



Ministry of Finance
Republic of Maldives

**Hiring of a Tax Policy Consultant for Capacity Development of the Tax Policy Unit and
Facilitating Comprehensive Tax Reform Initiatives**
Terms of Reference

I. Background

The Government of Maldives (GoM) is actively pursuing various initiatives to reform public finance policy and management. The objective is to augment budget credibility, transparency, and financial reporting, while concurrently establishing fair and comprehensive revenue policies, including policies related to taxes. The proposed consultant will play a crucial role in supporting these ongoing initiatives and contributing to the enhancement of the tax policy unit's functions.

Recognizing the crucial role of government revenue, particularly tax revenue, in maintaining a sustainable fiscal balance, the Ministry of Finance has set up a Tax Policy Unit within the Fiscal Affairs Department (FAD). This unit specializes in monitoring, evaluating, and offering evidence-based policy guidance on planned and ongoing revenue measures. Serving as a government think tank for all revenue matters, the unit also provides policy advice on international tax issues and government decisions that may impact revenue and overall fiscal outcomes. The team is currently working on formulating a Medium-Term Revenue Strategy and evaluating the current Goods and Services Act. Furthermore, there are intentions to amend the Tax Administration Act and enhance the team's capabilities to handle international taxation issues.

To further enhance the unit's functions, address international tax matters, formulate medium-term policy reforms, and evaluate their impact, the Ministry of Finance (MoF) is seeking to engage a consultant on revenue and tax policy for a twelve-month period. The consultant will play a key role in strengthening the unit's capacity, contributing to its foundational framework, and shaping its development for the years ahead.

II. Objectives

This consultancy aims to strengthen the tax policy unit by improving its technical capacity in developing evidence-based policies, reviewing tax systems, and forecasting the impact of policy changes. The consultant will actively contribute to establishing a taxpayer-friendly tax regime aligned with international best practices, promoting economic diversification. As the tax policy unit is tasked with studying and developing revenue policies and legal frameworks in line with government pledges and vision, as well as monitoring revenue performance, the consultant will play a key role in these activities.



III. Scope of Services

1. Provide expertise in guiding the development of general tax designs, ensuring alignment with government objectives and facilitating public consultations, including the Goods and Service Act review, and amendments to the Tax Administration Act.
2. Conduct thorough analyses of revenue implications and economic impacts related to proposed tax policies, using evidence-based methods.
3. Initiate, participate in, and oversee the integration of policy content during the legal drafting processes to ensure the effective implementation of tax policies.
4. Contribute to the fulfilment of international tax obligations, including providing support to the country team in negotiating tax treaties, with a focus on conducting economic impact analyses.
5. Strengthen the technical capacity of the tax policy unit through knowledge transfer, and skill development initiatives.
6. Develop and implement appropriate forecasting methods to predict the potential impact of policy changes, ensuring accurate and reliable projections, specifically for the revenue forecasts prepared for the Fiscal Strategy and the Government Budget.
7. Collaborate on establishing a tax regime that is user-friendly for taxpayers, incorporating international best practices to enhance overall compliance.
8. Ensure that revenue policies and legal frameworks align with the government's pledges and vision, contributing to the achievement of broader fiscal objectives, including Excise Tax legislations.
9. Facilitate public engagement processes related to tax policy, seeking input and feedback to enhance the transparency and credibility of the policies developed.
10. Maintain detailed records and documentation of all processes, analyses, and policy developments undertaken, providing regular reports to stakeholders and supporting informed decision-making.

IV. Deliverables

1. Successfully complete the outlined tasks in accordance with the TOR, ensuring each element is executed effectively.
2. Undertake any additional tasks assigned by the Head of the Fiscal Affairs Department to address emerging needs and contribute to the overall objectives of the tax policy unit.

V. Consultant's Reporting Obligations

The Consultant shall be based in the Ministry of Finance and report to the head of the Fiscal Affairs Department.



VI. Remuneration

The Successful candidate will be paid sum of MVR 38,000 (inclusive of pension contribution) per month for the contract duration.

VII. Required Expertise and Qualifications

- i. Minimum of a Master's Degree in Economics, Public Finance, Accounting, Finance, Business, or a closely related field.
- ii. A minimum of 5 years of relevant experience in areas related to tax policy formulation and implementation.
- iii. Demonstrate advanced proficiency in economic and statistical analysis, with hands-on experience in utilizing statistical software applications.
- iv. Exhibit strong analytical, administrative, and computer skills, showcasing proficiency in MS office package.
- v. Preferred experience in drafting tax legislations to contribute effectively to policy development.
- vi. Prior experience in public finance management to ensure familiarity with broader fiscal considerations.
- vii. Excellent written and oral communication skills in English and Dhivehi, facilitating effective communication within a multidisciplinary team and external stakeholders.

VIII. Contract Duration

The contract duration for this Terms of Reference (TOR) is initially set for a period of two years, beginning from the effective date of the consultancy agreement. The contract may be extended upon mutual agreement between the consultant and the contracting entity, allowing for flexibility to accommodate evolving project needs and progress.