

Annual Report 2020



MALDIVES
INLAND REVENUE
AUTHORITY

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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1. Introduction

The year 2020 started off as a very promising year for MIRA, with aims for achieving major objectives and new milestones. With the commencement of taxation under the new Income Tax Act on 1 January 2020, MIRA started off the year with plans to achieve our targeted goals for the year. As it was estimated that the revenue would increase under the newly introduced Income Tax Act, the initial forecasted revenue for 2020 was MVR 17.3 billion. However, to account for the negative impact of the Covid-19 pandemic on the Maldivian economy, this estimate was revised on two occasions. The final forecasted revenue for 2020 was MVR 9 billion.

When taxation commenced under the new Act in January 2020, the previous Business Profit Tax, Withholding Tax and Bank Profit Tax regimes were incorporated under the new Income Tax Act. In addition, taxation of remuneration commenced on 1 April 2020. With the implementation of the Income Tax Act, the Business Profit Tax Act and Bank Profit Tax Act were repealed.

Detailed plans were made to continue the work to implement the new Income Tax Act in 2020, that MIRA began with the ratification of the Income Tax Bill by the President on 17 December 2019. This included drafting of regulations to implement the new Act, and educating taxpayers and the general public on the new tax regime. Even though MIRA was able to carry on work according to plan till March 2020, from then on, all activities of MIRA were conducted in adherence with the safety measures taken to prevent the spread of the Covid-19 pandemic.

While 2020 was a year of many challenges, it was also a year that many lessons were learnt.

In the uncertain circumstances created due to the Covid-19 pandemic, MIRA's priority was to ensure the safety of our staff and those who receive our service, while utilizing modern technology to provide our services without interruption.

To ensure the continuity of MIRA's services, several plans and policies were formulated. Among these are the policies made to facilitate working from home for staff, and arrangements to allow for online payment of all taxes and most of the fees collected by MIRA. In addition, services such as registration, requesting for installment payment, request for fine relief and tax clearance were all facilitated online. Furthermore, MIRA also conducted all educational programs online via several platforms. MIRA also attended to taxpayer queries through social media and Viber.

MIRA provided several leniencies to cater for the difficulties that taxpayers were facing due to the Covid-19 pandemic. A special Income Tax Regulation was published, under which deadlines for several obligations under the initial Income Tax Regulation were extended. In addition, leniencies were given in coming to installment agreements and in giving fine relief as well.

One of the biggest challenges that MIRA faced during the lockdown and physical distancing measures was that lack of enough resources to cater for the running of the authority at full capacity. The fact that staff of MIRA faced these challenges head-on, compromised where needed, and fulfilled their duties without any complaints or hesitancy is something that MIRA is proud of. As the collector of the majority

Maldives Inland Revenue Authority

of government revenue, MIRA's staff were steadfast in carrying out their responsibilities.

During the year 2020, MIRA collected MVR 10.48 billion in revenue. This is a 37.7% decrease compared to 2019, however, this figure is a 16.5% increase from the forecasted

tax revenue figure for 2020.

This report outlines the activities that were carried out during 2020, an overview of the revenue collected, and the details of the administration of MIRA's mandate.



2. Chairperson's Message



The past year was challenging for all Maldivian businesses and individuals. The year was similarly difficult and challenging for the Maldives Inland Revenue Authority (MIRA) as well. Faced with the challenges, the focus of the MIRA has been to bring about eases in complying with tax obligations for businesses and individuals, and to support in sustaining the country's fiscal state.

2020 was a year in which the world faced with one of the most severe global economic crises in recent times. The worldwide recession caused by the Covid-19 pandemic also had a significant impact on the Maldives economy. The shock to the tourism sector and the stringent restrictions implemented to control the infectious disease in the Maldives was expected to cause the economy to contract by 29 percent as estimated in the Budget 2021. A recession is not easy on any

business or individual. The sharp decline in business activities subsequently hurt government revenue; and consequently, estimates for government revenue were revised on multiple occasions during the year. Although the continued collection of tax and non-tax revenues was imperative to manage government expenses, the magnitude of the Covid-19 impact on businesses and individuals and the resulting cash flow difficulties to the businesses and individuals shifted government objectives. In this regard, the aim of the government under the circumstance was to sustain employment by providing reliefs and financial assistance to businesses.

Revenue policy and revenue administration needed to work hand-in-hand to manage the Covid-19 Pandemic. The circumstance was an opportunity to test the effectiveness

of the amendments brought to the Tax Administration Act in 2019. In this regard, the administrative measures taken to tackle the challenges faced during the pandemic were in line with policy intent and achieved intended results. As foreseen through the amendment to the Tax Administration Act, the improved coordination of revenue policy and administration was integral to enact measures needed to achieve the objectives of the government during the pandemic.

The year 2020 also marked the first year since the introduction of Income Tax. Although forecasted revenue was not realized due to the negative shock to government revenue, significant work was carried out by MIRA during the year for the effective implementation of the tax.

The year also introduced numerous relief to taxpayers to lower the burden on taxpayers during the pandemic. In this regard, eases in paying taxes to MIRA, the extension of deadlines, and further eases in meeting tax obligations that were granted would have benefitted the people and businesses both directly and indirectly.

Even in such a challenging time, the MIRA staff and the management did not waver in their efforts to provide the aforementioned

services to businesses and individuals. I appreciate the effort of MIRA staff and management towards establishing and implementing Income Tax, and their support to taxpayers to comply with their tax obligations. I would also like to appreciate the work of the MIRA board in reviewing and publishing the Income Tax Regulation and in bringing about changes as needed during the ever-evolving circumstances of the pandemic.

2020 also marked the beginning of the third term of the MIRA board and as such, new members were appointed. I would like to take this opportunity to thank Mr. Ahmed Faiz Mohamed, who completed his second and final term during the year, for his dedicated services during his tenure as a member of the MIRA Board.

The Board, management, and employees of MIRA are facing 2021 with the intent to support and facilitate economic recovery. Also, to further strengthen the tax system, and move towards establishing a taxpayer-friendly, easy to comply, and a respected tax system. And with the hope that we bounce back from the pandemic and the recession, and is a favorable year to the taxpayers and government revenue.

3. Commissioner General's Message



Fathuhulla Jameel
Commissioner General of Taxation

Introduction

2020 saw the spread of a worldwide pandemic, Covid-19, that brought with it numerous challenges. Despite these challenges, MIRA's employees worked with incredible drive to rise above the obstacles and achieve their objectives. I am proud of the exemplary work ethic and determination shown by staff to ensure that the work that needed be done, with the rollout of the new tax laws, were carried out successfully.

The year 2020

With the ratification of the Income Tax Bill on 17th December 2019, The Business Profit Tax (BPT) regime in place since 2011 was repealed, and a comprehensive tax system was introduced in the Maldives. The tax system of the Maldives saw radical transformations with the commencement of taxation under the

Income Tax Act on 1 January 2020. Although the BPT regime has been abolished, the business profit taxes previously taxed under the BPT Act is now being collected under the Income Tax Act along with taxation of other incomes and withholding taxes. Additionally, a modern Employee Withholding Tax regime was also introduced under this Act.

As the Income Tax Act was ratified in December 2019 and the commencement of taxation under the Act was set for 1st January 2020, MIRA only had a short window of time to develop and publish the required regulations and make the administrative changes to facilitate the new regime. It is with great pride that I note that MIRA was able to publish on the Gazette all relevant regulations, with the input of relevant stakeholders, by the deadline.

Dedicated efforts were made to facilitate the

introduction of taxation on remuneration under the Income Tax Act, and to set up a withholding mechanism to cater for the collection of this tax. One of the priorities of MIRA was to develop a mechanism for collecting withholding taxes from employers that is less burdensome for both taxpayers and MIRA. I take note of the timely and valuable assistance of the consultants and experts from Asian Development Bank (ADB) and International Monetary Fund (IMF), who supported MIRA in setting up this mechanism.

MIRA facilitated registration of taxpayers, and ways for fulfillment of other obligations imposed on taxpayers under the Act, well ahead of their dedicated deadlines. MIRA also conducted activities to educate the public and taxpayers on the new regime, despite the challenges created due to the Covid-19 pandemic, and within the limits of the safety measures implemented to prevent the spread of the disease.

The restrictions and measures set in place to combat and prevent the spread of the Covid-19 pandemic required MIRA to change how services were offered to taxpayers and the general public. Due to suspension of in-house services for an extended period of time, MIRA's online services were broadened, and means to facilitate payment of all taxes and fees to MIRA via MIRAconnect and VaaruPay were put into place.

Under MIRA's continued efforts to provide easily accessible services to taxpayers, 3 new offices were opened in 3 atolls in 2020. New offices were opened in GA. Vilingili, M. Muli and N. Manadhoo. With these new offices, MIRA now has offices opened in 17 different atolls. One of the main reasons to establish MIRA locations across the Maldives is to facilitate taxpayers and to ensure that taxpayers have easier access to assistance

and information when they require it.

It has been important for me to ensure that MIRA works together with taxpayers to ease the process of paying taxes and fees, encourage voluntary compliance, allow leniencies available within the limits of the law and provide as much assistance and support that taxpayers require. In this regard, numerous leniencies were given to taxpayers to lessen their burden during the difficult times of the Covid-19 pandemic. In addition, although all payments could be made via MIRA's online portals, the deadlines for taxes which fell during the lockdown period were extended to allow ample time for taxpayers to fulfill their obligations comfortably. Furthermore, in order to ease the payment burden for those taxpayers unable to pay their taxes in full, additional leniencies were given in facilitating installment plans. As such, those taxpayers whose businesses had suffered due to the Covid-19 pandemic, were given special installment plan agreements. In addition, of the taxpayers who were fined due to being unable to fulfill their obligations on time, those who had requested relief were granted relief from the fines.

Outlook

MIRA is continuously working towards improving and refining the tax system in the Maldives. Organizing the services and facilities of MIRA efficiently to derive the best results has been one of my main objectives. In that respect, the compliance levels of taxpayers and the effect of non-compliance by taxpayers were assessed, based on which a "Compliance Risk Management Policy" was developed. Work is currently on-going to ensure that MIRA's services and facilities are structured to address the areas identified in the Compliance Risk Management Policy. As such, MIRA's Compliance Risk Management

Policy and Compliance Improvement Plan for 2021 has been published. The year 2021 will see work being carried out on areas highlighted in the Compliance Improvement Plan of 2021.

Conclusion

MIRA rose above the challenges created due to the Covid-19 pandemic and was able to successfully undertake work to implement the tax laws and regulations. I take note of the dedication and hard work of MIRA employees, who worked tirelessly to ensure achievement of MIRA's mandate. I am confident that in the coming years as well, with God's will, we

will achieve more accomplishments in the administration of the tax system of Maldives.

The guidance and assistance of MIRA's Board of Directors is valuable support to me. I thank the Board Members for their advise and guidance to me and MIRA. I would also like to thank all government institutions and offices for their continuous support to MIRA in fulfilling our responsibilities. I would also like to further extend my gratitude to all the taxpayers and the general public of the Maldives for their faith and trust in MIRA. I wish MIRA, and the Maldives, an even more prosperous future.

Board Meeting held in 2020



4. Management

4.1 Board of Directors

The Board of Directors of MIRA are appointed by the President, with the approval of the People’s Majlis, to determine the administrative policies of MIRA.

4.1.1 Members of the Board

In 2020, the second term of MIRA’s Board was completed and the third term commenced. At the end of the year, MIRA’s Board of Directors was comprised of the following persons:

Mr. Ahmed Saruvash Adam

(Chairperson)

Ms. Leena Zahir Hussain

(Deputy Chairperson)

Mr. Fathuhullah Jameel

(Commissioner General of Taxation)

Ms. Aishath Asha Ali

(Board Member)

Uz. Makhzoom Saleem

(Board Member)

Mr. Husham Waheed

(Board Member)

Mr. Mumthaz Abdul Rasheed

(Board Member)

Pursuant to Section 4 (h) of the Tax Administration Act, Mr. Ahmed Saruvash Adam, Chief Financial Budget Executive of the Fiscal Affairs Department of the Ministry of Finance was appointed as the Chairperson of MIRA’s Board of Directors. Ms. Leena Zahir Hussain was appointed as the Deputy Chairperson. Mr. Faseeh Zahir resigned from MIRA’s Board on 16 March 2020.

When the Board completed its second term in 2020, Mr. Ahmed Faiz Mohamed, Ms. Leena Zahir Hussain and Ms. Aishath Asha Ali also completed their terms as members of the Board. For the commencement of the third term, Mr. Husham Waheed and Mr. Mumthaz Abdul Rasheed, Ms. Leena Zahir Hussain and Ms. Aishath Asha Ali were appointed to the Board on 31 August 2020. Ms. Aishath Hasna Mohamed, the Assistant Fiscal Executive of Tax Policy Unit of the Ministry of Finance, served as the secretary of the Board.

4.1.2 Meetings and Attendance

The Board met 18 times during the year. From the commencement of the third term of the Board, 5 meetings were held in 2020. The attendance of the members of the Board at these meetings is as follows.

Name	Attendance	Attendance	Attendance
Ahmed Saruvash Adam	18	18	100%
Leena Zahir Hussain	18	18	100%
Fathuhullah Jameel	18	18	100%
Aishath Asha Ali	18	17	94%
Faseeh Zahir	5	1	20%
Ahmed Faiz Mohamed	13	12	92%
Makhzoom Saleem	18	18	100%
Husham Waheed	5	5	100%
Mumthaz Abdul Rasheed	5	5	100%

Due to the Covid-19 pandemic, most of the meetings in 2020 were held via Microsoft Teams.

4.1.3 Activities of the Board

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

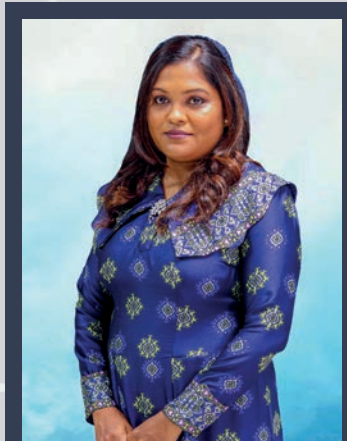
- Discussed and finalized on the Special Regulation Income Tax 2020
- Discussed and finalized changes to the administrative framework of MIRA and Bond Policy
- Discussed and finalized Income Tax Regulation
- Amended the Enforcement Policy of MIRA to decrease the burden on taxpayers due to the Covid-19 pandemic
- Discussed and finalized changes to Staff Regulation and Performance Appraisal Guidelines
- Discussed and finalized the Transfer Pricing Regulation
- Amended the Fine Relief Policy
- Discussed and finalized changes to the GST Regulation



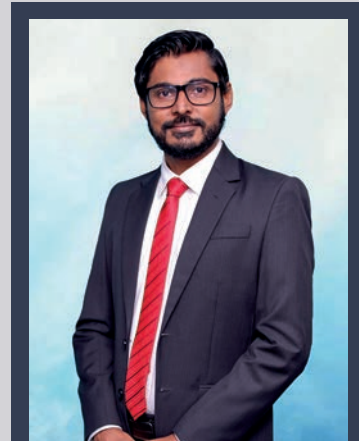
Board Members



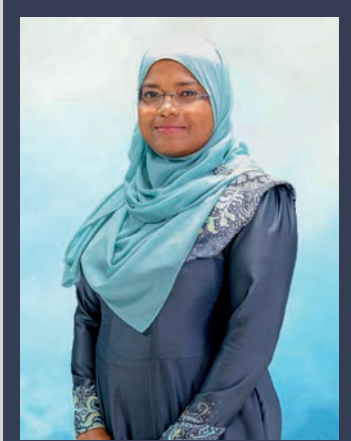
Ahmed Saruvash Adam
Chairperson



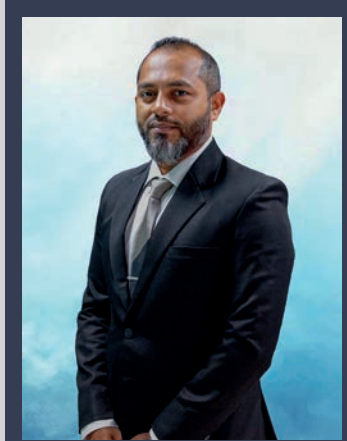
Leena Zahir Hussain
Deputy Chairperson



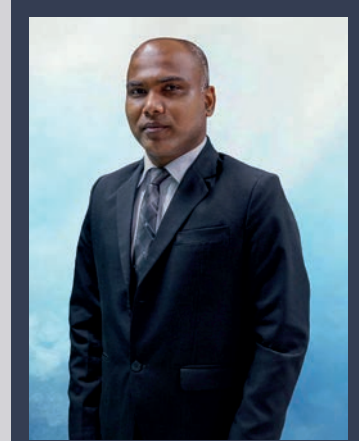
Fathuhullah Jameel
Commissioner General of Taxation



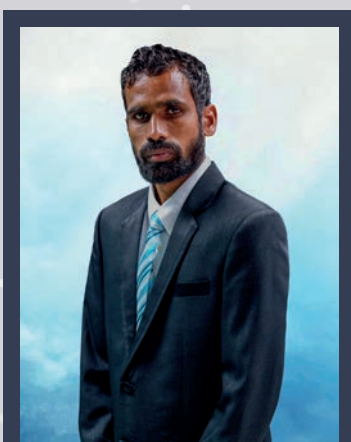
Aishath Asha Ali
Board Member



Husham Waheed
Board Member



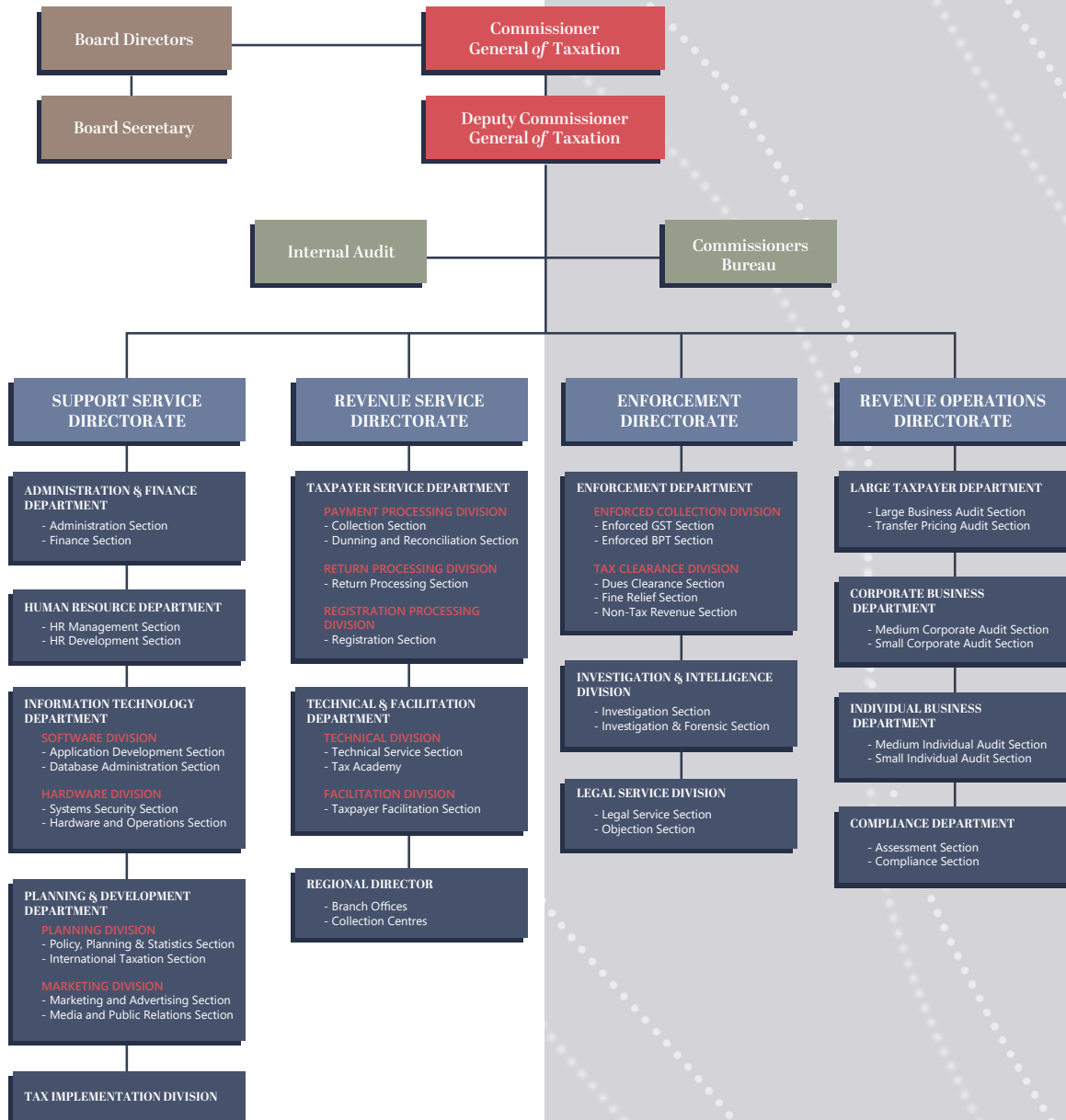
Makhzoom Saleem
Board Member



Mumthaz Abdul Rasheed
Board Member

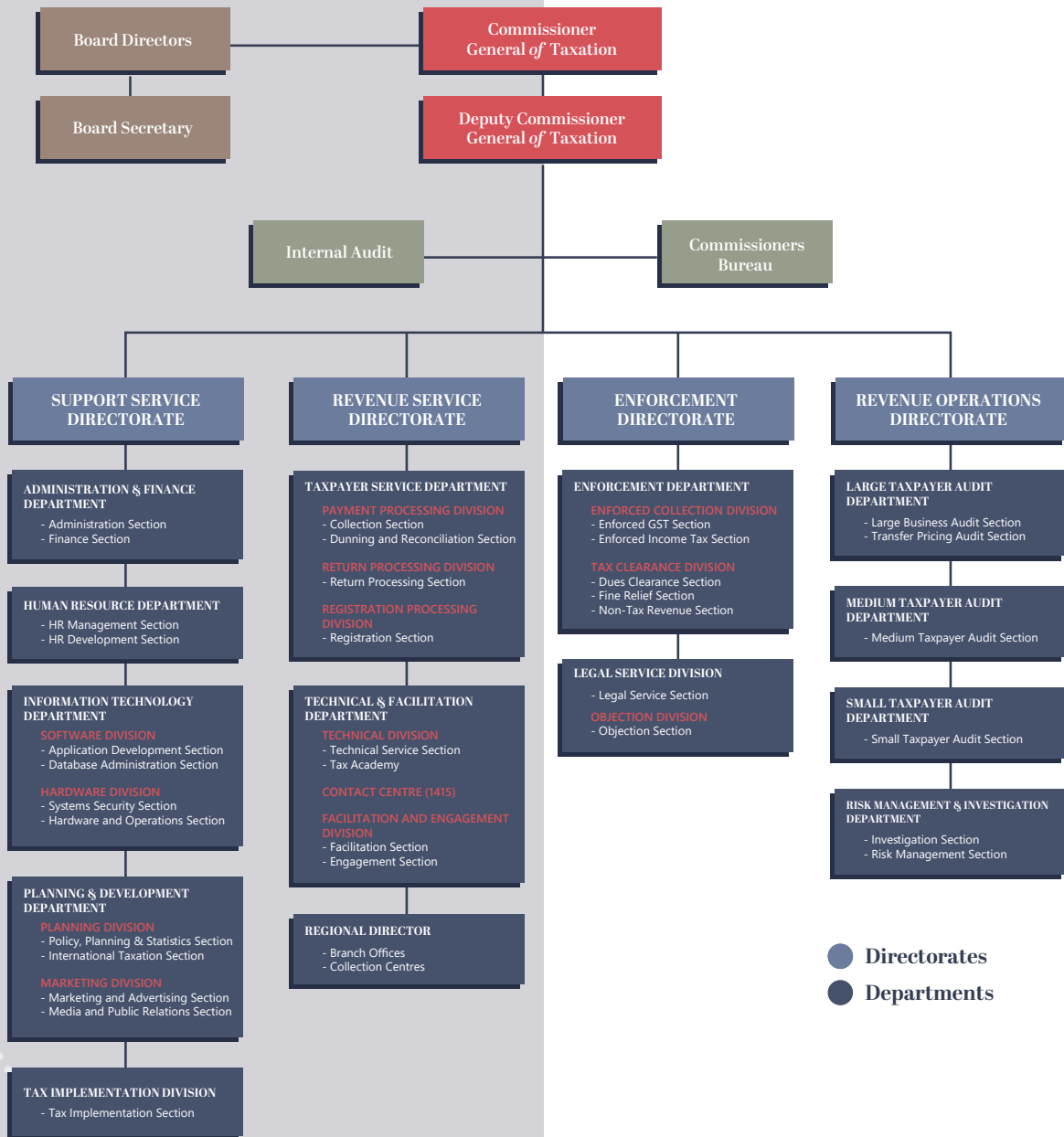
4.2 Organizational Structure

MIRA's organizational structure at the beginning of 2020 is as below.



- Directorates
- Departments

MIRA's organizational structure at the end of 2020 was as below.



4.2.1 Directorates

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

Support Service Directorate

Administration and Finance Department

The core functions of this department includes include handling the administrative and financial operations of MIRA, and overseeing the work environment of office premises.

Human Resource Department

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

Information and Technology Department

The mandate of this department includes developing software applications necessary for MIRA, repairing and maintaining network, system security and hardware management and maintaining database.

Planning and Development Department

Planning and Development Department oversees various tasks, including establishing close relations with tax-related organizations, analyzing and maintaining revenue statistics of MIRA, all works related to tax treaties and Tax Information Exchange Arrangements. In addition, this department handles marketing and promotion of MIRA's services and tax system as well.

Tax Implementation Department

The main role of this department is to carry out all necessary tasks related to implementation of newly introduced laws and regulations, development of implementation project plans and monitoring the post implementation process. In addition, this department also oversees the implementation of MIRA's responsibilities under non-tax laws and regulations.

Revenue Service Directorate

Taxpayer Service Department

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

Technical and Facilitation Department

Preparing information needed to provide technical advice on formulating tax policies, and formulating legal and technical documents such as regulations and tax rulings of MIRA are the core responsibilities of this department. Moreover, conducting tax awareness sessions to taxpayers, general public and professionals and issuing licenses for tax agents are also done by this department. This department also handles MIRA's 1415 hotline and support email. In addition, assisting taxpayers in fulfilling their tax obligations and conducting compliance activities is also a function of this department.

Regional Offices

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

Revenue Operations Directorate

Large Taxpayer Audit Department

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

Medium Taxpayer Audit Department

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

Small Taxpayer Audit Department

The main responsibilities of this department include carrying out audits and tasks related to taxpayers classified as small taxpayers. The department ascertains whether the tax computation of the taxpayers is in accordance with laws and regulations, and conduct tax assessments of persons not filing tax returns.

Risk Management and Investigation Department

Conducting investigations under tax laws, gathering intelligence information for the audits and investigations conducted by MIRA, and risk profiling audit candidates are the responsibilities of this division. The implementation of MIRA's Compliance Risk Management Framework is also undertaken by this department.

Enforcement Directorate

Enforcement Department

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

Legal Service Department

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

Internal Audit

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

4.3 Committees

In addition to the work done by the departments, committees have been formed to carry out special tasks, to make decisions in consultation with the staff and to advise the Commissioner General in various matters. At the end of 2020, the committees in place were:

1. Human Resource Committee
2. Human Resource Interview Panel
3. Investigation Committee
4. Technical Committee
5. Appeal and Objection Committee
6. Bid Evaluation Committee
7. Audit Committee
8. Fine Relief Committee
9. Steering Committee for the disclosure of GST registered persons in default
10. Review Committee under the Right to Information Act
11. Licensing Committee
12. "Technical Support to Legal Team" Committee
13. Committee for the Prevention of Sexual Harassment
14. Whistleblower Protection Committee
15. Complaints Review Committee
16. Risk Management Steering Committee
17. "Ran Laari" Award Committee

4.4 Senior Management

At the end of 2020, the Senior Management of MIRA comprised of the following.

Commissioner General and Deputy Commissioner General of Taxation



Fathuhullah Jameel
Commissioner General of Taxation



Asma Shafeeu
Deputy Commissioner General of Taxation

Assistant Commissioner Generals



Fathimath Ameenah

Assistant Commissioner General, Enforcement



Ahmed Shareef

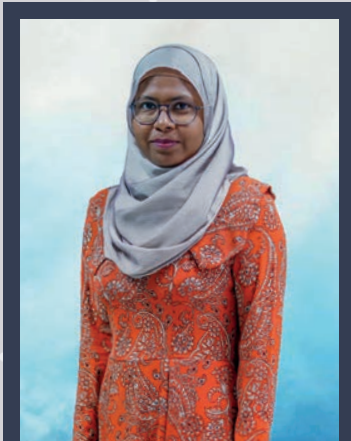
Assistant Commissioner General, Revenue Service



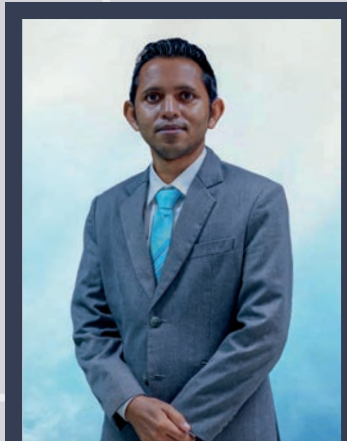
Mohamed Siraj Muneer

Assistant Commissioner General, Revenue Operations

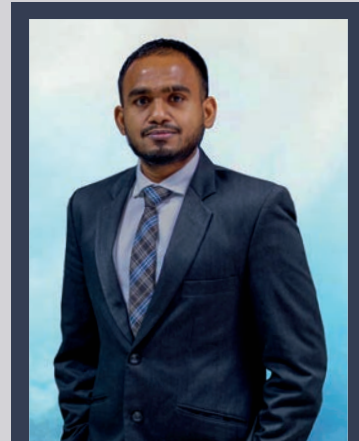
Senior Executives



Fathimath Shifaza
Director General, Human Resource



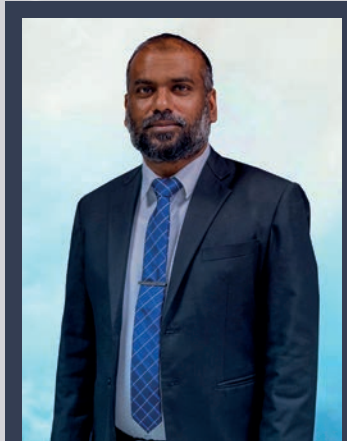
Mohamed Najiz
Director General, Information Technology



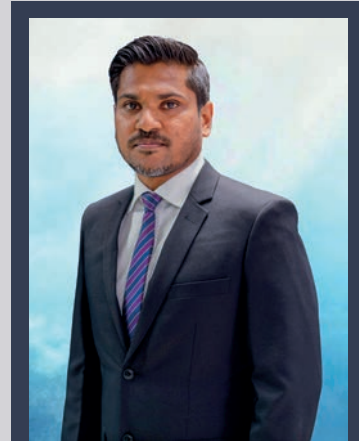
Ahmed Shafneez
Director General, Administration and Finance



Moosa Haleem
Director General, Medium Taxpayer Audit

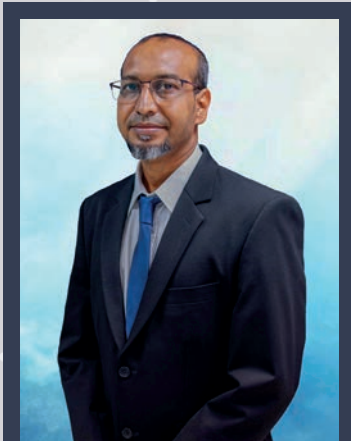


Mohamed Ali Waheed
Director General, Technical and Facilitation



Ibrahim Rasheed
Deputy Director General, Risk
Management and Investigation

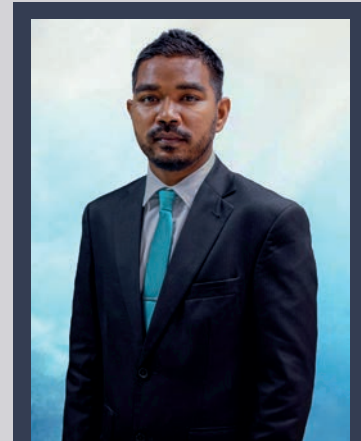
Senior Staff



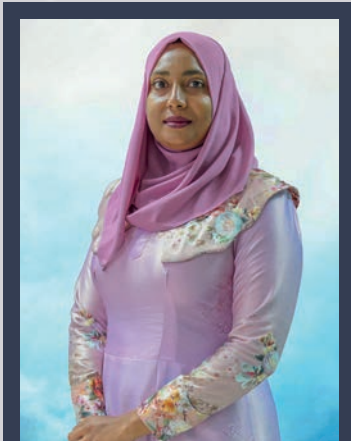
Ibrahim Faisal
Senior Director, Internal Audit



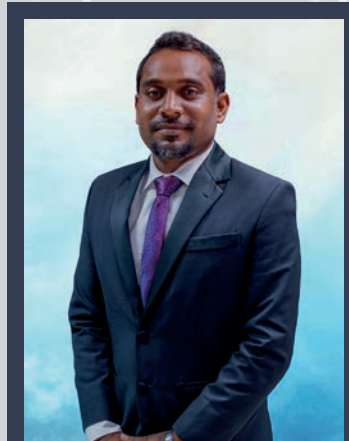
Nahshal Mohamed
Senior Director, Software



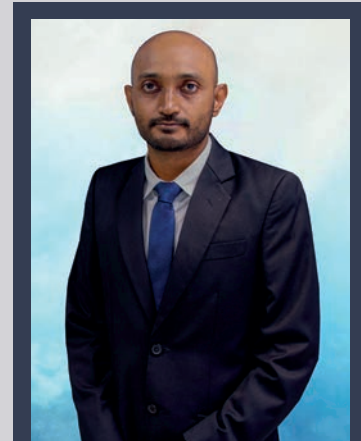
Ali Naseer Ibrahim
Director, Tax Clearance



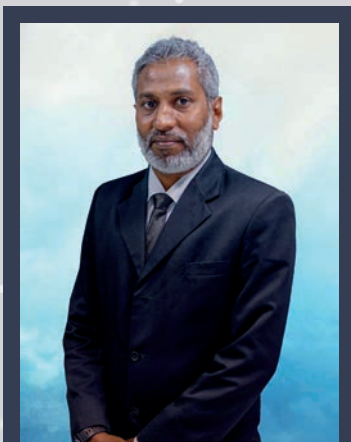
Adha Amir
Director, Small Taxpayer Audit



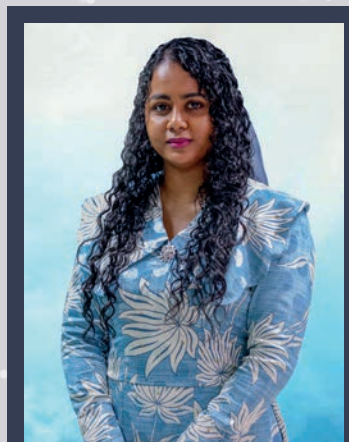
Mohamed Jinah Ibrahim
Director, Hardware



Yoosuf Shiraz
Director, Technical



Ahmed Zakariyya
Director, Facilitation and Engagement



Aminath Zumra
Director, Planning



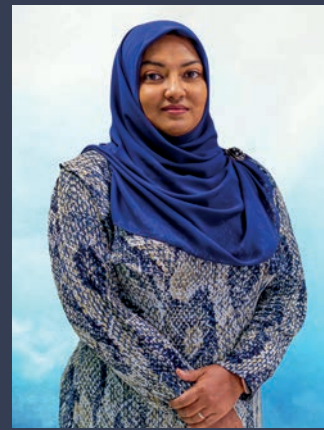
Ikram Ibrahim
Deputy Director, Medium Taxpayer Audit



Aishath Nazeera Moosa
Deputy Director, Return Processing



Mohamed Azhan
Deputy Director, Objection



Aishath Suha
Deputy Director, Payment Processing



Shahid Moosa
Deputy Director, Enforced Collection



Abdul Matheen Abdul Sattar
Deputy Director, Regional



Ali Muaaz
Deputy Director, Large Taxpayer Audit

4.5 Human Resources and Management and Development

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

Staff working at the beginning of the year	296
Staff hired during the year	22
Staff resigned due to various reasons	21
Staff granted no-pay leave	3
Staff working at the end of the year	294

Staff Education level	
17.17%	Master's Degree or equivalent level qualification
40.74%	Bachelor's Degree or equivalent level qualification

Male Staff	46.46%
Female Staff	53.54%

Trainings given to staff

As the tax administrator of Maldives, significant importance is given by MIRA to strengthen the organizational capabilities by creating a well-trained staff body at MIRA. Various training programs were organized for the year 2020, both overseas and locally. However, due to the unforeseen events faced as a result of Covid-19 pandemic, many of the in-person trainings and learning programs were either postponed or canceled. Regardless, MIRA adapted to e-learning and online training programs, and carried out several key programs during the year.

50 Staff took part in **12** Training Programs conducted by overseas parties

1 Induction program was conducted for the newly joined staff

8 Programs were conducted on increasing work efficiency and productivity

At the end of 2020 **18** staff were studying for ACCA under MIRA sponsorship

99 Staff took part in **30** conferences held by overseas parties

Local Training Programs

Name of the training	Dates	Conducted by	No. of Employees
Income Tax Workshop (Capacity Building - Tax Policy)	6-7 January 2020	Ministry of Finance	10
Maldives Marketers Forum	18 January 2020	Corporate Maldives Academy	3
Presentation on IFRS 17	28 January 2020	Maldives Monetary Authority (MMA)	3
System Administrator Training (Module 3: Identity with Windows Server 2016)	16-20 February 2020	National Centre for Information Technology (NCIT)	1
Methods of proof to establish unreported income	30 September & 7 October 2020	Maldives Monetary Authority (MMA)	7
Statistical Business Register Training	7-8 October 2020	National Bureau of Statistics (NBS)	2
Women's Entrepreneurship Workshop (Guest Speaker)	1 November 2020 & 29 November 2020	Women and Democracy	1
Basic Internal Audit Training - Batch 1	18-24 November 2020	Ministry of Finance	1

Overseas Trainings

Name of the training	Dates	Place	No. of Employees
Undergoing the Exchange of Information on Request (EOIR) Peer Reviews and Implementing the Automatic Exchange of Information (AEOI) Standard	27-31 January 2020	Tbilisi, Georgia	2
Transfer Pricing and Auditing: Insurance and Banking (BL)	2-6 March 2020	Kuala Lumpur, Malaysia	2
OECD's Global Relations Programme: Virtual Class on Mutual Agreement Procedures	18-20 May 2020	Online	3
Country Correspondent Virtual Workshop	4 August 2020	Online	2
OECD: 4th Virtual conference on the availability of beneficial ownership information in Asia and the Pacific	23-25 September 2020	Online	13
CATA: ICT as a Strategic Tool to Leapfrog the Efficiency of Tax Administrations Webinar	5 October 2020	Online	3
IMF/SARTTAC: Cross Regional Workshop - Reinvigorating tax collections and restoring compliance post COVID-19	6 October & 22 October 2020	Online	2
International Webinar on Modern Techniques of Investigation and Intelligence Gathering	19 - 24 October 2020	Online	2
OECD: Specialty Programme on Investigative Techniques for the Cash Economy - OECD Asia-Pacific Academy for Tax and Financial Crime Investigation	9-18 November 2020	Online	2
Digital Economy VAT Workshop	8-10 December 2020	Online	4
5th virtual conference on the availability of beneficial ownership information in Europe, Central Asia and Middle East	16-17 Dec 2020	Online	11
Good Practices in Taxation of Micro and Small Businesses	22 December 2020	Online	4

Conferences and Seminars

Name of the program	Dates	Conducted by	No. of Employees
8th Meeting of the Inclusive Framework	28-30 January 2020	Paris, France	2
Virtual IMF Tax Conference for Asian Countries	11-18 June 2020	Online	3
Working Party 2 (WP on Tax Policy Analysis and Tax Statistics) meeting on Pillar 1	19 June 2020	Online	2
IMF/SARTTAC: Covid-19 - Regional Dialogue on Revenue Administration Business Continuity	23 June 2020	Online	2
TIWB Stakeholders Workshop	23-24 June 2020	Online	2
VAT/GST policy responses to the coronavirus (Covid-19) crisis	25 Jun 2020	Online	3
9th meeting of the Inclusive Framework	1-2 July 2020	Online	8
Working Party 11 on Aggressive Tax Planning	1-4 September 2020	Online	1

Name of the program	Dates	Conducted by	No. of Employees
FTA MAP Forum	15-18 September 2020	Online	11
ADB Annual Meeting (Achieving the Sustainable Development Goals by Strengthening Domestic Resource Mobilization and International Tax Cooperation)	17 September 2020	Online	1
IMF Webinar Series on the Value Added Tax (VAT)	23 September 2020	Online	2
ADB 4th Virtual conference on the availability of beneficial ownership information in Asia and the Pacific	23-25 September 2020	Online	13
UNGA-TIWB: Supporting Financing for Development in the Era of Covid-19 and Beyond through the TIWB Initiative	28 September 2020	Online	4
ATAIC: ICT as Strategic Tool for Leapfrog the Efficiency of Tax Administrations	30 September 2020	Online	4
CATA Webinar: ICT as a Strategic Tool to Leapfrog the Efficiency of Tax Administrations	5 October 2020	Online	3
IMF Cross Regional Workshop: Reinvigorating tax collections and restoring compliance post COVID-19 (Session 1)	6 October 2020	Online	2
10th meeting of the Inclusive Framework (7th pre-meeting)	7-9 October 2020	Online	5
NTO Webinar: Tax Crimes - Illicit financial flows: The impact on tax administration activities and best practices	14 October 2020	Online	3
IMF Annual Meeting: Supporting Revenue Administrations to operate through the Covid-19 Pandemic	16 October 2020	Online	1
Forum on Harmful Tax Practices	19-21 October 2020	Online	3
CATA International webinar on modern techniques of investigation and intelligence gathering	19-23 October 2020	Online	2
IMF Cross Regional Workshop: Reinvigorating tax collections and restoring compliance post Covid-19 (Session 2)	22 October 2020	Online	2
FTA Map Forum	7-9 November 2020	Online	2
OECD: Specialty Programme on Investigative Techniques for the Cash Economy - OECD Asia-Pacific Academy for Tax and Financial Crime Investigation	9-18 November 2020	Online	1
Regional Tax Symposium	10 November 2020	Online	1
IMF Webinar: The VAT in the Post Covid-19 Era	17 November 2020	Online	2
Working Party 2 on Tax Policy Analysis and Tax Statistics	17-18 November 2020	Online	2
FTA Tax Certainty	18-November 2020	Online	3
13th Plenary Meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes	9-11 December 2020	Online	6
15th AAOIFI – ISDB Annual Conference	14-15 December 2020	Online	3

4.6 Technical Assistance Received

With the introduction of a new Income Tax regime, several technical assistance projects were planned for 2020 to secure necessary assistance required in implementation of the new regime. However, due to the Covid-19 pandemic, all of the technical assistance missions had to be carried out remotely via online platforms. The table below details, the technical assistance projects conducted during 2020.

Organization/ Body	Area of Assistance	Duration	Experts
International Monetary Fund (IMF)	Income Tax Implementation	19 – 29 January 2020	Ms. Susan Betts Ms. Annette Chooi Mr. Wyatt Grant
	Development of Valuation of Benefits guide	15 – 26 March 2020	Mr. Graham Whyte
	Formulating a Business Continuity Plan	13 July - 11 August 2020	Mr. Brian Philbin
	Workshop on international taxation	17 August - 15 September 2020	Mr. John Box Mr. Randy Culligan Mr. Cameron Smith
	Further development on Compliance Risk Management	28 September - 15 October 2020	Mr. Gary Andrews
	Development of refund mechanism	4 – 30 November 2020	Mr. Shane Reardon
Asian Development Bank (ADB)	Implementation of the new Income Tax Act	12th May 2020 – 31 March 2021	Mr. Mark Olsen
	Developments to MIRA's SAP System to cater for implementation of new Income Tax Act	1 October 2020 – ongoing	Mr. Harshad Dhanraj
Tax Inspectors without Borders (TIWB)	Transfer Pricing Audit	August 2018 – July 2020	Ms. Silvia Karelova
US Treasury	Assistance on construction sector audits	1 March 2020 - ongoing	Ms. Charlestine Hardy
	Development of effective taxpayer service strategy and human resource strategy	8 June 2020 - ongoing	Ms. Verlinda Paul
	Assistance on debt management	12 May 2020 - ongoing	Mr. Quinton Smith
Inclusive Framework	Workshop for Maldives on Mutual Agreement Procedure and implementation of BEPS Action Plan	25-26 November 2020	Ms. Laura Stefanelli Ms. Melinda Brown Ms. Sandra Knapen Ms. Sarah Shemear

4.7 Administrative Expenditure

Total Expenditure

MVR 86.25 million



4%

lower compared
to 2019



Expenditure is lower because of lower capital expenditure than in the previous year

Capital Expenditure **1.4%**

Recurrent Expenditure **98.6%**



42% lower compared to 2019
1% higher compared to 2019

MVR 1.2 million were spent on Capital Expenditure, 84% of which accounts to Information Technology Hardware. From Recurrent Expenditure, most of the expenses was on Employees' salaries and allowances which accounts up to 87% of total Recurrent Expenditure. This is a 6% higher amount compared to 2019.

For every

MVR 100

collected by MIRA, **82 laari** was spent

For every

MVR 1

spent by MIRA, **MVR 122** was collected as revenue

5. Revenue

5.1 Total Collection

Total Revenue of 2020

MVR 10.48 billion



37.7%

lower compared
to 2019



16.5% increased

compared to revised projection for 2020

MVR 8.61 billion

collected as tax revenue



Due to the economic impact of the Covid-10 pandemic on the tourism sector and the wider economy, revenue collected to MIRA decreased significantly this year. As a measure against the spreading of the disease, a lockdown was initiated on 19 March 2020 and the borders of Maldives were closed on 27 March 2020. Due various such measures taken across the country, tourism sector business activity almost halted and several related industries were severely impacted.

MVR 1.87 billion

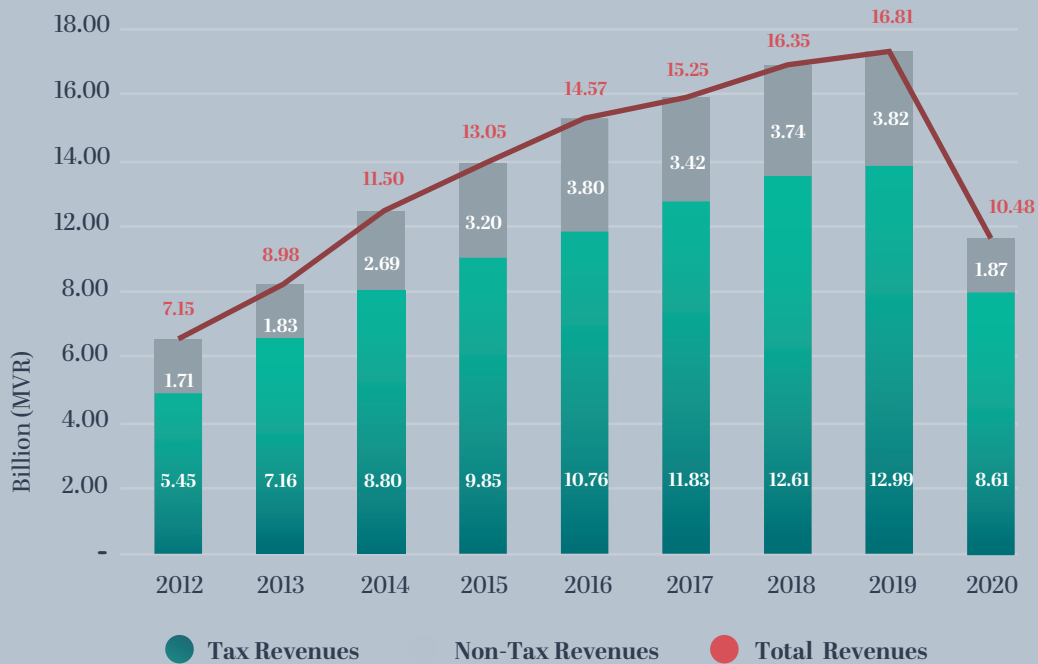
collected as non-tax revenue



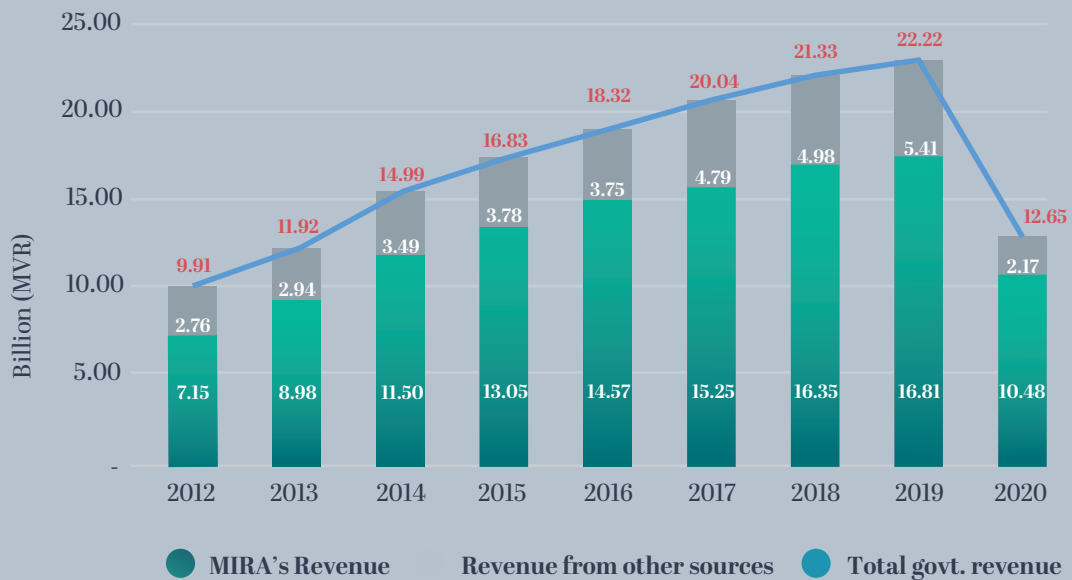
To prevent widespread of the Covid-19 disease in Maldives, several measures such as lockdown and border closure was initiated. This had severe consequences for resorts, where most were temporarily shut down due to the halt in tourist arrivals. As a leniency for those severely impacted in the resort sector, the government deferred the deadlines for Tourism Land Rent of 2nd and 3rd quarter of 2020 to mid 2021. Likewise, commercial and industrial land rents were also deferred to 2021. As a result, a considerable decline in non-tax revenues was observed in 2020.



Total Revenue Collection 2012 -2020



MIRA's revenue share in total government revenue



MIRA collected 82.8% of the government's revenue in 2020 as tax revenues, royalties, business permits, property income and other fees.

5.2 USD Collection

Total USD collection 2020

USD 297.10 million

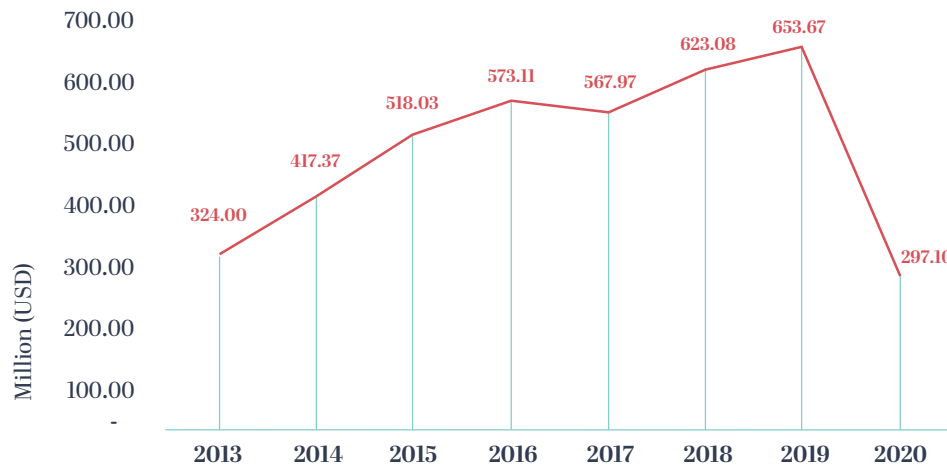
Equivalent to MVR 4.56 Billion • 43.5% of the total revenue was collected in USD



54.6%
lower compared
to 2019



Total USD collection (2013-2020)



Border closure from 27th March to 15th July 2020, as a preventive measure against spread of the Covid-19 virus, led to stagnant economic activity in the tourism industry which severely affected the tax revenue collection related to this industry, namely; TGST, Green Tax, Airport Service Charge and Airport Development Fee.

5.3 Tax Revenues

Tax revenue collected in 2020

MVR 8.61 billion



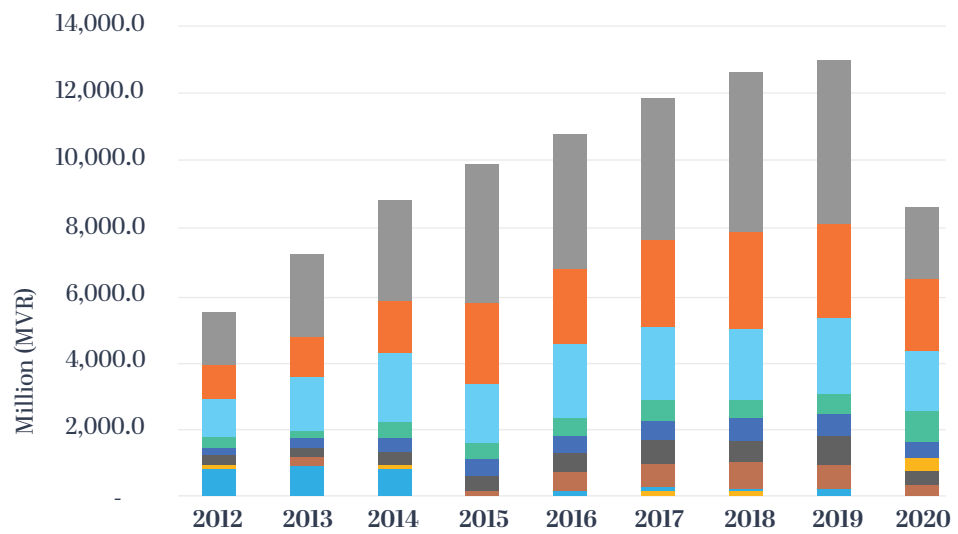
33.7%

lower compared to 2019

• The highest contributors to tax revenue in 2020 were **TGST and BPT**



Tax Revenue (2012-2020)



	2012	2013	2014	2015	2016	2017	2018	2019	2020
TGST	1,566.3	2,451.1	3,027.1	4,146.7	3,964.8	4,182.8	4,783.3	4,903.4	2,220.2
GGST	1,005.6	1,203.4	1,515.0	1,906.1	2,312.0	2,668.5	2,906.6	2,845.0	2,086.6
BPT	1,157.1	1,586.7	2,075.2	2,248.7	2,211.0	2,105.4	2,077.4	2,210.4	1,764.2
Bank Income Tax	313.15	355.04	482.20	512.73	491.67	649.89	564.10	613.97	953.70
Non-resident Withholding Tax	243.96	295.08	400.16	427.79	531.00	570.49	632.91	688.46	483.6
Income Tax - Companies and Non-individuals	-	-	-	-	-	-	-	-	370.57
Airport Service Charge	299.91	350.25	431.98	496.70	537.48	707.77	643.25	731.10	283.34
Green Tax	-	-	-	45.48	633.55	693.83	810.53	850.62	351.99
Employee Withholding Tax	-	-	-	-	-	-	-	-	42.14
Income Tax - Individuals	-	-	-	-	-	-	-	-	41.08
Remittance Tax	-	-	-	-	14.58	114.22	101.83	102.52	8.97
Land Sales Tax	16.63	20.65	28.49	29.14	23.14	93.79	39.35	26.04	1.06
Transport Operator Income Tax	-	-	-	-	-	-	-	-	0.03
Revenue Stamp	39.92	32.89	39.07	37.61	43.32	44.35	47.58	17.58	3.53
Tourism Tax	802.90	860.14	804.70	0.63	0.15	0.00	0.00	-	-

5.3.1 Comparison of tax revenues against previous year

Revenue	2019 (MVR million)	2020 (MVR million)	Compared to 2019	Reason for increment/decrement
Airport Service Charge	731.10	283.34	-61.2%	Due to the border closure to prevent the spread of Covid-19, and subsequent cancellation of on-arrival visa led to a steep decline of Airport Service Charge revenue of 2020. Local departures declined by 69% and foreign departures fell by 59% in comparison to 2019.
Bank Income Tax	613.97	953.70	55.3%	Under the Income Tax Act, banks paid their first Interim Payment of 2020, which increased the Bank Income Tax. In prior years, banks were not required to pay any Interim Payments.
BPT	2,210.43	1,764.23	-20.2%	In 2020, taxpayers are required to pay the second Interim Payment of 2019 and the Final Payment for tax year 2019. As taxation commenced under the Income Tax Act on 1 January 2020, and BPT Act was repealed, revenue collected as BPT decreased this year.
Income Tax – Companies and Non-Individuals	-	370.55	-	Taxation under the Income Tax Act commenced on 1 January 2020. Under the new Act, first Interim Payment was due in July 2020. As the economic activity of most businesses declined significantly in 2020 due to the Covid-19 pandemic, most taxpayers opted to pay their interim payment based on their estimated revenue for 2020.
Income Tax – Individuals	-	41.01	-	Collection under the Income Tax Act commenced on 1 January 2020. Unlike BPT, which was taxed on the business income, Income Tax is applicable to all income earned by individuals.
Employee Withholding Tax	-	42.14	-	Under the Income Tax Act, taxation on remuneration commenced on 1 April 2020.
Income Tax - Transport Operators	-	0.03	-	Income derived from Maldives by a non-resident shipping or aircraft operator in international transportation, is subject to Income Tax at the rate of 2%.
Green Tax	850.62	351.99	-58.6%	Green Tax is payable at rate of USD 6 from tourists staying at tourist resorts, hotels and vessels, and at the rate of USD 3 from those staying at tourist guesthouses. Total amount of Green Tax collected decreased compared to 2019 as due to closed borders, less tourist arrived in 2020. The bednights reported for this year also 57.3% less than 2019.
GGST	2,845.08	2,086.58	-26.7%	Due to the negative impact of Covid-19 pandemic on the economy of the Maldives and on the businesses, GST collected in this year decreased considerably.

Revenue	2019 <i>(MVR million)</i>	2020 <i>(MVR million)</i>	Compared to 2019	Reason for increment/decrement
TGST	4,903.49	2,220.16	-54.7%	As borders were closed as a preventative measure against Covid-19, the tourist arrivals decreased significantly in 2020, leading to a marked decrease against 2019.
Land Sales Tax	26.04	1.06	-95.9%	As of 1 January 2020, with the implementation of the Income Tax Act, Land Sales Tax was abolished. In 2020, only arrears from previous periods were collected.
Remittance Tax	102.52	8.97	-91.3%	As of 1 January 2020, with the implementation of the Income Tax Act, Remittance Tax was abolished. In 2020, only the receivable amount of December 2019 was collected.
Revenue Stamp	17.58	3.53	-79.9%	Pursuant to the amendments to the Export Import Act in 2019, and following subsequent changes to the method of payment of Revenue Stamps, led to the decrease in revenue collected from Revenue Stamps.
Non-Resident Withholding Tax	688.46	483.57	-29.8%	Due to low business activities in the wider economy as a consequence of Covid-19, Non-Resident Withholding Tax collected this year decreased in comparison to 2019.

5.3.2 Comparison of tax revenues against projection

The initial projection for 2020 was MVR 17.3 billion. However, to account for the impact of Covid-19 on the economy, revenue forecast was revised on two occasions. With the first case of community spread, the greater Male' Area were locked down and borders were closed. In the first revision brought to the forecast in March, the impact of the lockdown and border closure on tourist arrivals and Maldivian businesses were taken into account, and revenue was estimated based on 5 scenarios. Scenario 3 was taken as the most likely scenario by the government, and used for statistical purposes.

The second revision to the revenue forecast was done in September 2020, as after easing the lockdown and re-opening of the borders, it was estimated that there would be an increase in revenue. This time round forecast was done on 'Best', 'Moderate' and 'Worst' case scenarios, from which the 'Moderate' case was decided to be fitting to use for budget purposes.

Subsequent to the revisions, revenue projected for the year was MVR 9 billion. Out of the total revenue, MVR 7.4 billion was estimated to be received as total tax revenues. The table below shows the revenue collected compared with the updated projection.

Revenue	Compared to projection	Reason for increment/decrement
Airport Service Charge	-9.7%	On the closure of Maldives borders, it was estimated that Airport Service Charge would not be received during that period, and the forecast for this revenue was revised. Despite the revision, the collection was lower than estimated as departures from Maldives decreased significantly due to the Covid-19 pandemic.
Bank Income Tax	+71.0%	Pursuant to the Income Tax Act, similar to other persons, commercial banks are liable to pay Income Tax in two interim payments and one final payment. Most banks paid the first Interim payment of 2020 based on past year's taxable income, leading to an increment in actual revenue collection compared to projection.
BPT	+87.9%	BPT second Interim Payment and Final Payment for 2019 were due in 2020. As economic performance was 2019 was good, the revenue collected as revenue was higher.
Income Tax - Companies and non-individuals	+131.7%	Pursuant to the Income Tax Act, the first Interim Payment for Income Tax was due in June 2020. As most taxpayers took into account the economic impact of the Covid-19 pandemic on their businesses, and opted to pay first Interim Payment based on their estimated revenue for 2020, the forecasted revenue for this tax was revised. However, the collection was higher than the forecasted amount.
Non-resident Withholding Tax	+5.6%	Withholding Tax from tourism industry was expected to be decline given the decrease in activity in the tourism industry, thus the projection was revised. However, in 2020, taxpayers in the telecommunication industry paid the most Withholding Tax, which meant the actual collection to exceed the projection.
Income Tax-Individuals	-31.8%	Pursuant to the Income Tax Act, individuals pay tax on their income at progressive rates between 0% and 15%, based on their income brackets. As most individuals paid the first Interim Payment of 2020 based on the estimated income to be received in 2020, collection was lower than the estimated tax for the year.

Revenue	Compared to projection	Reason for increment/decrement
Employee Withholding Tax	-31.7%	Employee Withholding Tax or tax on remuneration commenced on 1st April 2020. It was estimated that significant proportion of Employee Withholding Tax would be received from the tourism sector. However the decrement in remuneration and lay-offs in the sector as a consequence of the economic impact of the Covid-19 pandemic meant that collection was notably lower than forecasted amount.
Green Tax	-18.8%	The number of taxable bednights decreased as a result of border closure, leading to a decline in collection in comparison to the estimated amount.
GGST	+9.6%	It was estimated that the overall economic performance of the Maldives would decrease as a result of the spread of the Covid-19 pandemic, and the forecasted amount for GGST was revised. However, as taxpayers were facilitated via leniencies such as installment payment options and fine relief, the collection was higher than the projection.
TGST	-10.3%	As borders were closed as a preventative measure against Covid-19, and tourist arrivals to Maldives declined steeply, the projection for TGST was revised. After borders reopened, tourist sector restarted operation at higher daily rate than last year. However, while higher tax liability was reported, the collection was lower due to non-payment.
Revenue Stamp	-26.0%	Due to the lockdown imposed in Greater Male' Area, MIRA's head Office was closed, which led to a decrement in sales of Revenue Stamps compared to the projection.



5.4 Non-tax Revenues

Non-tax revenue collected in 2020

MVR 1.87 billion

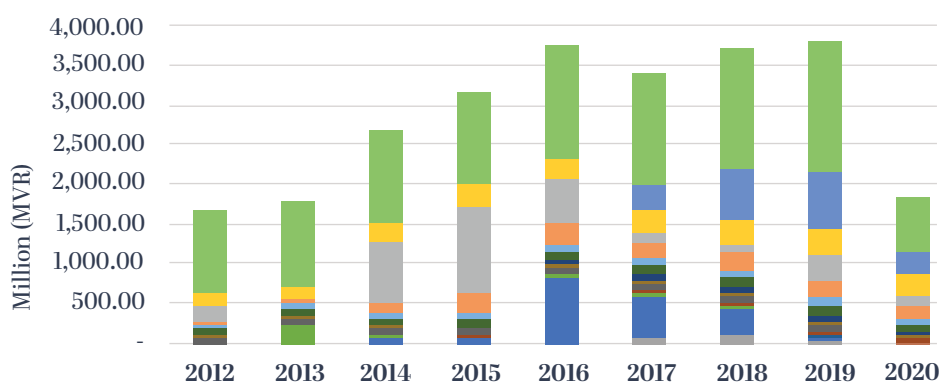
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The highest contributors to

Non-tax revenue in 2020 were **Tourism Land Rent & Airport Development Fee**



Non-tax Revenue (2012-2020)



	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tourism Land Rent	1049.84	1068.82	1156.22	1197.55	1449.68	1401.64	1532.77	1646.55	702.97
Airport Development Fee	-	-	-	-	-	328.47	647.01	733.70	285.89
Residential Permit	171.86	177.78	227.54	248.73	262.21	263.25	304.37	319.38	243.55
Lease Period Extension	168.71	-	789.36	1096.36	569.10	117.41	76.70	306.80	153.50
Fines	51.54	54.80	116.05	257.57	270.27	195.63	226.47	197.36	127.97
Vehicle Fee	45.91	49.70	52.19	62.25	75.70	83.80	92.38	107.44	102.96
Non-tourism Property Income	89.59	95.18	107.99	109.41	131.24	145.15	142.12	131.08	67.76
Zakat Al-mal	-	-	-	-	35.90	63.34	66.57	70.52	60.81
Business Permits	28.60	27.71	28.17	32.21	32.63	41.21	47.13	46.90	38.25
Royalties	76.48	101.47	89.11	78.57	74.14	77.08	76.46	90.23	25.94
Vessel Fee	6.44	6.24	6.70	7.05	20.48	28.43	26.64	27.34	25.04
Corporate Social Responsibility Fee	-	-	-	-	-	12.97	7.68	43.98	21.57
Proceeds from Sale of Assets	17.56	245.42	6.60	6.90	13.06	27.52	41.93	18.08	9.14
Land Acquisition & Conversion Fee	-	-	114.13	106.06	866.69	543.51	322.07	34.82	3.93
Ownership Transfer Tax	-	-	-	-	-	2.46	0.38	5.14	-
Construction Period Extension Fee	-	-	-	-	-	65.34	105.20	33.81	-
Tourism Administration Fee	-	-	-	-	-	16.87	21.48	6.14	-
Others	-	0.03	0.28	0.08	1.87	6.04	6.48	3.72	0.77

5.4.1 Comparison of non-tax revenues against previous year

Revenue	2019 (MVR million)	2020 (MVR million)	Compared to 2019	Reason for increment/decrement
Airport Development Fee	733.70	285.89	-61.0%	Due to the border closure to prevent the spread of Covid-19, and subsequent cancellation of on-arrival visas, led to a steep decline in local and foreign departures from Velana International Airport. This led to the decrement against last year's collection.
Construction Period Extension Fee	33.81	-	-100.0%	From 2018, this fee is collected to extend the construction period of developing tourist establishments, at the rate of USD 15,000 per month. The regulation under which it was being collected was amended in 2019, so this revenue was not received in 2020.
Corporate Social Responsibility Fee	43.98	21.57	-51.0%	Construction Period Extension Fee was collected as Corporate Social Responsibility Fee from 2019. Due to the negative impact on tourism in 2020, the number of persons who paid Construction Period Extension Fee decreased.
Land Acquisition and Conversion Fee	34.82	3.93	-88.7%	In 2020, revenue declined considerably as no additional lands were leased out.
Lease Period Extension Fee	306.80	153.50	-50.0%	In 2019, 4 resorts paid fees to extend the lease period to 99 years. However, only 2 resorts paid this fee in 2020, leading to this decline.
Royalties	90.23	25.94	-71.3%	As borders closed and airports were also not fully operational, royalty paid by duty-free shops decreased significantly.
Tourism Administration Fee	6.14	-	-100.0%	This fee was abolished in 2019 under an amendment to the Tourism Act.
Tourism Land Rent	1646.55	702.97	-57.3%	As Maldives borders were closed as a preventative measure against Covid-19, resorts had to face the negative impact of that. For this reason, government extended the deadline for tourism land rent payment for 2 quarters of 2020 to 2021.

5.4.2 Comparison of Non-Tax Revenues against projection

Revenue	Comparison against projection for 2020	Reason for increment/decrement in revenue compared to projection
Airport Development Fee	-8.9%	As the borders were closed, it was projected that this fee will not be received for this period and the previous forecast was amended. As a result of low departures from Velana International Airport, revenue collected was lower than projection.
Tourism Land Rent	-5.0%	As Maldives borders were closed as a preventative measure against Covid-19, and many resorts had to be closed, government extended the deadline for tourism land rent payment for 2 quarters of 2020 to 2021. Additionally, resorts taken as quarantine facilities had their tourism land rent waived off for that period. The collection, as such, was lower than projection.
Land Acquisition and Conversion Fee	-44.2%	It was projected that in 2020, the subsequent fees for previously leased lands will be received. However, most payments were not received on schedule which resulted in collection being less than forecasted amount.



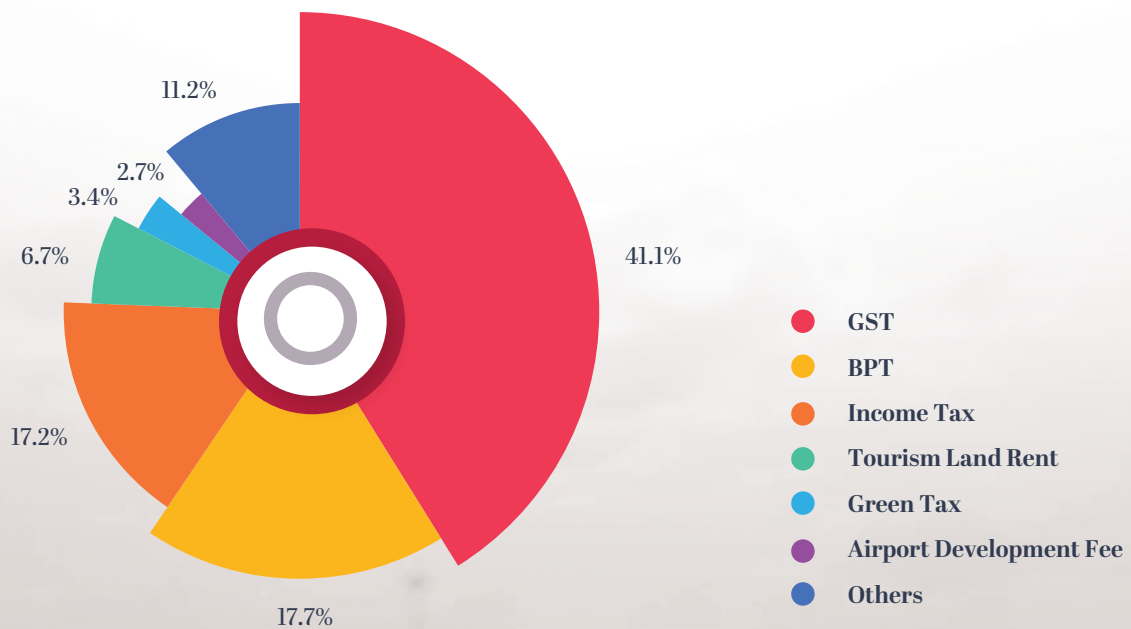
5.5 Top revenue contributors

The top 6 revenue contributors for 2020

GST, BPT, Income Tax, Tourism
Land Rent, Green Tax and
Airport Development Fee



Top revenue contributors for the year 2020



5.5.1 Goods and Services Tax

Total Revenue of 2020

MVR 4.31 Billion



44.4%

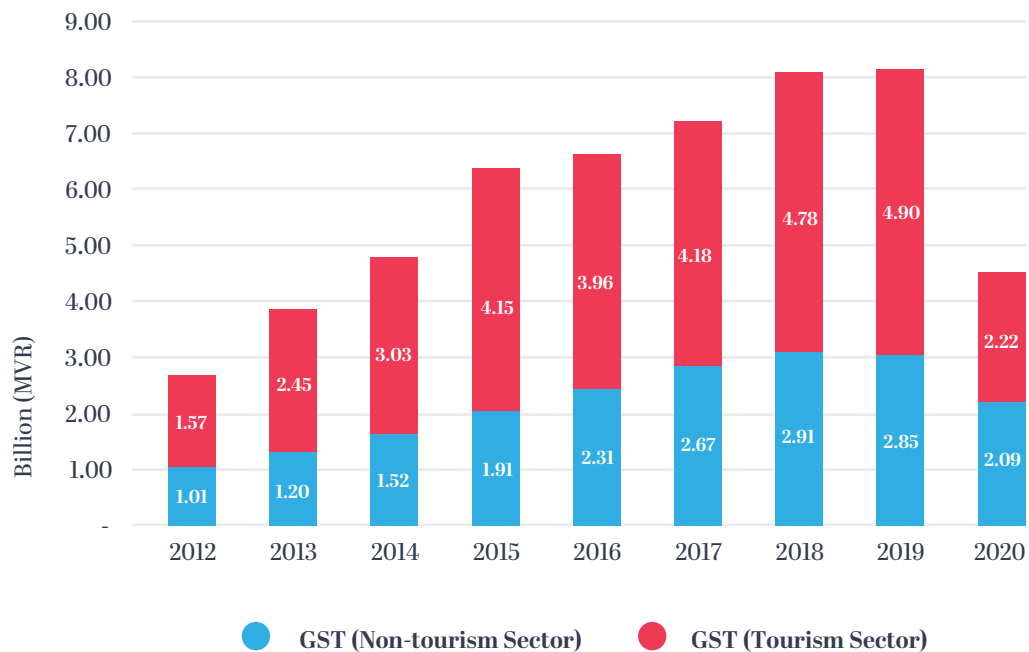
lower compared
to 2019



1.7% decrement
compared to projection



Total GST collection (2012-2020)



GST is levied at the rate of 12% from the tourism sector and at 6% from all other sectors. GST share from tourism sector is 51.6% while all other sectors contributed 48.4% to the total GST revenue.

Tourism Sector GST

Total collection in 2020

MVR 2.22 Billion

Equivalent to

USD 143.01 million



54.7%

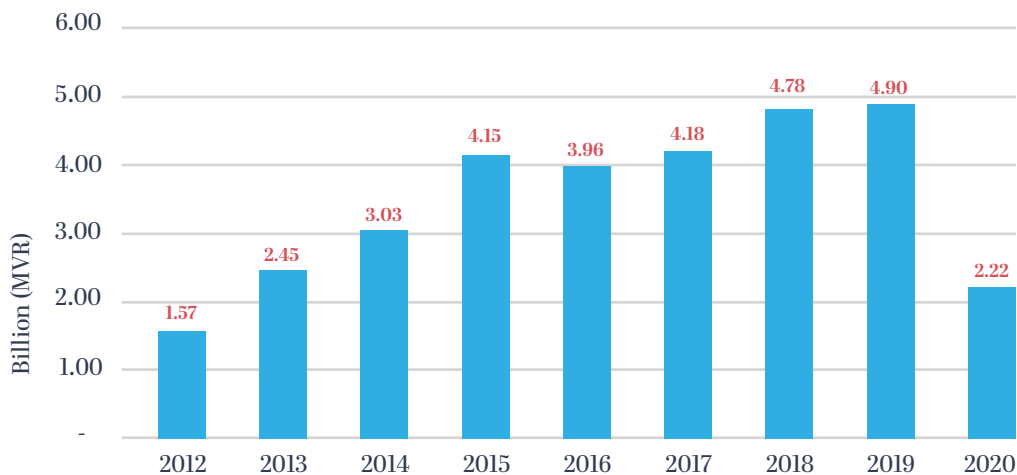
lower compared
to 2019



10.3% decrement
compared to projection



TGST collection (2012-2020)



● TGST collection from 2012 to 2020



The Maldivian economy is primarily based on tourism and tourism-related sectors which consequently generate the highest tax revenues.

The World Health Organization declared Covid-19 pandemic on 11th March 2020. To prevent the spread of the disease in Maldives, the government took several measures. As such, Maldives borders were closed on 27 March 2020 and issuance of on-arrival tourist visas was halted. Additionally, on 17 April 2020, Male' city was put on lockdown.

Due to the impact of the Covid-19 pandemic on the tourism sector, the Maldivian economy declined significantly. A decrement of 54.7% was observed in TGST collection, when compared to the previous year.

TGST Liability reported via TGST returns for 2019 and 2020

As a leniency given to taxpayers, filing and payment deadlines during the lockdown period were postponed to 23rd July 2020.



The table below shows the TGST amount reported by different categories in 2020. Reported amount is different from collection amount.

Category	2019	2020	+/-
Tourist resort	4,224,698,132	2,022,029,666	-52.1%
Water sports facility	28,904,296	12,100,758	-58.1%
Other Facility	20,661,745	8,869,706	-57.1%
Tour operator	41,113,947	21,956,026	-46.6%
Foreign tourist vessel's agent	3,385,734	4,468,047	32.0%
Domestic air transport	350,420,177	163,891,781	-53.2%
Tourist hotel	89,354,069	32,531,255	-63.6%
Tourist guest house	87,069,084	42,378,311	-51.3%
Tourist vessel	63,089,452	29,962,264	-52.5%
Diving School	77,415,392	37,174,768	-52.0%
Shops	17,106,163	10,140,978	-40.7%
Spa	20,091,492	8,577,780	-57.3%
Net TGST Liability reported	5,023,309,696	2,394,081,354	-52.3%

*Deadlines in 2019: December 2018 to November 2019 and 18Q4 to 19Q3

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

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

General Sector GST

Total GGST collection for 2020:

MVR 2.09 Billion

Equivalent to

USD 143.01 million



26.7%

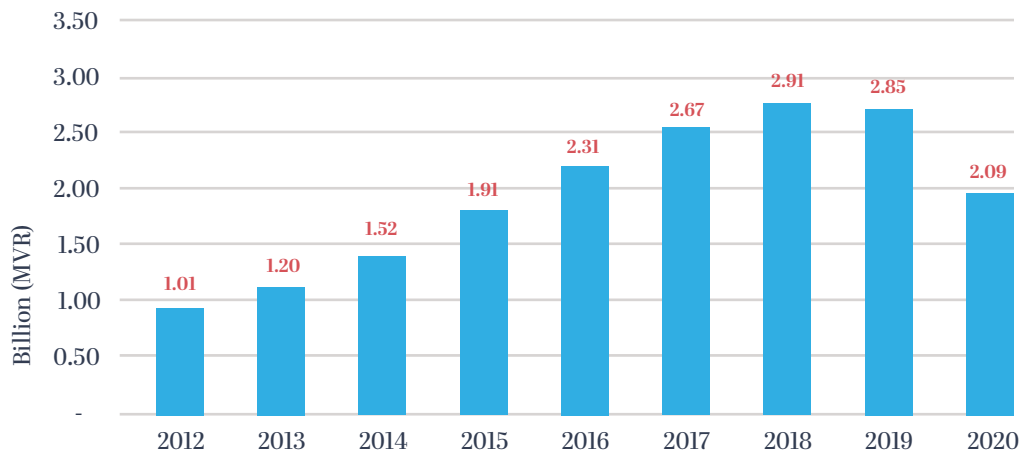
lower compared
to 2019



9.6% decrement
compared to projection



General Sector GST collection (2012-2020)



● GGST collection from 2012 to 2020



From sectors other than the tourism sector, GST is charged at the rate of 6%. In the collection of 2020, a decrement of 26.7% in GGST revenue was observed in comparison to 2019. The industries that were most adversely impacted, other than the tourism sector, are wholesale and retail trade, construction and transportation sectors.

GGST Liability reported via GGST returns for 2019 and 2020

In 2020, filing and payment deadlines during the lockdown period were postponed to 23rd July 2020 to facilitate the taxpayers and granted leniency in payment of taxes.



The table below shows the GGST amount reported by different categories in 2020. Reported amount is different from collection amount.

Industry	Tax reported in 2019 (MVR)	Tax reported in 2020 (MVR)	+/-
Agriculture, forestry and fishing	7,493,031	10,102,113	35%
Manufacturing	61,965,211	47,975,968	-23%
Electricity, gas, steam and air conditioning supply	11,501,703	9,080,536	-21%
Water supply, sewerage, waste management and remediation activities	16,437,431	10,305,458	-37%
Construction	630,589,954	471,984,959	-25%
Wholesale and retail trade, repair of motor vehicles and motor cycles	1,504,360,199	1,212,658,528	-19%
Transportation and storage	224,469,017	66,599,813	-70%
Accommodation and food service	132,036,676	72,350,503	-45%
Information and communication	142,512,032	131,705,817	-8%
Financial and insurance activities	730,454	1,547,920	112%
Real estate activities	10,708,618	3,352,591	-69%
Professional, scientific and technical activities	36,012,498	42,582,747	18%
Administrative and support service activities	53,512,246	58,116,551	9%
Public administration and defense, compulsory social security	146,085	56,168	-62%
Education	1,365,875	1,881,918	38%
Human health and social work activities	3,142,619	2,124,949	-32%
Arts, entertainment and recreation	6,043,763	4,239,898	-30%
Other service activities	108,254,802	74,198,550	-31%
Activities of households	71,046	58,992	-17%
Total reported GGST	2,951,353,261	2,220,923,979	-25%

5.5.2 Business Profit Tax

Total BPT collection for 2020:

MVR 1.86 Billion



35.9%

lower compared to 2019

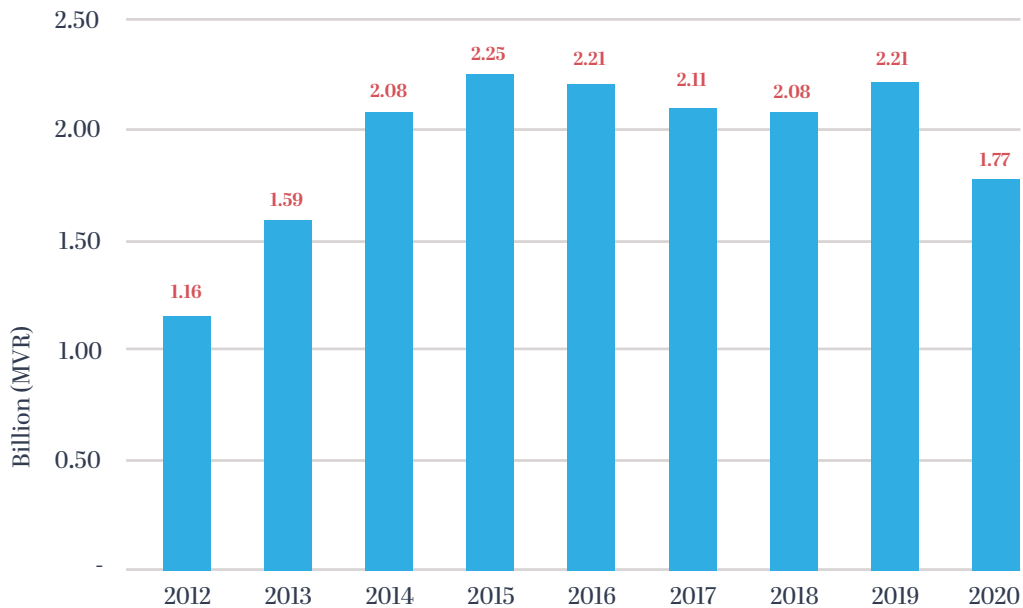


BPT consist of two components; BPT from the profit component and Withholding Tax from non-residents.

BPT - Profit component



BPT collection (2012-2020)



● BPT collection from 2012 and 2020

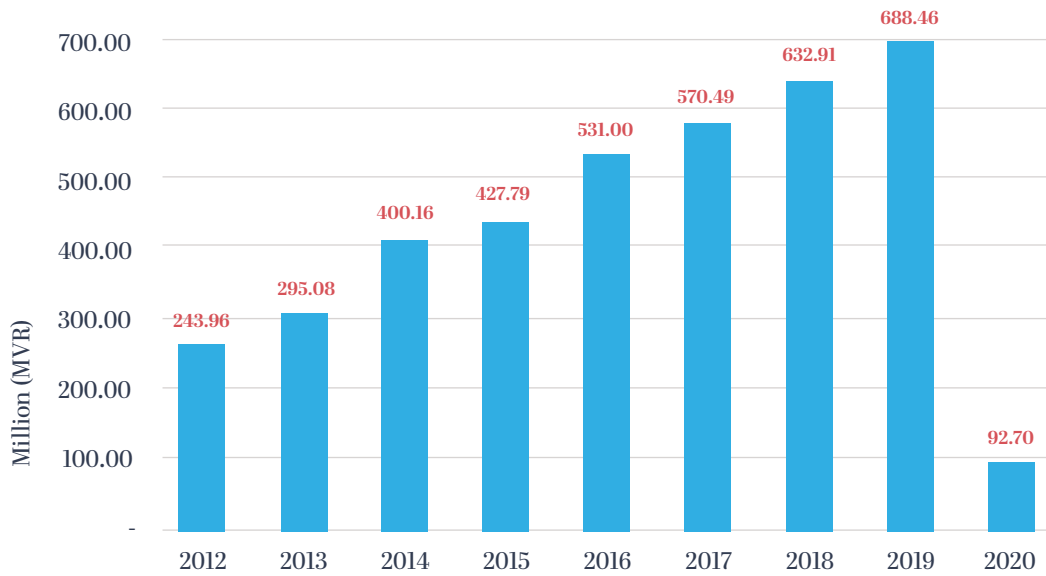


With commencement of taxation under the Income Tax Act from 1st January 2020, Business Profit Tax Act was repealed. In 2020, the two payments received under BPT were the second Interim Payment of tax year 2019 and the Final BPT payment for 2019. From June 2020, only dues from prior periods were collected.

Withholding Tax



WHT collection (2012-2020)



● WHT collection from 2012 and 2020



Withholding Tax regime under the BPT Act was presented in the Income Tax as Non-resident Withholding Tax, which was collected from 1 January 2020. Under the BPT, only Withholding Tax for December 2019 and dues from previous periods were received in 2020.

5.5.3 Income Tax

Income Tax is levied under the Income Tax Act (Law Number 25/2019). Taxation under the Act commenced on 1 January 2020. Pursuant to the Act, taxation on remuneration commenced on 1 April 2020. On 1 January 2020, the Business Profit Tax Act and the Bank Profit Tax Act was repealed.

Tax residents (except for temporary residents) of Maldives are taxed on their worldwide income, whereas non-residents are taxed on the income derived from Maldives.

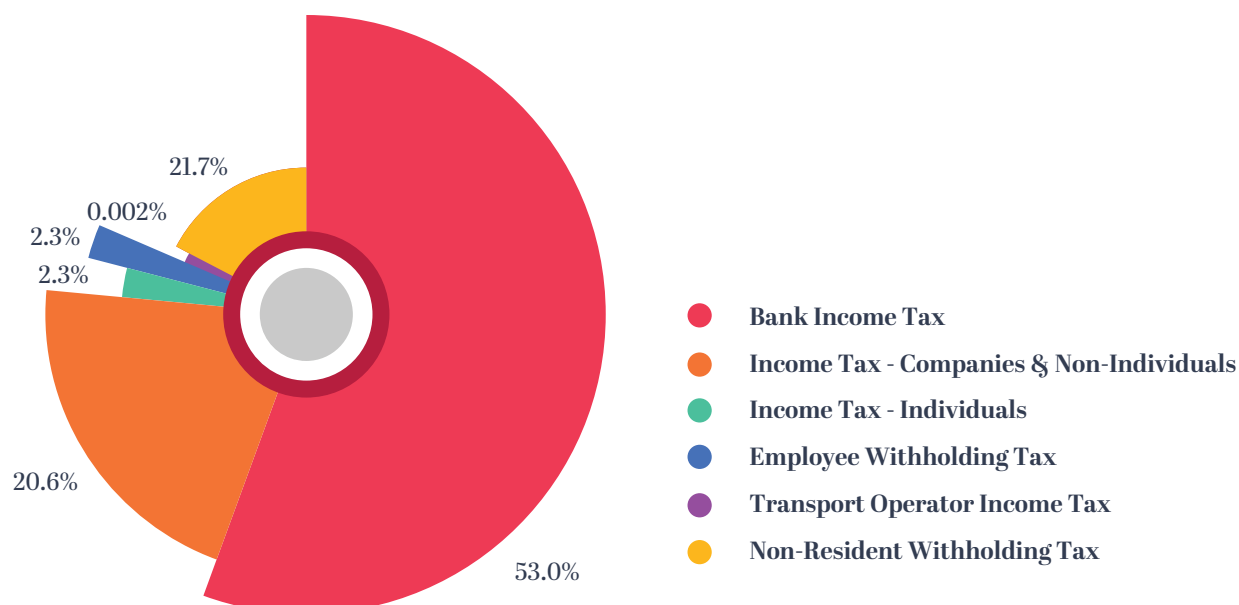


The table below shows the collection under the Income Tax Act for the year 2020.

Bank Income Tax	MVR 953.70 million
Income Tax – Companies and non-individuals	MVR 370.57 million
Income Tax – Individuals	MVR 41.08 million
Employee Withholding Tax	MVR 42.14 million
Non-Resident Withholding Tax	MVR 390.87 million
Transport Operator Income Tax	MVR 28,180



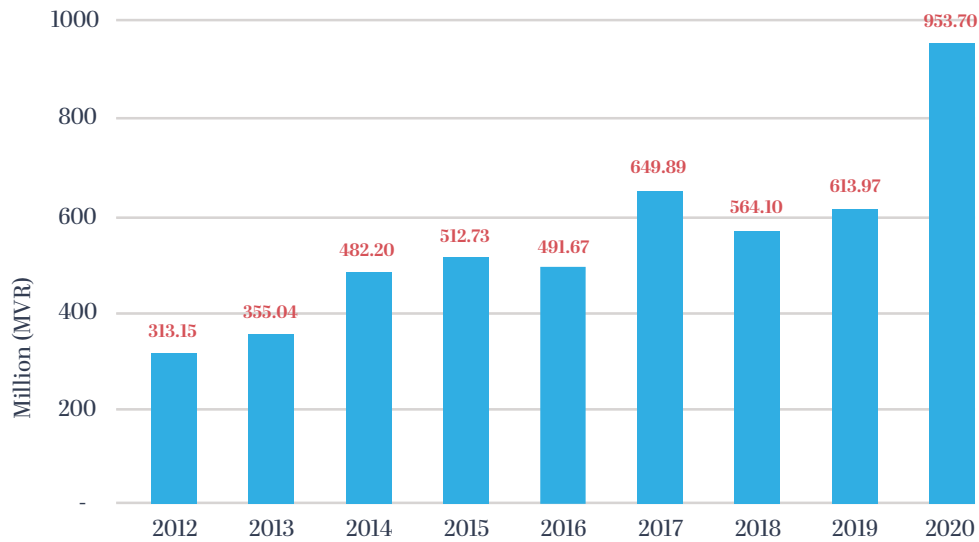
Proportion of Income Tax collection



Bank Income Tax



Bank Income Tax (2012-2020)



Pursuant to the Income Tax Act, commercial banks operating in the Maldives are liable to pay 25% of their taxable income per tax year.

Prior to the Income Tax Act, Bank Profit Tax was collected under Bank Profit Tax Act and tax was payable 6 months from the end of the tax year. Pursuant to the Income Tax Act, banks are required to pay First and Second Interim payment and Final Payment.

In 2020, commercial banks paid First Interim payment for year 2020 along with the Bank Income Tax of 2019, which led to a considerable increment in 2020.

Income Tax – Companies and non-individuals

Companies and non-individuals (except banks) have to pay at the rate 15% of the taxable income of that exceed MVR 500,000 per year. In 2020, Income Tax received from companies and non-individuals was MVR 360.95 million. Such entities only had to pay the Income Tax First Interim Payment in 2020.

Due to the decline in business activity as a result of the Covid-19 pandemic, some taxpayers opted to pay their First Interim payment based on their estimated income for 2020. However, there were other taxpayers who chose to pay the First Interim Payment based on their BPT payable for the year 2019.



Reported First Interim payment via Interim Return 2020

First Interim payment of 2020	
Income Tax - Companies and non-individuals	
Total Interim Payable	691,063,982
Total number of taxpayers	1,376

Income Tax – Individuals

Total of MVR 41.08 million was collected as Income Tax from individuals in 2020. In 2020, only the First Interim Payment was payable.

Individuals have to pay Income Tax on their business income as well as all other forms of income they receive.



Income Tax rates for individuals

Annual Taxable Income (MVR)	Tax Rate
MVR 720,000 or less	0%
More than MVR 720,000 but less than or equal to MVR 1,200,000	5.5%
More than MVR 1,200,000 but less than or equal to MVR 1,800,000	8%
More than MVR 1,800,000 but less than or equal to MVR 2,400,000	12%
More than MVR 2,400,000	15%



Reported First Interim payment via Interim Return 2020

First Interim payment of 2020	
Income Tax - Individuals	
Total Interim Payable	40,572,177
Total number of taxpayers	1,049



Majority of individual taxpayers paid their First Interim payment based on the estimated income for 2020.

Non-Resident Withholding Tax

MVR 390.87 million was collected as Non-Resident Withholding Tax in 2020. Pursuant to the Income Tax Act, specified payments received by non-residents is subject to tax at the rate of 10% on the gross amount of income derived by them. Non-Resident Tax on dividend, interest, insurance premium and payments to contractors was introduced under the Income Tax Act.



Reported Non-Resident Withholding Tax

Taxable Categories for Non-Resident Withholding Tax	Reported WHT in 2020
Rent in relation to immovable property situated in the Maldives	13,272,620
Royalty	52,758,624
Interest	32,898,651
Dividends	28,314,226
Fees for technical services	196,702,163
Commissions paid for services provided in the Maldives	43,270,928
Payments for performances by public entertainers in the Maldives	3,194,128
Payments for carrying out research and development in the Maldives	85,906
Payments to Contractors	12,485,392
Insurance Premium paid	9,188,169
Re-Insurance Premium paid	15,173,491
Reported Total Withholding Tax	407,344,298

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



The above table contains details of reported Non-Resident Withholding Tax from January to November 2020. The return for December 2020 would be filed in January 2021.

Employee Withholding Tax

Income Tax on remuneration commenced on 1 April 2020. In 2020, MVR 42.14 million was collected as Employee Withholding Tax.



Employee Withholding Tax rates

Remuneration subject to Employee Withholding Tax (Monthly)	Tax Rate
MVR 60,000 or less	0%
More than MVR 60,000 but less than or equal to MVR 100,000	5.5%
More than MVR 100,000 but less than or equal to MVR 150,000	8%
More than MVR 150,000 but less than or equal to MVR 200,000	12%
More than MVR 200,000	15%



The below table shows the details of Employee Withholding Tax reported from April to November 2020. This amount is different to the collection amount.

Remuneration	Remuneration subject to tax	Tax payable
Amount subjected to tax at 0%	2,023,538,087	-
Amount subjected to tax at 5.5%	223,735,888	12,436,512
Amount subjected to tax at 8%	147,897,867	12,073,080
Amount subjected to tax at 12%	37,249,683	4,625,965
Amount subjected to tax at 15%	93,806,280	14,297,488
Total remuneration and tax payable	2,526,227,804	43,433,045

5.5.4 Tourism Land Rent

Total Tourism Land Rent collection for 2020:

MVR 702.97 Million

Equivalent to

USD 45.85 million



57.3%

lower compared
to 2019



5.0% decrement

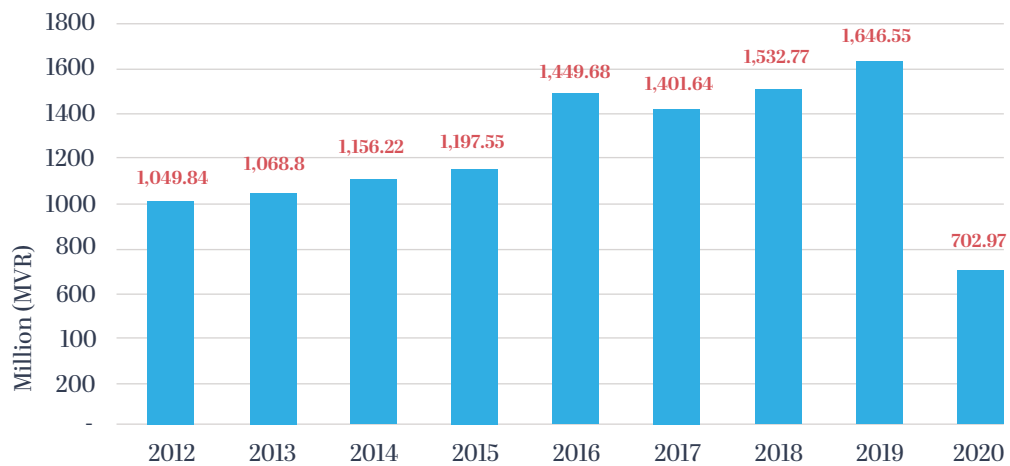
compared to projection

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

As a preventive measure against the spread of Covid-19 pandemic, lockdown and border closure were initiated, and many resorts closed down. The government deferred the Tourism Land Rent payments of second and third Quarter of 2020 to mid-2021. This led to a significant decrement in revenue when compared against 2019.

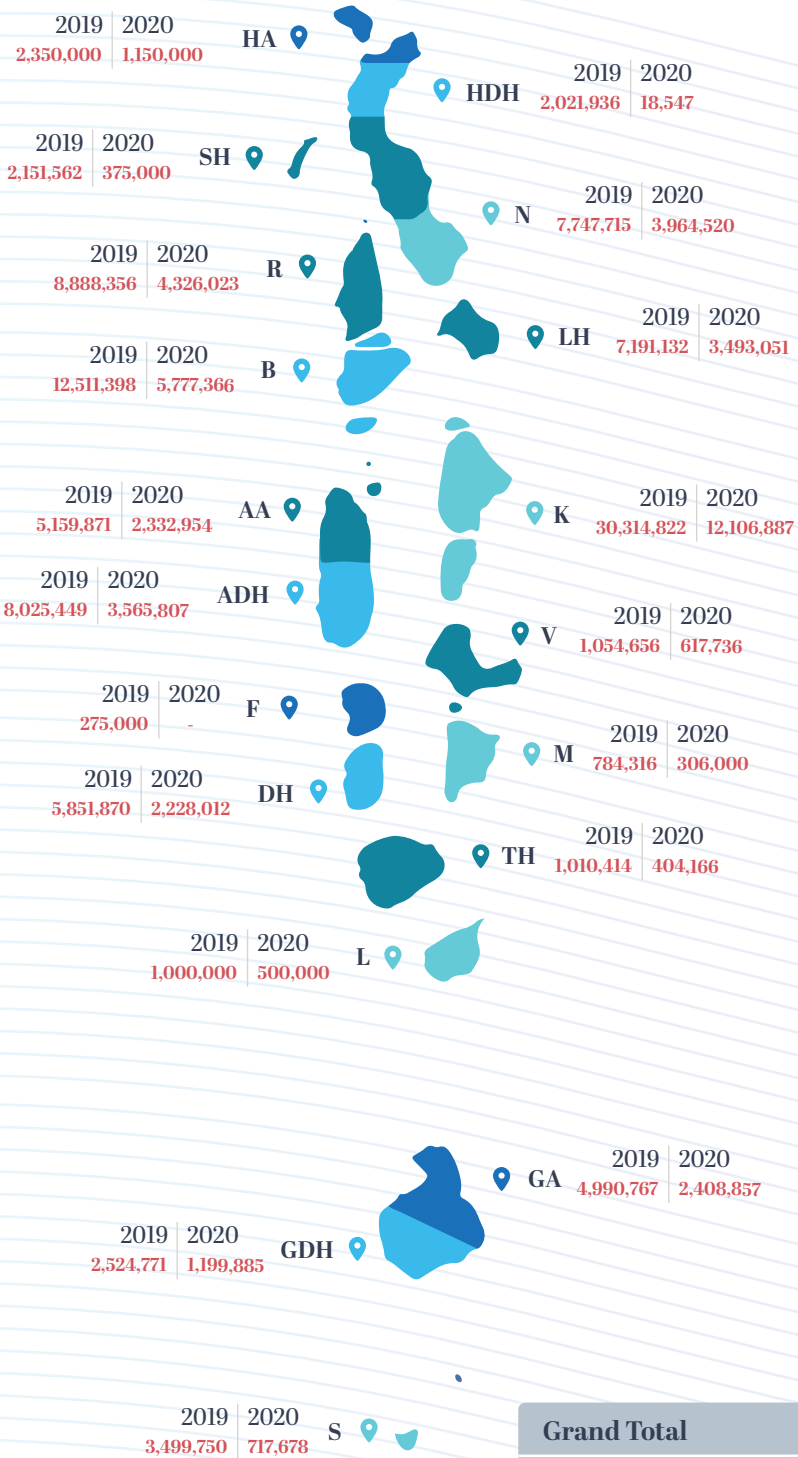


Total Tourism Land Rent collection (2012-2020)





Tourism Land Rent Collection breakdown by Atoll
(in USD)



Grand Total	
2019	107,353,786
2020	45,492,489

5.5.5 Green Tax

Total Green Tax collection for 2020:

MVR 351.99 Million

Equivalent to

USD 22.96 million



58.6%

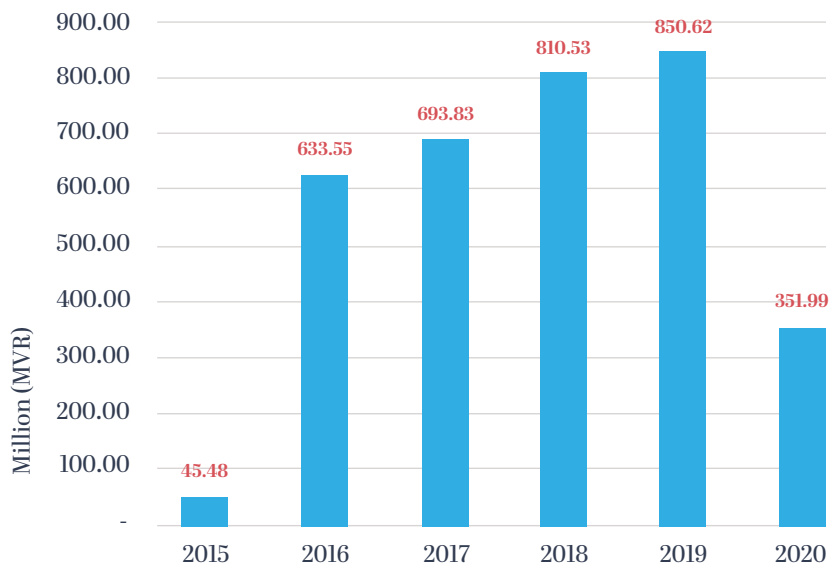
lower compared
to 2019



18.8% decrement
compared to projection



Green Tax collection from 2015 to 2020



Green tax is a tax payable by tourists who stay in tourist resorts, tourist hotels, tourist vessels and tourist guesthouses. Green tax is payable at the rate of USD 6 per day of stay from tourist resorts, tourist hotels and tourist vessels, and USD 3 per day of stay from tourist guesthouses. Maldivians and resident permit holders are not required to pay Green Tax.

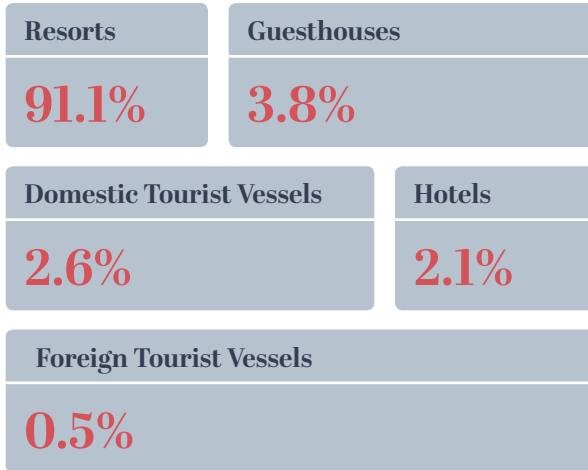
Green Tax Collection by Categories

Collection includes dues recovered from preceding years and assessed tax collected after the audit and the timely payments received for the deadlines of 2020.

In 2020, during the lockdown period, leniency in filing and payment of Green Tax was granted and enforced actions were relaxed to cater for the economic downturn.



Green Tax collected from the categories

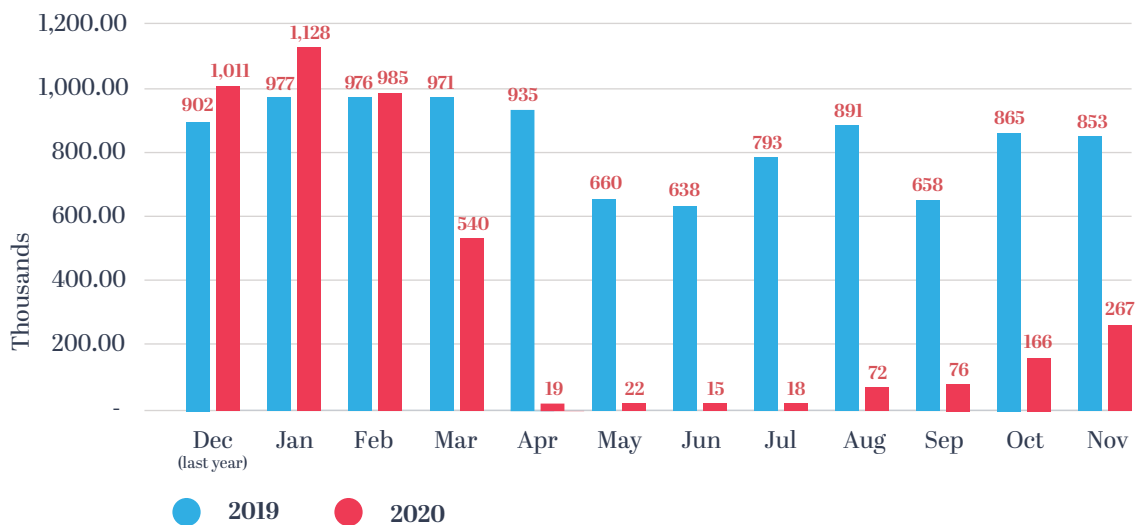


Bednights reported in 2020 and 2019

In the year 2020, Green Tax was reported for the periods from December 2019 to November 2020. Similarly the taxable periods of 2019 are from December 2018 to November 2019.



The table below shows the bednights reported for 2019 and 2020. The bednights for 2020 is 57.3% less than 2019.



5.5.6 Airport Development Fee

Total Airport Development Fee collection in 2020

MVR 285.89 Million

Equivalent to
USD 18.54 million



61.0%

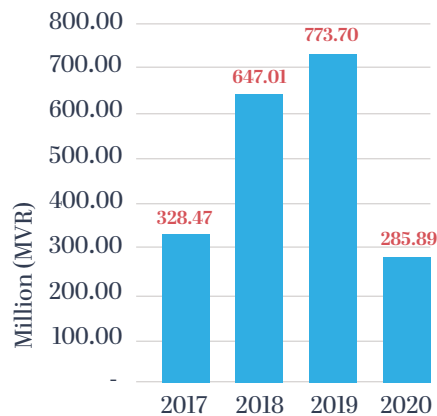
lower compared
to 2019



8.9% decrement
compared to projection



Airport Development Fee (2017-2020)



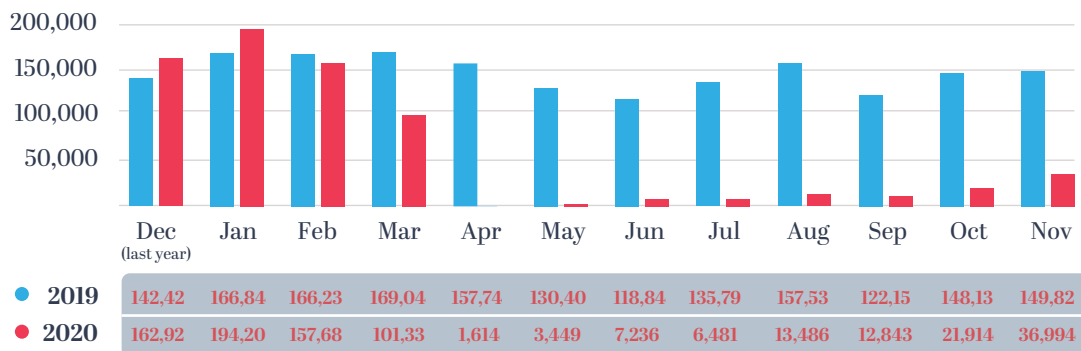
Airport Development Fee, which commenced on 1 May 2017, pursuant to the Airport Taxes and Fees Act, is levied on passengers departing from Velaanaa International Airport at the rate of USD 25 for foreign passengers and USD 12 from Maldivian passengers.

Due to border closure, and imposed travel restrictions, foreign and local departures declined by 59.2% and 68.9%, respectively, when compared against 2019.

Reported number of foreign passengers for the deadlines of 2019 and 2020



Number of foreign passengers subject to Airport Development Fee

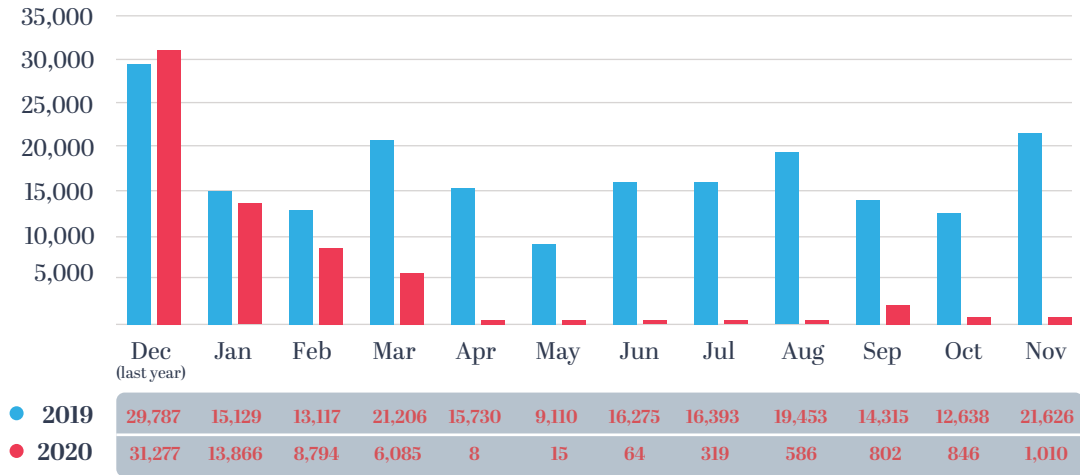


Compared to 2019, foreign departures subject to Airport Development Fee fell by 59.2%.

Reported number of local passengers for the deadlines of 2019 and 2020



Number of local passengers subject to Airport Development Fee



Compared to 2019, Maldivian departures subject to Airport Development Fee fell by 68.9%.

6. Challenges brought on by Covid-19 and leniencies provided to taxpayers

With the confirmation of the first Covid-19 case in the Maldives, the government implemented several measures to curb the spread of the disease. Schools and government offices were closed, a lockdown was initiated and borders were closed to prevent further increase in numbers. As MIRA's offices were also closed in adherence with these measures, MIRA took important steps to ensure the continuity of services to taxpayers. In addition, considering the severe impact the Covid-19 pandemic had on businesses, MIRA facilitated several leniencies for taxpayers as well.

- One of the biggest challenges that MIRA faced was the lack of resources that would allow all staff to work from home. However, with the hard work of MIRA's IT team and the full support of staff, MIRA was able to ensure the continuity of services to taxpayers.
- Within a short period of government offices being closed, MIRA facilitated the payment of all taxes and majority of the fees collected by MIRA via our online platforms. By July of 2020, all payments to MIRA could be made via MIRAconnect or VaaruPay.
- As 2020 is the year that Income Tax Act was being implemented, several obligations of taxpayers under the law and regulation came due during the days when Covid-19 started spreading in the Maldives. To lessen the burden on taxpayers during such difficult times, MIRA published the Special Regulation on Income Tax on 15 April 2020. Under this special regulation, the deadlines for fulfilment of specified obligations were extended.
- In addition to arranging means for taxpayers to file and pay their taxes online, MIRA also facilitated several other services online. This includes services such as registration, tax clearance, requesting for installment payment plan, fine relief and providing information to taxpayers and the public.
- Even though online payment options were facilitated for the period that government offices were closed as a preventative measure against Covid-19, all tax deadlines that fell within that period were extended to 23 July 2020. In addition, no enforcement actions were taken against those who did not file or pay during this period. As such, actions such as bank account freezing, submitting cases to court and skip tracing were halted during this period.
- Installment plans arrangement were made for those who were having difficulty in settling their due payments. Several additional leniencies were also given in the installment process. As such, depending of the severity of the impact of Covid-19 on the business, upfront payment was set between 5% and 10%, and repayment periods were set between 2 to 26 months. In addition, taxpayers were granted installment plans without the requirement for post-dated cheques. In 2020, 574 installment agreements were signed which covered MVR 589.8 million.

- Fines imposed for late filing and payment during this period were waived off. In 2020, fine of MVR 119.4 million for 6,957 cases was waived off.
- As a leniency given to small and medium enterprises, businesses with an annual income less than MVR 10 million (except those in guesthouse sector and those who were flagged as high-risk) were excluded from audit cases selection.

As MIRA embarked on its 10th year of service in 2020, the circumstances created due to the Covid-19 pandemic made it the most challenging year of MIRA's history. MIRA takes pride in the fact that, despite the difficult situation, we were able to ensure the safety of staff and the continuity of services to taxpayers and the general public.



7. Activities carried out during the year

7.1 Activities carried out to improve tax administration

Establishment of a Collection Centers in Atolls

To ensure ease and convenience of the taxpayers' in fulfilling their tax obligations, MIRA's branch offices and collection centers are being opened across different regions of the country. During the year 2020, additional collection centers were opened in GA. Vilingili, N. Manadhoo and M. Muli. At the end of the year, MIRA is operating a total of 18 offices in 17 different atolls of Maldives.



Opening ceremony of GA. Vilingili collection center

'Income Tax' information sessions

With the commencement of taxation under the Income Tax Act, special Income Tax information sessions were held for taxpayers and the general public to increase awareness of the new regime. During the year, 133 such information sessions were held.



Income Tax awareness sessions

Allowing to make TGST payments in MVR

In order to assist the difficulties faced by business activities operating in tourism sector due to Covid-19, it was decided to allow TGST collected for periods between 1 April 2020 to 30 September 2020 to be paid in Maldivian Rufiyaa. This was announced by the Ministry of Finance on 15 June 2020.

MIRA facilitated payment of all taxes and other fees online

To allow for physical distancing and to encourage taxpayers to use MIRA's online services, tax and other fees collected by MIRA were facilitated online. With this arrangement, all usual non-tax payments can be made online via VaaruPay. VaaruPay also allows for downloading of copy of receipts after making payments. Via this service, those who are not registered for MIRAconnect are also able to file their GST Nil-Return and BPT Interim Statement online. In changes brought to MIRAconnect service, taxpayers who face difficulty in settling full payments can now make part payments as well.

'Nukuraanama Unikuramaa' Campaign

MIRA started a campaign on 1st October 2020 under the name of 'Nukuraanama Unikuramaa' to deregister those businesses that are registered for GST, but are not undertaking any business activity, as well as businesses who meet the criteria for GST deregistration. If fines relating to tax dues was the reason that such businesses were unable to deregister, such fines were waived off under this campaign. Under this campaign, 803 taxpayers were deregistered from GST in 2020.

Taxpayers with annual turnover of MVR 10 million and above to file Interim Return online

To further digitalize the tax system of the Maldives and to ensure ease of the taxpayers' in fulfilling their tax obligations, effective from 17 August 2020, taxpayers with an annual turnover of MVR 10 million and above are mandated to file and pay their Interim Return online. MVR 30 million and above are required to make their interim payment via MIRAconnect or MRTGS. Furthermore, with the instruction to government offices from the Ministry of Finance to accept large payments digitally, effective from 1 October 2020, all tax and other fee payments exceeding MVR 100,000 and USD 5,000 were facilitated through MIRAconnect and VaaruPay, via debit/credit cards and MRTGS.

Introduction of ‘DhiraaguPay’ and ‘M-Faisaa’ as additional payment options for VaaruPay

Under efforts to make more payment options available to taxpayers, MIRA introduced DhiraaguPay service on VaaruPay on 4 October 2020, under an agreement signed between MIRA and Dhiraagu. Additionally, M-Faisaa service was also introduced on 1 November 2020, under an agreement between MIRA and Ooredoo.



DhiraaguPay signing



Ooredoo m-Faisaa signing

7.2 Tax Laws and Regulations

Twenty Fifth Amendment to the Goods and Services Tax Regulation

The 25th Amendment to GST published on 12th February 2020, repealed paragraph 15(f) of Tax Ruling TR-2015/G23 (Documents to be submitted with GST Return).

The Special Regulation on Income Tax 2020

The Special Regulation on Income Tax was published on 15 April 2020 in response to the challenges encountered by taxpayers due to the outbreak of Covid-19 in the Maldives. Under the Special Regulation, application of specified provisions in the Income Tax Regulation were deferred, including application of Employee Withholding Tax as stated under Section 41 (c) and (d). In addition, changes were made to the method of deduction of Employee Withholding Tax. The Special Regulation was effective until 31 July 2020.

Transfer Pricing Regulation

The main objective of this regulation is to facilitate the implementation of Section 68 of the Income Tax Act, by setting out rules to be followed by persons who are subject to that section, and establishing the policies and procedures with regard to the implementation of the provisions of that section.

This regulation covers the preparation of Transfer Pricing Documentation and Qualifying Past Transfer Pricing Documentation, and the conditions of Qualifying Past Transfer Pricing Documentation. Furthermore, the regulation specifies exemptions where transfer pricing documentation need not be prepared and elaborates on related definitions. This regulation was published on 10 June 2020.

Twenty Sixth Amendment to the Goods and Services Tax Regulation

The 26th Amendment to GST was published on 26 June 2020. This amendment revised the definition of Goods and Services exported from the Maldives, and has specified how a registered person who has written off a bad debt in accordance with the regulation can make a deduction as input tax under the Act. Furthermore, the sections relating to the definitions of 'Charter' and 'Value of Charter', and sections relating to use, transfer and sale of goods imported to Maldives were added.

First Amendment to the Income Tax Regulation

Published on 20 July 2020, the amendment added provision related to computation of interim payment and submission of consolidated financial statements to MIRA as new sections. In addition to that, the accounting standards approved by the Commissioner General was revised with the addition of further international accounting standards.

Twenty Seventh Amendment to the Goods and Services Tax Regulation

The amendment repealed section 30, and added the processing of Cash Card, Debit Card or Credit Card payments and other such services to the list of Financial Services. The amendment was published on 5 November 2020.

Criminal Procedures Regulation

The Criminal Procedures Regulation under the Criminal Procedures Act was published on 16 November 2020. The Regulation contains the procedures applicable to MIRA during investigations concerning tax offenses. The regulation specifies the procedures regarding reporting of tax related offenses and how such complains would be processed by MIRA, as well as the procedures for conducting interrogations. In addition, the rights of the suspect and MIRA's role within those rights are outlined in the Regulation, along with a framework for joint investigations and cases where it is applicable. Furthermore, the Regulation specifies the procedures that would be followed by MIRA in conducting inspections, confiscating items, confiscating passports and monitoring and freezing bank accounts of persons involved in tax related offenses.

Twenty Eighth Amendment to the Goods and Services Tax Regulation

The 28th Amendment to GST was published on 15 December 2020. The amendment added new provisions on time of supply where consideration for a supply is paid in non-monetary form, on value of supply made via a related party and on how it is determined whether the person is in Maldives. Furthermore, it amended the sections relating input tax in relation to capital expenditure and Goods and Services supplied in the Maldives.

The amendment also repealed Section 8(b)(1) of the GST regulation.

Third Amendment to Tax Administration Act

The Third Amendment to the Tax Administration Act was published on 16 December 2020. The amendment introduced reforms on provisions concerning confidentiality, disclosure of information, and right to submit cases and appeal at the tribunal. Moreover, provisions relating to collection and recovery of non-tax revenues, and provisions with regards to actions related to recovery of tax and tax related dues through court action were amended.

Furthermore, provisions relating to the submission of Country-by-Country reports to MIRA, exchange of mutual administrative assistance, Common Reporting Standard and Advance Pricing Agreements were added.

7.3 Registration of taxpayers and other persons

By the end of 2020,

42,991 business activities

were registered at MIRA

•••

17,043 GGST registrants

2,999 TGST registrants

When taxation commenced under the Income Tax Act, persons registered at MIRA under the Business Profit Tax Act were migrated under the Income Tax regime. Additionally, employers and employees were registered for the purpose of Employee Withholding Tax.

Employee Withholding Tax Registrants

Registered employers

501

Registered employees

9,235

Deregistration

Businesses which were deregistered entirely

309

No. of GGST deregistrations

250

No. of TGST deregistrations

38

Similar to previous years, due to either cessation of businesses or due to MIRA determining that an activity is not required to register, some business activities have been de-registered.

New registrants

New registrants for GGST

989

New registrants for TGST

268

New business activities were also registered in 2020.

7.4 Taxpayer and Public Awareness

Activities carried out to promote information

...

With the purpose of creating public awareness on tax laws, regulations and tax administration, numerous activities were carried out during the year 2020. However, due to the Covid-19 pandemic, most of these programs were conducted online during the year

Marketing activities carried out during the year 2020

Media interviews, on various channels

40 Interviews

News published

12 News Articles

'Aamdhaneene Negey Tax Program' in coordination with PSM

10 Episodes

Ads related to marketing and awareness campaigns

10 Advertisements

Social media posts

523 Posts

Activities undertaken to increase taxpayer awareness in 2020

In 2020, 5 guides and 7 instruction sheets published. An additional 13 guides and 4 instruction sheets were amended during the period as well. In addition, several information sessions were held to increase the awareness of taxpayers on different tax related topics.

Information sessions to new registrants

26

Information sessions on MIRAconnect

16

Income Tax information sessions

118

Non-Resident Withholding Tax information sessions for banks

02

Employee Withholding Tax information sessions for Government Offices and Businesses

13

Information sessions on taxation for different government offices

08

Additionally, under the initiative of the regional offices of MIRA, 88 information sessions were conducted across the Maldives.

67

Programs carried out by Maldives Tax Academy in 2020

1 batch of Certificate 1 in Taxation in Maldives

19 Participants

2 programs of Continuous Professional Development (CPD)

82 Participants

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

87 Participants

Additionally, training programs were conducted for all staff of MIRA on the newly introduced Income Tax.

Community Engagement

MIRA gives great importance towards fulfilling MIRA's corporate social responsibilities and creating awareness among staff of MIRA on emerging social issues. While MIRA planned for several community engagement activities for 2020, due to the circumstances arising from the Covid-19 pandemic, these activities could not be carried out.

Apart from activities organized by MIRA, MIRA also takes part in various activities organized by different charitable organizations and government offices. During the first quarter of 2020, MIRA took part in the 'Zero-plastic Run' organized by ICS Maldives. The purpose of this event was to create awareness regarding the negative impact of plastic on the environment.



'Zero-plastic Run' organized by ICS Maldives

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

Monitoring taxpayer compliance

Educating taxpayers on the obligations imposed by tax laws and regulations and continuous monitoring of taxpayer compliance level with these tax laws and regulations, and taking necessary actions when required, is an essential element on an efficient tax system.

MIRA's Technical and Facilitation Department undertakes several activities to assess the compliance level of taxpayers, and to identify non-filers and otherwise non-compliant businesses. This department also conducts activities to encourage voluntary compliance by taxpayers.

Unlike the previous years, due to Covid-19, the compliance day activities planned for each quarter was not held. However, several awareness activities were held to educate taxpayers on the changes to tax laws and regulations. Prior to the spread of Covid-19 in the Maldives, compliance visits were made to taxpayers and they were provided relevant information on identified issues. In 2020, such 2,289 compliance visits were made by MIRA's staff. These include the visits from MIRA's head office, regional branches and collection centers.

Moreover, under MIRA's Enforcement Policy, names of 2,827 non-compliant taxpayers were published and 1 taxpayer was skip-traced during the year.

Audit and Investigation

The tax system of Maldives is a 'self-assessment' system, in which taxpayers themselves declare the amount of taxes they are liable to pay. To determine the accuracy of information declared by taxpayers in their respective tax returns and to ascertain that taxpayers are making correct payments to MIRA, 4 departments carried out audit work in accordance with the tax laws and regulations.

During the year 2020, audit activities were carried out by Large Taxpayer Audit Department, Medium Taxpayer Audit Department and Small Taxpayer Audit Department. Tasks related to investigation of tax matters were carried out by Risk Management and Investigation Department.

During last year, 321 audits of 288 taxpayers were carried out, resulting in additional tax of MVR 301.61 million. Audits completed were equivalent to 35% of the target set for the year 2020. Audits completed were lower than the expected target due to the lockdown in Male' as a preventive measure against the Covid-19 pandemic leading to decrease in audit work due to the closure of government offices and businesses for an extended period.

In the year 2020, 10 investigations were completed with a tax impact of MVR 10.71 million. 1 criminal investigation was also completed throughout the year.



Tax Type	Number of Audits conducted	Additional Tax (MVR, in millions)
BPT	111	MVR 112.58 million
Bank Profit Tax	8	MVR 91.55 million
General GST	142	MVR 81.54 million
Tourism GST	32	MVR 13.02 million
Airport Taxes and Fees	6	MVR 1.75 million
Green Tax	7	MVR 0.61 million
Withholding Tax	15	MVR 0.55 million

Taxpayer objections

Pursuant to provisions of the Tax Administration Act, taxpayers have the right to object to the notice of requirement additional tax payment. 62 such objections were filed at MIRA during the year 2020.

60 objection cases were completed during the year, which includes 47 cases which were disallowed, 10 cases which were partially accepted, and 1 case of which the objection was fully allowed. Additionally, 3 cases was withdrawn by the taxpayers.

In 2020, 2 cases were filed at the Tax Appeal Tribunal regarding the decisions made by objection section, which is 3% of the cases completed during the year.



Tax Type	Cases received in 2020	Cases completed in 2020	Pending cases	Withdrawn cases
GGST	13	11	5	1
TGST	8	7	1	2
Withholding Tax	2	4	-	-
BPT	39	37	7	-
Bank Profit Tax	-	1	2	-
Green Tax	-	-	-	-
Airport Taxes and Fees	-	-	-	-
Total	62	60	15	3

Enforcement Activities

Enforced collection for the year 2020

MVR 591.91 million

With this, the total enforced collection by MIRA over the years has exceeded MVR 9.2 billion

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Dunning notices issued to

7321 non-payers

5,776 non-filers

Among them, **2,143 taxpayers have responded** to those notices.

Total of **MVR 355.13 Million was recovered** through dunning.

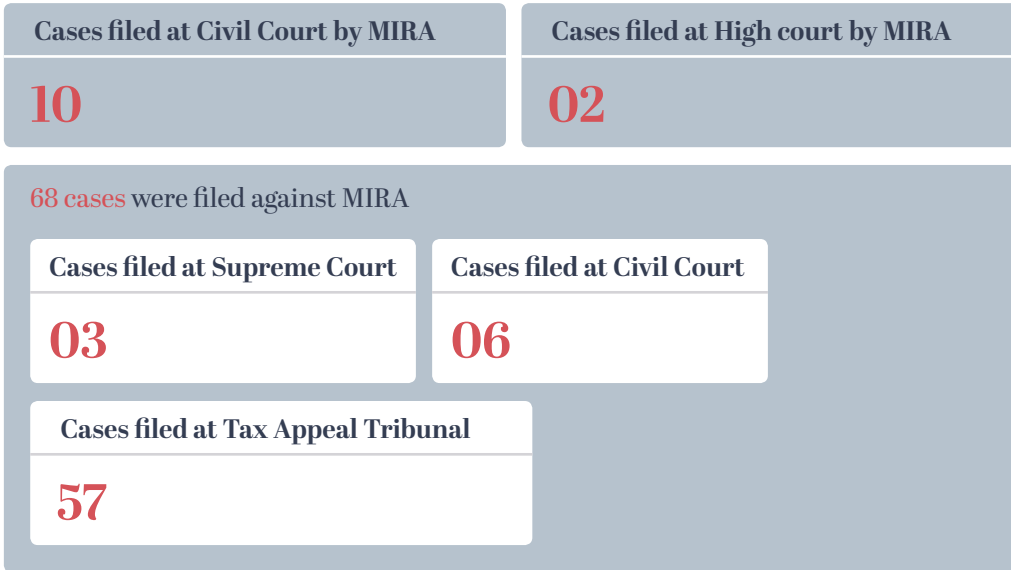
If a person has not complied with the issued dunning notices, services from other government institutions are temporarily discontinued until the outstanding liability has been settled. Under this action, MVR 0.16 million was recovered last year. Additional MVR 1.80 million was recovered under bank account freezing action, and MVR 35.5 million was recovered through dues clearance procedures. MIRA also made arrangements with 566 taxpayers to settle their dues under an installment plan, where payments are spread over an agreed period of time.

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

Taxpayer Service Center



Legal cases



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From the decisions made by courts, 19 cases were decided in favor of MIRA.
26 cases were decided against MIRA.

MIRA head office at finance T-building



7.6 Activities carried out to establish beneficial relationships

During the year, MIRA has coordinated with the Tax Policy Unit (TPU) of Ministry of Finance in formulating policies for restructuring the current tax treaty initiation and negotiation framework. As the work of the Double Tax Agreement Committee, which comprises of members from government offices appointed to provide policy advice on tax treaties, restarted in 2020, MIRA played a key role in the functioning of the committee. MIRA also provided technical advice to TPU in fulfilling obligations relating to the international commitments such as coordinating with foreign bodies in implementing international standards for tax transparency and exchange of information.

In order to widen the scope of online payment options available to taxpayers for making payments, MIRA signed an MoU with Dhiraagu and Ooredoo. Under these agreements, payment options via Dhiraagu's 'DhiraaguPay' and Ooredoo's 'M-Faisa' was facilitated during the year.

MIRA signed an MoU with Financial Intelligence Unit of Maldives Monetary Authority on 6 January 2020, as a part of ongoing efforts to combat tax evasion and acts of terrorism financing. The MoU will enable both authorities to better enforce the laws and share information within the purview of the relevant laws.



MoU Signing with Financial Intelligence Unit of Maldives Monetary Authority

8. Highlights of the past 10 years

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Over the last decade that MIRA has spent in national service, the organization has reached many milestones and made great achievements. Below are the highlights of the decade-long journey of MIRA in implementing the tax system of Maldives.

MIRA has successfully implemented all the tax laws that have been introduced since 2010. This notably includes taxes such as GST, BPT and Green Tax. In addition, with the introduction of Income Tax in 2020, Maldives has now established a comprehensive tax system. Income Tax introduced taxation on remuneration and the Employee Withholding Tax mechanism for the first time in Maldives. Even in the short periods available for the implementation of these taxes, MIRA has successfully prepared all required regulations and policies, and given assistance to taxpayers, within the required timeframe.



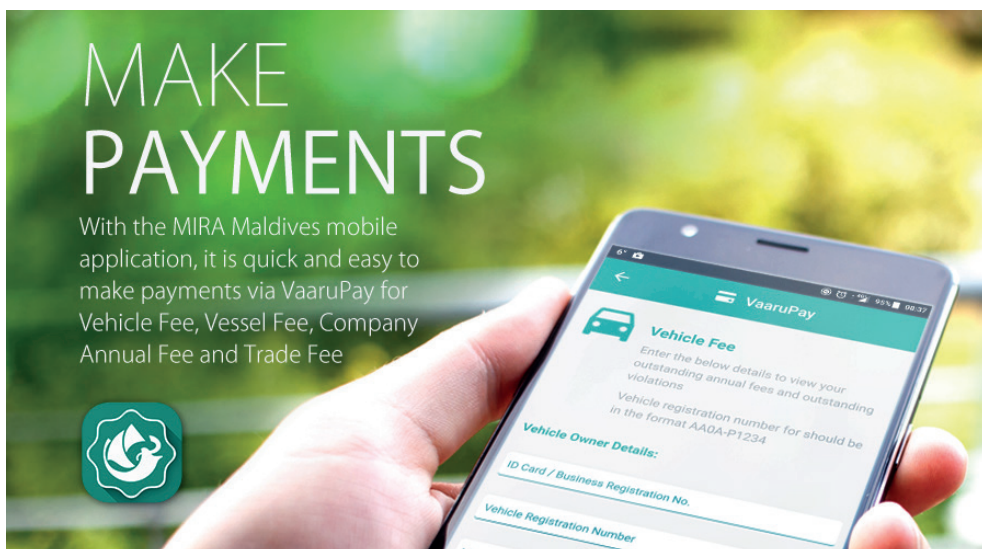
One of MIRA's biggest priorities in introducing and implementing a new tax system in Maldives was, and still is, educating taxpayers. MIRA's education and awareness efforts began with the business registration activities of 2010, and have further broadened over the years. One such notable activity is the GST awareness campaign under which MIRA's teams visited all inhabited islands of Maldives. In 2015, MIRA established the Maldives Tax Academy and commenced education programs under the academy. In addition, since 2011, MIRA has utilized several media channels and platforms to disseminate information and raise awareness on taxes.



To ensure that MIRA's services are accessible throughout Maldives, much effort has been made over the past years. MIRA opened the first branch office outside Male' in Hdh. Kulhudhuffushi in 2012, and has since established 18 offices in 17 atolls of Maldives.



MIRA has utilized modern technology in the management of tax related information and also in facilitating convenient mechanisms for taxpayers to fulfil their obligations. MIRA uses SAP Tax and Revenue Management system internally for the management of administration work. MIRA introduced an online portal for the filing and payment of all taxes, MIRAconnect. Payment of non-tax fees and charges online is facilitated by VaaruPay service. In addition, MIRA has also launched a mobile application and facilitated most of MIRA's services online.



In addition to educating taxpayers and assisting them in fulfilling their obligations, MIRA has also made concentrated effort to encourage those who comply regularly and also to prevent tax evasion. MIRA introduced the Ran Laari award to recognize those taxpayers that fulfill their obligations and also pay the highest amounts of tax. To ensure that the information declared by taxpayers is accurate, MIRA undertakes wide range of audit activities. Furthermore, MIRA published its Enforcement Policy in 2012, and carries out enforcement activities under this policy to recover dues to the state. In this year MIRA also executed its first search warrant.



Dedicated and competent employees are the foundation of a successful tax administration. As the tax system which was established 10 years ago developed and broadened in scope, and MIRA's responsibilities also increased, MIRA has given priority to ensuring that staff of MIRA have the necessary skills and knowledge to fulfil these responsibilities. As such, staff of MIRA participate in several training programs, both local and international, conducted by the likes of Asian Development Bank, International Monetary Fund, Tax Inspectors Without Borders (TIWB) and OECD. Each year several staff are given the opportunity to participate in these programs.



While Maldives' stance in the international tax arena has solidified recently, this is still an ongoing process. Maldives signed its first Double Tax Avoidance Agreement with United Arab Emirates, and since then, work has been ongoing to complete other such agreements. Maldives also joined the efforts against tax evasion by joining the Inclusive Framework on BEPS and Global Forum, and by participating actively in the efforts undertaken.



9. Strategic Plan 2020

MIRA completed the period outlined in its first Strategic Plan in 2019, and MIRA's new strategic plan was formulated in the same year. MIRA's Strategic Plan 2020-2024 is centered on key strategic priorities of MIRA, based on 6 programs. The plan also highlights key performance indicators which would be used to evaluate progress on achievement of the strategic priorities.

While many activities were planned for 2020 to work towards the achievement of objectives outlined in the Strategic Plan, due to the outbreak of the Covid-19 pandemic, much of the planned activities were not carried out.

The following tables MIRA's performance in achieving the objectives for 2020 outlined in the strategic plan.



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

Key Performance Indicators	Status at the end of 2020
Ensure at least 75% of the taxpayers who take part in the annual taxpayer survey get 75% of the answers correct	Due to the Covid-19 pandemic, no taxpayer survey was conducted hence the status of this KPI was not identified.



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

Key Performance Indicators	Status at the end of 2020
Maintain an accurate and up-to-date registration database	803 taxpayers were removed from the GST registration database under GST deregistration campaign, 'Nukuraanama Unikuramaa' which was initiated to deregister those businesses that have ceased their business operations and businesses which meet the general criteria for GST deregistration.
Ensure that 95% of returns are filed online and that 95% of collections are received online	During the year 2020, 83% of the returns submitted to MIRA were filed online and 92% of the payments collected were processed online.
Establish physical presence in all atolls of Maldives	In the year 2020, MIRA commenced its services in GA. Villingili, M. Muli and N. Manadhoo. Including these offices, MIRA has now established a total of 18 offices in 17 atolls.

Implementation of the new income tax regime	With the commencement taxation under the Income Tax Act on 1 January 2020, several activities were carried out by MIRA in order to implement the new tax regime. As such, regulations were drafted, registration and awareness programs were conducted, tax returns were developed along with guides and instruction sheets to assist taxpayers. In addition to that, changes required to the existing systems of MIRA to implement the new tax regime were also carried out within the year.
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Strategic Priority 3: Protect the revenue base by using targeted compliance improvement programs

Key Performance Indicators	Status at the end of 2020
Achieve 95% on-time filing and on-time payment rates for all revenue collected by MIRA	70% of the returns were filed on-time during the year.
Increase accuracy of voluntary disclosures by taxpayers	Evaluation of accuracy of voluntary disclosures by taxpayers was not carried out during this year.
Establishment of a Compliance Risk Management	Compliance Risk Management Policy and Compliance Improvement Plan 2021 published.



Strategic Priority 4: Improve the management of debt collection

Key Performance Indicators	Status at the end of 2020
Reduce the arrears-to collection ratio of and work to maintain the ratio within internationally accepted range	Arrears-to-collection ratio for tax arrears (excluding fines) against tax revenue for the year is 17%. Moreover, non-tax revenue arrears is 9 times that of non-tax revenue collected. This increment is due to the overall decrease in revenue collected by MIRA due to Covid-19 and low number of enforcement activities carried out during the year.
Annually reduce the time to collect arrears from taxpayers	A mechanism to compute age analysis of arrears is being developed.



Strategic Priority 5: Improve audit efficiency and results

Key Performance Indicators	Status at the end of 2020
Implement an automated risk profiling and audit selection system	In adherence with the efforts to reduce government expenditure as Maldives tackled the Covid-19 pandemic, MIRA's expenses were greatly minimized. Thus, such a system was not developed.
Implement an integrated case management system	As the Income Tax Act came into effect during the year 2020, system developments to facilitate the new tax regime were prioritized. As a result, development of Integrated case management system was not carried out.


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

Key Performance Indicators	Status at the end of 2020
Identify the high-risk enterprise risks for programs and projects and ensure they are well-understood and actioned	MIRA's enterprise risk register was established during the IMF Business Continuity Mission, and a plan on how these risks can be minimized and mitigated was prepared alongside.
Assess organizational performance and allocate resources according to risk	Large risks identified were considered in planning MIRA's activities for the year, and also in efforts to secure funding.


Strategic Priority 7: Enhance human resource capacity

Key Performance Indicators	Status at the end of 2020
Ensure at least 70% of the staff employed at MIRA hold graduate level qualification by the end of 2024	Graduate Employees ratio by the end of the year was 56.73%.
Ensure at least 40% of technical staff employed at MIRA to hold relevant professional qualifications by the end of 2024	Technical staff with a professional qualification at the end of 2020 was 64.23%.
Train staff both locally and overseas to prepare them to face challenges and to develop annual training plans	Number of in-person training and learning programs were postponed or canceled due to the Covid-19 pandemic. Despite the setbacks, MIRA adapted to e-learning and online training programs in the year 2020. As such, of the 20 programs held this year 10 were held online. In addition, staff participated in 30 overseas conferences held online.
Increase the retention rate to 90% by the end of 2024	Staff retention rate for the year 2020 was 99%.


Strategic Priority 8: Implement international standards in organizational processes

Key Performance Indicators	Status at the end of 2020
Establish an effective dispute resolution mechanism, one adhering to international standards	Dispute resolution policy was developed during the year.
Ensure areas of auditing, enforcement, risk management and information technology meet professional international standards	Assistance was received from IMF and Global Forum to develop MIRA's compliance risk assessment mechanism, refund mechanism and information security management programs which adhere to international best practices.



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

Key Performance Indicators	Status at the end of 2020
Achieve the ISO9001 considered as the international benchmark of service quality by the end of 2024.	System developments made during the year were mainly focused on facilitating the Income Tax regime. Thus, works of achieving ISO9001 standard were not carried out.
Develop an IT Capital Investment Plan and implement the plan in the equipment acquisition process, and ensure SAP system is upgraded	To minimize MIRA's expenses during the year, additional equipment were not procured. However, several developments were made to the SAP system to facilitate requirements under the Income Tax Act.



Strategic Priority 10: Ensure a safe and secure IT environment

Key Performance Indicators	Status at the end of 2020
Develop a Data and Service Security Plan to maintain and improve on this area of service	Works of obtaining funding for development of a disaster recovery site to secure the confidentiality of data collected and to ensure continuity of service by MIRA was carried out during the year.
Develop and implement a long-term business continuity plan	With the assistance received from IMF, MIRA's business continuity risk register was developed, and the first draft of MIRA's business continuity plan was also formulated.



Strategic Priority 11: Enhance international relations

Key Performance Indicators	Status at the end of 2020
Build a network of tax treaties with strategic tax authorities	MIRA provided technical support to the Double Tax Agreement Committee, formed with representatives of various government offices. In addition, in collaboration with the Tax Policy Unit of Ministry of Finance, work was done on signing of tax treaties.



Strategic Priority 12: Build a stronger relationship with the business community through a proactive consultative process

Key Performance Indicators	Status at the end of 2020
Open a dialogue to communicate with the business community to identify potential issues and address any concerns that may be raised	Stakeholder meetings were conducted with various organizations and taxpayers during the drafting process of the Income Tax Regulation. Moreover, drafts returns and guides were opened for public comments prior to official publication.



Strategic Priority II: Enhance international relations

Key Performance Indicators

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

Status at the end of 2020

MoUs were signed with several ministries and offices under the amendments made to the Tax Administration Act. In addition, discussions were carried out regarding improvement of information exchange between agencies.



10. Outlook 2021

The Covid-19 pandemic outbreak in 2020 brought on several challenges to the Maldivian public, businesses, government offices and the health sector. Despite the many challenges, Maldivians displayed exemplary patience and resilience during the difficult times. Joining in the efforts by government offices in ensuring continuous services to the public, MIRA also facilitated several leniencies for taxpayers. The fact that MIRA was able to ensure that all services provided by MIRA were available online within a short period of time has been one of the biggest achievements of the year.

The year provided an opportunity to reflect and learn several lessons from the challenges that 2020 ushered in. The biggest take from the year was the need for a Business Continuity Plan, to ensure the continuity of MIRA's services. MIRA aims to finalize our Business Continuity Plan and begin its implementation in 2021.

MIRA has continuously made efforts over the years to make tax compliance as least burdensome on taxpayers as possible. The pandemic heavily affected many sectors of the economy, which resulted in the closure of several businesses. In order to increase overall economic activity and assist in sustaining businesses, MIRA's will work towards facilitating additional leniencies in complying with tax obligations

Tax revenues play an important role in the development and sustainment of the economy. To encourage voluntary compliance by taxpayers, several programs

and campaigns have been planned for 2021. This includes development of a Compliance Risk Management Policy and formulating a Compliance Improvement Plan for 2021. Further, MIRA will be providing additional guidance to taxpayers to encourage obtaining services through online platforms and ensuring taxpayers are aware of such means for fulfilling tax obligations.

It is expected that the economic recovery will begin once vaccines roll out and some level of immunity is achieved within the community. Particularly, it is expected that tourist arrivals would increase leading to re-opening of resorts and increase in economic activities of tourism sector and other related sectors. Considering these possibilities, it is estimated that MIRA will receive MVR 12.8 billion as revenue during 2021.

For 2021, there are plans to increase Maldives' representation in the international tax arena, and to expedite the efforts to develop the tax regime of Maldives. This includes efforts to implement exchange of information mechanism by publishing regulations for collecting information from taxpayers and financial institutions. For this purpose, facilitating a legal framework that requires submission of documents under Common Reporting Standards and Country-by-Country Reporting (CbCR) mechanism would be key targets under the commitment to implement international standards on tax transparency and exchange of information. In this regard, MIRA would be working on publishing the CbCR regulation which requires ultimate parent entities of MNE's to submit

country-by-country reports to MIRA. Further, necessary changes to tax administration regulation will be brought to implement the Common Reporting Standard, which has to be followed by reporting financial institutions in submitting financial information to MIRA. Additionally, changes would be brought to regulation to facilitate a Mutual Agreement Procedure as well.

With the commencement of taxation under the Income Tax Act, the number of taxpayers has increased significantly. In the era of physical distancing due to the Covid-19

pandemic, MIRA will give priority to using modern to facilitate education efforts and other services online in 2021.

As MIRA gears up for 2021, the uncertainty created due to the Covid-19 pandemic is still at large, and a resolution to the situation is still far from attainable. However, there is still hope that 2021 would be a year of recovery, a year to reclaim and regain. Regardless of what 2021 has in store, MIRA is remains dedicated and steadfast in our aim to assist and serve taxpayers and other stakeholders.

11. Financial Statements

Statement of Receipts & Payments

For the year ended 31st December 2020

	<i>Note</i>	Public & Other Bank A/c's 2020	Grants Received / Expenditure 2020	Public & Other Bank A/c's 2019	Grants Received / Expenditure 2019
Receipts					
Expenses from Allocated Budget		84,914,958	-	87,280,322	-
Previous Year's Expenses paid during Current Financial Year		-	-	-	-
Receipts for the Government (After deducting Refunds)	4	10,476,684,956	-	16,809,696,127	-
Grants Received during the Current Year	15	-	-	-	-
Total Receipts		10,561,599,913	-	16,896,976,449	-
Payments					
Personal Emoluments	5	71,102,505	-	66,421,058	-
Pension and Redundancy	6	1,814,147	-	1,754,997	-
Travel Expenses	7	276,486	-	1,490,790	11,857
Supplies and Requisites	8	1,142,309	-	2,049,054	-
Operational Services	9	6,223,637	-	6,576,758	3,469,500
Training	10	373,192	-	1,659,330	-
Repairs and Maintenance	11	1,485,436	-	1,319,665	-
Grants, Contributions and Subsidies	12	1,318,622	-	1,112,740	-
Capital Furniture, Machinery & Equipments	14	1,177,058	-	4,890,680	-
Total Payments (After Deducting Refunds from Deposits to Public Bank Account)		84,913,391	-	87,275,072	3,481,357
Deposits to Public Bank Account from the Revenue Collected by the Authority for the Government	15	10,485,754,490	-	16,835,509,988	-
Total Payments (Including Deposits to Public Bank Account)		10,570,667,880	-	16,922,785,060	3,481,357
Increase/Decrease of Cash Flow during the Current Year		(9,067,967)	-	(25,808,611)	(3,481,357)
Opening Balance of Cash		79,535,055	659,372	79,535,055	4,140,729
Increase/Decrease of Cash Flow during the Current Year		(9,067,967)	-	(25,808,611)	(3,481,357)
Closing Balance of Cash		70,467,088	659,372	53,726,444	659,372

The Financial Statements are prepared and presented to the best of our knowledge, without any misleading or inaccurate information. On 10 May 2021, witness to this, the signatories on behalf of Maldives Inland Revenue Authority are:



Asma Shafeeu
Deputy Commissioner General of Taxation



Ahmed Shafneez
Director General, Administration & Finance

Statement of Budget & Expenditure

For the year ended 31st December 2020

	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Variances
Budget Received				
Allocated Budget / (Actual Expenditure)	120,561,200	87,081,781	84,913,391	2,168,390
Allocated Budget for Trust Funds	-	-	-	-
Allocated Budget for Grants	-	-	-	-
Allocated Budget for Loans	-	-	-	-
Total	120,561,200	87,081,781	84,913,391	2,168,390
Recurrent Expenditure				
Personal Emoluments	70,115,760	71,139,350	71,102,505	36,845
Pension and Redundancy	1,966,006	1,814,163	1,814,147	15
Travel Expenses	4,175,407	670,803	276,486	394,317
Supplies and Requisites	2,817,901	1,505,784	1,142,309	363,475
Operational Services	24,606,813	6,756,440	6,223,637	532,803
Training	5,050,945	426,112	373,192	52,920
Repairs and Maintenance	2,896,361	1,989,177	1,485,436	503,742
Grants, Contributions and Subsidies	1,167,365	1,332,267	1,318,622	13,645
Losses on Exchange Rate	5,000	-	-	-
Total Recurrent Expenditure	112,801,558	85,634,096	83,736,333	1,897,764
Capital Expenditure				
Furniture, Machinery & Equipments	7,759,642	1,447,684	1,177,058	270,627
Total Capital Expenditure	7,759,642	1,447,684	1,177,058	270,627
Other Expenditure				
Expenditure from Grants Received	-	-	-	-
Total Other Expenditure	-	-	-	-
Total Expenditure	120,561,200	87,081,781	84,913,391	2,168,390
Actual Budget Balance				2,168,390

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

Notes to the Financial Statements (in Maldivian Rufiyaa)

As at 31 December 2020

Introduction

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

Summary of the policies in compiling and record-keeping

Below are the main policies that were adhered to in compiling the statements and record-keeping of MIRA's financial transactions. These policies were followed in presenting all financial records of MIRA. Explanation will be provided if this is not the case.

Financial Statements

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

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

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

Basis of Presentation

The financial statements are prepared in accordance with the "International Public Sector Accounting Standard: Financial Reporting under the Cash-Basis of Accounting". As such, expenditure under the Statement of Receipts and Payments were recorded on the date cheques are logged in the cash book in the Ministry of Finance and Treasury's accounting software (SAP) or on the date bank transfers were authorized. This statement includes the financial transactions undertaken between 1 January to 31 December.

Expenditure stated under the Statement of Budget and Expenditure include the expenses during the year from the approved budget by the People's Majilis. Due to the differences in the standards used in preparing these statements, a reconciliation statement is included in Note 16 to illustrate the differences in both statements.

Details stated under the Statement of Budget and Expenditure include the budget approved and allocated by the People's Majlis for the financial year 2020, expenditure from the allocated budget, receipts by the Authority on behalf of the government, expenses paid during the current financial year for goods and services received in the previous year and financial assistance from various bodies during the financial year.

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

Grants from Overseas Agencies

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

Foreign-currency transactions

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

Comparatives

In addition to the 2020's Financial Statement figures, 2019's Financial Statement's figures are presented for comparison purposes.

Information related to the budget

The 2020 financial statement includes the budget approved by People's Majilis to this Authority, additions and deductions by Ministry of Finance & Treasury, and virements made without affecting the total budget. Explanation(s) will be provided for instances where there is no authorization to expend from a budget surplus. Final budget is reflective of such revisions to the budget. Except for grants and cash withdrawals from budget, MIRA is responsible for all cash or cash equivalents received and are of direct control of the cash until it is deposited to the Public Bank Account. It is highlighted in the Notes to the Financial Statements that MIRA is not authorized to disburse from this cash.

Allocated Budget, Expenditure & the Actual Budget Balance

Details	2020	2019
Approved Budget for Maldives Inland Revenue Authority by People's Majilis	120,561,200	82,782,002
Additions/Deductions to Budget	(33,479,419)	7,249,643
Final Budget	87,081,781	90,031,645
Total Expenditure from Final Budget	(84,914,958)	(87,280,322)
Payments made from 2020 Budget within the initial 30 working days of the following financial year	-	(2,912,089)
Increase/Decrease in Petty Cash during the Financial Year	1,567	5,250
Actual Budget Balance	2,168,390	2,756,573

Receipts by the Authority as Income for the Government

Revenue Accounts	Main & regional Offices Collection 2020	Revenue Clearing Collection 2020	Total Collection 2020	Total Collection 2019
Tax Revenue				
113001 Tourism Tax	-	-	-	-
113002 Land Sales Tax	824,563	240,150	1,064,713	26,036,076
113003 Corporate Income Tax	2,134,792,183	-	2,134,792,183	2,210,428,003
113004 Ownership Transfer Tax	-	-	-	5,139,700
113005 Bank Income Tax	953,699,643	-	953,699,643	613,969,839
113006 Non-Resident Withholding Tax	483,570,047	-	483,570,047	688,459,909
113007 Personal Income Tax	83,219,662	-	83,219,662	-
113008 Transport Operator Income Tax	28,180	-	28,180	-
114001 GST (Tourism)	2,220,157,234	-	2,220,157,234	4,903,485,533
114002 GST (General)	2,086,220,866	363,662	2,086,584,528	2,845,075,579
119001 Sale of Revenue Stamps	3,527,208	-	3,527,208	17,580,225
119002 Green Tax	351,994,635	-	351,994,635	850,615,154
119004 Airport Service Charge	283,339,591	-	283,339,591	731,095,991
119005 Remittance Tax	8,970,164	-	8,970,164	102,523,494
Royalty				
118001 Duty-Free Shop Royalty	25,837,392	-	25,837,392	90,092,170
118007 Fuel Re-Export Royalty	98,883	-	98,883	140,597
Non-Tax Revenue				
121001 Company Annual Fee	14,711,620	884,000	15,595,620	16,622,278
121002 Restaurant, Café, Canteen Fee	-	600	600	2,131,125
121003 Non-Fisheries Vessel Fee	24,560,608	483,000	25,043,608	27,335,749
121043 Sale of Tender documents	69,120	-	69,120	-
121055 Property Maintenance Fee	408,101	-	408,101	582,068
121075 Sale of Pass	2,336,864	-	2,336,864	2,805,574
121076 Resident Permit	243,547,810	-	243,547,810	319,378,590
121079 Import Trade Fee	2,050	885	2,935	8,263,657
121085 Co-operative Society Annual Fee	6,400	600	7,000	6,200

121086	Co-operative Society Registration Fee	-	600	600	1,000
121088	Trade Registry Fee	570,500	1,092,120	1,662,620	1,957,300
121089	Foreign investment administration annual fee	3,196,225	-	3,196,225	1,719,140
121092	Lease Period Extension	153,500,000	-	153,500,000	306,800,000
121093	Construction Period Extension Fee	-	-	-	33,813,250
121094	Airport Development Fee	285,888,291	-	285,888,291	733,697,538
121095	Corporate Social Responsibility Fee	21,566,315	-	21,566,315	43,975,220
121096	Tourism Administration Fee	-	-	-	6,136,000
121999	Other fees & charges	182,383	14,000	196,383	2,570,126
123001	Company Registration Fee	982,320	2,514,162	3,496,482	3,819,268
123002	Partnership Registration Fee	2,000	460,000	462,000	454,000
123004	Guest House Registration Fee	519,000	-	519,000	647,000
123007	Dive School Registration Fee	130,000	-	130,000	160,000
123014	Motor Vehicle License Fee	102,177,666	780,391	102,958,057	107,439,625
123017	Motor Vehicle and Vessel Registration Fee	95,000	-	95,000	105,000
123019	Bank Mortgage Registration Fee	620,000	-	620,000	460,000
123034	Sole Trader Registration Fee	973,400	1,343,400	2,316,800	1,515,800
123036	Online Business and Activity Registration Fee	1,029,500	-	1,029,500	-
123999	Other Registrations & License Fees	6,301,806	-	6,301,806	5,647,218
125001	Rent from Goifaalabba, Hinna	3,128,509	7,800	3,136,309	10,244,081
125002	Rent from Government Buildings	1,689,040	-	1,689,040	3,350,940
125003	Rent from Resorts	702,974,718	-	702,974,718	1,646,551,366
125004	Rent from Land for Commercial Purposes	48,186,505	-	48,186,505	94,332,370
125005	Rent from Land for Industry	5,695,467	-	5,695,467	7,489,193
125008	Rent from Islands for Long Term Agriculture	9,002,292	-	9,002,292	15,607,927
125009	Rent from Floating Jetty	52,000	-	52,000	54,000
125012	Land Acquisition and Conversion fee	3,933,798	-	3,933,798	34,822,120
131001	Sale of items at auction	-	-	-	1,206
131002	Sale of Government Building	364,927	-	364,927	615,507
131003	Sale of Government Land	8,336,000	437,300	8,773,300	17,461,012
126001	Fine-Breach of Law	64,983,483	185,494	65,168,977	112,407,993
126002	Fine-Breach of Regulation	18,614,327	33,000	18,647,327	23,227,694
126003	Fine-Breach of Agreement	6,670,476	-	6,670,476	22,393,056
126006	Traffic Violation Charges	37,296,635	155,408	37,452,043	39,337,835
126999	Other Fines and Penalties	27,666	-	27,666	7,785
129002	Reimbursement from Previous Year Budget	35,613	-	35,613	163,902
129001	Cash Received for Which Purpose Is Unknown	83,597	16,965	100,562	31,759
129998	Revenue Clearing Account	-	-	-	222,390

Maldives Inland Revenue Authority

Zakat Collection					
129013	Zakat-Al-Mal	56,172,283	4,633,065	60,805,348	70,515,176
129008	Donation and Sadaqah	215,721	13,079	228,800	100,775
		10,467,120,287	13,659,681	10,480,779,968	16,811,623,081

Non-Government Revenue Collected					
513010	Security Deposits	1,117,333	-	1,117,333	-
631003	Loans & National Student Loans	208,129	-	208,129	855,820
		1,325,463	-	1,325,463	855,820
Total Receipts by the Authority		10,468,445,750	13,659,681	10,482,105,431	16,812,478,902

Refunds Issued		2020	2019
113002	Land Sales Tax	(103,455)	-
113003	Corporate Income Tax	(802,283)	(32,364)
113007	Personal Income Tax	(19,782)	-
114001	GST (Tourism)	(232,660)	-
119002	Green Tax	(220,395)	-
121001	Company Annual Fee	(1,000)	(4,500)
121003	Non-Fisheries Vessel Fee	(109,463)	(104,542)
121075	Sale of Pass	-	(212)
121096	Tourism Administration fee	-	(1,540,000)
123014	Motor Vehicle License Fee	(3,906)	(2,352)
123999	Other Registration & License Fees	(270,012)	(28,509)
125001	Rent from Goifaalabba, Hinna	(143,337)	(403,049)
125003	Rent from Resorts	(2,290,735)	-
125004	Rent from Land for Commercial Purposes	-	(10,000)
125008	Rent from Islands for Long Term Agriculture	(100,000)	(100,000)
126006	Traffic Violation Charges	(9,750)	(7,500)
129001	Cash Received for Which Purpose Is Unknown	-	(5,248)
131003	Sale of Government Land	(516,500)	(544,500)
513006	Rufiyaa Deposits	(357,197)	-
513010	Security Deposits	(240,000)	-
Total Refunds Issued		(5,420,475)	(2,782,775)
Total Receipts by the Authority (After deducting Refunds)		10,476,684,956	16,809,696,127

Revenue to be transferred to Special Funds		Trust Fund	Trustee	2020	2019
129013	Zakat Al-Mal	Zakat Fund	Ministry of Islamic Affairs	60,805,348	70,515,176
129008	Donations / Sadaqah	Zakat Fund	Ministry of Islamic Affairs	228,800	100,775
119002	Green Tax	Maldives Green Fund	Ministry of Environment	351,774,240	850,615,154
121095	Corporate Social Responsibility Fee	Tourism Promotion Fund	Ministry of Tourism	21,566,315	43,975,220
Total				434,374,703	965,206,325

Expenditure on Personal Emoluments

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
211 Salaries and Wages	35,774,160	32,995,622	32,994,863	31,717,319
212 Allowances	34,341,600	38,143,728	38,136,641	34,754,319
(Late fine)			(28,999)	(50,580)
Total	70,115,760	71,139,350	71,102,505	66,421,058

Expenditure on Pension & Redundancy

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
213006 Contribution to Maldives Retirement Pension Scheme	1,966,006	1,814,163	1,814,147	1,754,997
Total	1,966,006	1,814,163	1,814,147	1,754,997

Expenditure on Travel Expenses

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
221001 Travelling Expenses - Local Sea Travel	580,979	124,976	29,064	82,915
221002 Travelling Expenses - Local Land Travel	7,000	1,549	750	1,320
221003 Travelling Expenses - Local Air Travel	1,498,984	353,120	55,514	85,254
221004 Travelling Expenses - Overseas	2,088,444	191,158	191,158	1,321,301
Total	4,175,407	670,803	276,486	1,490,790

Expenditure on Supplies & Requisites

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
222001 Stationery and Office Requisites	1,576,070	851,065	661,165	1,212,618
222002 IT Related Materials	398,519	116,134	90,012	291,640
222003 Fuel and Lubricants	54,200	40,202	28,088	56,339
222004 Meals for Employees During Office Hours	118,932	51,719	42,902	114,440
222005 Electrical Items	36,481	64,298	59,723	20,979
222007 Uniform items	324,068	43,869	9,101	94,583
222008 Supplies for Office Cleaning	161,355	143,680	70,497	129,282
222009 Utensils and Accessories	10,000	2,331	1,626	6,196
222010 Office Decoration Materials	-	-	-	-
222011 Curtains, Table Cloths Etc	-	-	-	4,093
222999 Other Administrative Supplies	138,276	192,488	179,196	118,885
Total	2,817,901	1,505,784	1,142,309	2,049,054

Expenditure on Operational Services

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
223001 Telephone, Fax and Telex	217,771	240,829	240,828	203,537
223002 Electricity	381,216	310,950	264,581	370,997
223003 Drinking water and sewerage	7,560	12,322	4,137	3,850
223004 Leased Line and Internet	1,396,126	1,377,270	1,377,270	1,403,936
223005 Building rent and Land rent	3,060,735	2,460,734	2,460,734	1,860,734
223006 Hiring Charges	30,000	7,208	7,208	18,987
223007	-	30,703	-	
223008 Cleaning Services and Waste Disposal	163,674	173,611	135,290	165,883
223009 Postage & Message	49,200	25,540	18,565	41,703
223010 Announcements, Subscriptions and Advertisements	1,480,507	753,494	434,271	347,311
223011 Carriage and Conveyance	50,000	57,766	53,792	53,069
223012 Meeting or Seminar Related Expenses	804,908	19,593	16,722	21,708
223013 Official competitions and ceremonies	350,000	-	-	359,980
223014 Social Development Programs	76,047	-	-	58,912
223016 Consultancy, Translation & Other Related Services	13,666,732	-	-	217,268
223017 Expenses on Foreign Dignitaries	50,000	12,725	9,310	17,606
223018 Visa, Work permit Fees of Expatriate Staff	22,500	3,000	3,000	12,000
223019 Fees to the Government	15,298	12,150	12,150	12,150
223020 Printing Services	1,818,824	1,038,821	992,652	1,174,752
223023 Participation in Fairs	-	18,786	18,786	12,586
223024 Bank Charges and Commission	285,000	61,046	51,046	34,581
223025 Insurance	109,150	74,150	74,150	123,228
223999 Other Administrative Services	571,565	65,743	49,146	61,977
Total	24,606,813	6,756,440	6,223,637	6,576,758

Expenditure on Training

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
225001 Scholarship and Fellowship Assistance	287,218	-	-	18,304
225002 Short Course Fees & Expenses (Overseas Training)	1,016,417	75,850	75,850	832,216
225003 Workshops Related Expenses	200,000	-	-	15,212
225004 Course Fees & Related Expenses (Local Training)	646,430	347,082	294,162	496,579
225005 Conducting Training Courses		-	-	-
225006 Staff training	2,900,880	3,180	3,180	297,019
Total	5,050,945	426,112	373,192	1,659,330

Expenditure on Repairs & Maintenance

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
226002 Repairs - Non-Residential Buildings	342,140	367,007	330,688	286,918
226009 Repairs - Furniture & Fittings	-	39,532	11,392	16,462
226010 Repairs - Machinery and Equipment	51,800	109,877	58,844	45,187
226012 Repairs - Communication Infrastructure	-	-	-	2,500
226013 Repairs - Computer Software	2,445,821	1,414,667	1,039,979	838,900
226014 Repairs - IT-Related Hardware	10,000	31,031	21,821	64,444
226016 Repairs - Motor Vehicles	46,600	27,063	22,713	65,254
Total	2,896,361	1,989,177	1,485,436	1,319,665

Expenditure on Grants, Contributions & Subsidies

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
228007 Subscriptions & Fees to International Org.	1,167,365	1,332,267	1,318,622	1,112,740
Total	1,167,365	1,332,267	1,318,622	1,112,740

Exchange rate losses & gains

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
281003 Losses on Exchange Rate	5,000	-	-	-
Total	5,000	-	-	-

Capital Expenditure

Details	Allocated Budget 2020	Final Budget for 2020	Total Expenditure 2020	Total Expenditure 2019
423001 Furniture & Fittings	1,183,892	65,762	59,319	218,617
423002 Machinery and Equipment	20,000	113,182	32,189	198,833
423005 Reference Books & Exhibition Goods	-	-	-	3,651
423006 Communication Infrastructure	154,250	99,142	4,800	4,134
423007 Computer Software	5,339,000	179,142	179,142	1,028,599
423008 IT Hardware	1,062,500	990,457	901,608	3,436,847
423999 Other Equipments	-	-	-	-
Total	7,759,642	1,447,684	1,177,058	4,890,680

Deposits made to Ministry of Finance, Public Bank Account

Details	2020	2019
Deposits to Public Bank Account from the Total Revenue Received for the year ended 31 December 2020	10,485,754,490	16,835,509,988
Total	10,485,754,490	16,835,509,988

Summary of Cash In Hand at the end of Current Fiscal Year

Details	2020	2019
Balance of cashier Float	62,048	60,798
Balance of Petty Cash In hand	1,567	5,250
Undeposited Collections to Public Bank Account	9,069,534	25,813,861
Balance of Cash Payments in hand, unable to hand over at the end of year	-	-
	9,133,149	25,879,909
Deduct: Liabilities	-	-
	9,133,149	25,879,909

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

The Statement of Receipts and Payments was prepared as per the cash-basis by recording the income in financial statements on the date it was received. The expenses were recorded in the Statement of Receipts and Payments on the date the payment was posted in SAP system. This statement comprises of receipts and payments for the financial year commencing on 1 January 2020 and ending on 31 December 2020.

However, The Statement of Budget & Expenditure includes only the payments made from the Allocated Budget during the aforementioned period. This statement does not show receipts to the Authority or any expenditure incurred on such. Therefore, the Reconciliation shown below helps to identify any discrepancies between the two statements.

Reconciliation of Total Receipts for the year ended 31 December 2020

Total Expenditure as per Statement of Budget & Expenditure	84,913,391
Add:	
Total Revenue Collection	10,476,684,956
Balance of Petty Cash In hand	1,567
Deduct:	
Grants	-
Total Receipts as per Statement of Receipts & Payments	10,561,599,913

Reconciliation of Total Payments for the year ended 31 December 2020

Total of Expenditure as per Statement of Budget & Expenditure	84,913,391
Deduct:	
Grants	-
Total Expenditure as per Statement of Receipts & Payments	84,913,391

Grants Received during the Current Fiscal Year

Details	Grants/ Expenses 1 - 2020	Grants/ Expenses 2 -2019
Opening Balance of Grants received b/f from Previous Year	659,372	4,140,729
Grant Received	-	-
Total Grants Received	659,372	4,140,729
Expenditure from Grants		
Travelling Expenses	-	11,857.00
Operational Services	-	3,469,500
	-	3,481,357
Balance of Grants after Deducting Expenses*	659,372	659,372

Statement of Assets

As at 31st December 2020

Details	Note	2020	2019
Non-Current Assets			
Closing Balance of Fixed Assets	4	101,041,196	102,426,334
Total of Non-Current Assets		101,041,196	102,426,334
Current Assets			
Cash Receivables	2	13,919,562,757	10,647,300,116
Outstanding Payables	3	-	-
Cash-In-Hand Balance at the end of Year	5	9,133,149	25,879,909
Total of Current Assets		13,928,695,906	10,673,180,024
Total Assets		14,029,737,102	10,775,606,359

Statement of Capital & Liabilities

As at 31st December 2020

Details	Note	2020	2019
Outstanding Payables	3	-	-
Fixed Assets	4	101,041,196	102,426,334
Cash Receivables	2	13,919,562,757	10,647,300,116
Cash-In-Hand Balance at the end of Year	5	9,133,149	25,879,909
Total		14,029,737,102	10,775,606,359

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

Policies followed in preparing the Statement of Assets, & Statement of Capital & Liabilities

Transactions/adjustments post-dating the Statements

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

Cost concepts used in the Statements

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

Capital & Liabilities

Capital and liabilities are disclosed at cost. Payables amount is the outstanding payments to vendors as at 31 December 2020. Funds needed for payables are included in the Statement of Capital and Liabilities as it is allocated to the budget. Receivables are outstanding payments from taxpayers which shall be deposited to the Public Bank Account once paid.

Cash Receivables

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

Summary of Assets

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

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

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

Cash Receivables as Revenue for the Government

Details	Dues recorded 2020	Doubtful & Disputed Cases from dues 2020	Dues receivable 2020	Dues receivable 2019
Tax Revenue				
113001 Sale of items at auction	623,677.32	(623,677)	-	-
114001 Goods and Services Tax (Tourism)	368,749,143	(144,717,081)	224,032,062	201,043,190
114002 Goods and Services Tax (General)	711,288,437	(315,511,138)	395,777,299	249,807,419
113003 Business Profit Tax	586,780,074	(262,544,821)	324,235,252	349,151,796
113006 Withholding Tax	-	-	-	98,358,799
119002 Green Tax	74,549,661	(28,459,661)	46,090,000	31,595,102
119004 Airport Tax and Fee	36,018,947	(11,030,373)	10,544,813	10,544,813
119005 Remittance Tax	-	-	24,988,574	17,113
Non-Tax Revenue				
121001 Company Annual Fee	32,902,000	(32,902,000)	-	-
121002 Restaurant, Café, Canteen Fee	675,650	(675,650)	-	-
121003 Non-Fisheries Vessel Fee	4,152,292	(4,152,292)	-	-
121055 Property Maintenance fee	854,400	-	854,400	733,800
121078 Partnership Annual Fee	274,000	(274,000)	-	-
121079 Import Trade Fee	2,813,500	(2,813,500)	-	-
121085 Co-operative Society Annual Fee	194,400	(194,400)	-	-
121089 Foreign Investment Administration Fee	185,040	(185,040)	-	-
121999 Other Fees and Charges	90,849	(90,849)	-	-
123006 Foreign Trading Approval Fee	354,959	(354,959)	-	-
123014 Guest House Registration Fee	87,789,486	(87,789,486)	-	-
125001 Fees on Administration of Inhabited Islands	3,614,554	(299,600)	3,314,953	4,221,731
125002 Rent from Government Buildings	5,774,208	(4,820,145)	954,063	607,063
125003 Rent from Resorts	3,403,055,786	(636,888,739)	2,766,167,047	2,312,743,111
125004 Rent from Land for Commercial Purposes	38,081,574	(26,385,970)	76,551,653	(47,489,233)
125008 Long Term Agricultural Lease	16,916,029	(12,180,698)	4,735,331	2,021,091
126001 Fine-Breach of Law	2,648,191,170	(2,647,876,156)	315,015	62,580
126002 Fine-Breach of Regulation	2,901,037	(2,901,037)	-	-
126003 Fine-Breach of Agreement	13,574,731,044	(3,486,128,628)	10,088,602,416	7,360,069,446
131002 Sale of Government Building	1,032,388	-	1,032,388	823,668
131003 Sale of Government Land	4,462,513	-	4,462,513	1,604,814
631003 Domestic Lending Repayment - Individuals	4,939,024	-	4,939,024	-
Royalties				
118002 Foreign Trade Royalty	4,592,489	(4,592,489)	-	-
118003 Foreign Fishing Royalty	776,854	(776,854)	-	-
118009 Yellowfin Tuna Export Royalty	2,387,739	(2,387,739)	-	-
Total	21,658,223,003	(7,738,660,246)	13,919,562,757	10,647,300,116

Cash Receivables as Revenue for the Government

There no payables for the Fiscal Year 2020.

Summary of Assets

Details		Year Opening Balance	Acquisitions during 2020	Value of Assets transferred to another organization during 2020	Value of Assets (on Historical Cost Convention Basis) at the end of 2020
423001	Furniture & Fittings	8,279,896	60,962	-	8,340,858
423002	Machinery and Equipment	5,034,913	107,852	(1,880,000)	3,262,764
423005	Reference Books & Exhibition Goods	88,047	-	-	88,047
423006	Communication Infrastructure	623,623	4,800	-	628,423
423007	Computer Software	48,587,321	-	-	48,587,321
423008	IT Hardware	36,378,995	729,887	(408,640)	36,700,242
423999	Other Equipments	23,780	-	-	23,780
424001	Motor Vehicles	3,409,761	-	-	3,409,761
451012	Minor Extensions to Non-residential Buildings	-	-	-	-
		102,426,334	903,502	(2,288,640)	101,041,196

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

Details	2020	2019
Collections not deposited to Public Bank Account	9,069,534	25,813,861
Balance of Petty Cash (In-hand)	1,567	5,250
Balance of Cashier Float	62,048	60,798
Balance of Cash Payments in hand, unable to hand over at the end of year	-	84,318
	9,133,149	25,964,227



Annual Report
2020



MALDIVES
INLAND REVENUE
AUTHORITY