax administration, enhance transparency, and improve regulatory compliance. The primary focus will be on delivering strategic outcomes and achieving key performance targets.

Key initiatives planned for 2025 is as follows:





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