

TAX BILLS

Meetings

16 Nov Attended GST meeting at MIRA.

Submissions / Correspondence

1 Nov *email to Hon. Razee re GST Law

1 Nov *email from Mahmood Razee re GST Law

22 Nov email to Minister (??) re GST Law

“Further to your mail of 1 Nov 2011 regarding the above, we would appreciate knowing if further progress has been made on revisions of the GST Law. We would also be grateful if GST on service charge is repealed as service charge is not an income to the tourism operator but is passed directly onto staff.”

22 Nov email from Razee re GST law revision

“Please note that the necessary amendments have been agreed and formulated and will be (if not already done!!) sent to majlis shortly. I do believe MIRA has or is working on the amendments to their regulations as well. I will get some definitive responses and revert.”

22 Nov copy of email from Yazeed to Razee re GST law revision

“Service charge issue is being addressed in the proposed amendment to the GST act. In fact the rationale for amendment to the clause 19 (baa) is to exclude service charge. (please see the attached document for the reasons for the amendments)”.

BILLS

17 Oct *email from Mujuthaba re translation of Land Bill

MMA ACT/REGULATIONS

Submissions / Correspondence

4 Oct Letter to His Excellency President Mohamed Nasheed re Revision of MMA Regulation

“Thank you for meeting us on Thursday 22nd Sept.

We were extremely pleased at your decision not to pursue revision of the MMA Regulation which would have meant, in effect, total control on foreign exchange transactions.

We were also pleased that you instructed the Ministry of Finance to provide us a written undertaking that these revisions in question would not be made at this stage.

We await such notification.”

ISSUES AT THE AIRPORT

Submissions / Correspondence

2 Oct Letter to the Minister of Transport and Civil Aviation re making domestic air services more competitive.

“Further to our meeting with His Excellency President Nasheed on 22 Sept 2011 and our meeting with you on 19 Sept 2011, we are pleased with the efforts the government and GMR are making towards helping domestic air service providers reduce their costs of operation.

In this regard, we understand that the Ministry of Economic Development has spearheaded discussions with domestic tour operators and are continuing the dialogue.

We were also heartened by President Nasheed's pledge to work towards making domestic air services more competitive and affordable.

A number of issues raised by our members are attached to this letter."

(Letter from Trans Maldivian Airways dated 21 Sept 2011) in response to MATI's request for the key issues/concerns that face the domestic operators a present:

1. The CAD is not independent from the civil service therefore due to market forces the CAD have great difficulty retaining staff once their bonds expire as the aviation industry commands higher remuneration than that which is offered by the civil service which the CAD is part of. Therefore TMA highly recommends making the CAD an independent authority so that appropriate salaries can be paid in line with the individual's skill sets. It is common practice within Europe that the national aviation authority is an independent body. This in turn will ensure that key staff remains within the department, and not transfer to the private sector.
2. As a side point to this I also believe that the government should heavily invest in foreign experts within the CAD in the short term as although the CAD in the Maldives does a fantastic job with exceptionally limited resources. The standard in the UK is that a CAA employee should have minimum ten years experience in the industry which includes holding a senior management position in his/hers said area of expertise before joining the CAA but in Maldives this is practiced in the reverse so therefore to bring some industry experts will greatly assist the civil aviation department in providing additional exposure to the existing team and allow them to benefit from long standing industry professionals.

3. A key issue at present for the airlines is that they are being restricted in recruiting only local pilots as first officers (i.e. locals who have only got their basic CPL- mainly from the USA). These individuals have no type or rating or commercial flying experience. The airlines in principle has no issues recruiting local zero time individuals but to ensure that the overall cockpit experience is maintained the airlines must be allowed to hire qualified first officers with experience to ensure that there is not a void between brand new first officers and captains as at present the industry is expanding very fast in the Maldives and it is becoming increasingly hard to find captains in the Maldivian market place as at present the vast majority of first officers do not have the experience both in terms of life and flying to be promoted to the position of captain.
4. One issue that as an employer faces is that the school leavers that apply for jobs within the airlines often have a very poor level of English both written and speaking. With regard to the spoken I believe it is more a lack of confidence that a lack of ability as I personally find that the younger generation do not communicate very well, which is vital within the service industry and especially within an airline where the official language is English. Therefore as a country, which relies on the service industry for the majority of its GDP, the educational system should push in this area.
5. The last key issue is that locals who are applying for positions whether it is a pilot position or cabin crew etc. rarely come to the interview dressed appropriately / knowing anything about the company and overall generally come completely unprepared. Therefore I believe interview skills should be taught at school.

5 Oct

Letter to Visha re meeting with MMA Governor Mr. Fazeel Najeeb.

1. At our last meeting at MATI, the MMA Governor explained to the Executive Board why the MMA felt it necessary to revise the existing MMA Regulations.

The amendments being sought by the MMA are tantamount to total foreign exchange control.

2. MATI explained to the Governor why more stringent foreign exchange control should not be implemented.
3. MATI impressed upon the governor the fact that controls as proposed by the government would be disastrous for the Maldives economy.

The governor requested MATI to meet the Hon Minister of Finance to present its case.

MATI proposed that a tripartite meeting be arranged among MATI, MMA and Finance.

4. It was agreed that MATI and the MMA would hold regular hold regular quarterly meetings to discuss common issues.

9 Oct *email from Lars Petre re jet fuel price

17 Oct *email from Mahmood Razee re jet fuel price

23 Nov Letter to the Minister of Tourism with clarification requests and comments from members regarding airport development charge.

(email from Salah)

Please find an email I have been forwarded from our staff member covering Airport Development discussions. As a Ground Handling Agent, I have serious concerns about this. Having also just returned from WTM where the increase in T- GST was an issue with some, no one was aware of this charge. As the charge is not packaged – at

least as it stands now, it will be felt by the traveler in a very personal and direct way.

I am wondering if the Industry is aware of this and if yes, what we intend to do with this. Are we now to communicate same to all our Tour Operators. The traveler needs to know – before they arrive, if a levy of this nature is being levied.

Then there is the whole series of implementation related issues. The languages used in the so called 'Kiosks' do not include Italian and Japanese. Not even Russian which is a UN Language.

Appreciate a brief on what the Industry feels we best do addressing this issue and communicating same with Tour Operators and Agents.

MEETING REGARDING AIRPORT DEVELOPMENT CHARGE

A meeting was held at the GMR conference room to brief the airlines on the implementation of ADC from 01 January 2012.

GMR has been coordinating with IATA to assign a code to implement the charge through airline reservation systems. However IATA feels that the charge is a pre-financing for the airport projects and that the government did not follow the guide lines of IATA in taking the directive.

GMR has taken the stand to go ahead with implementation as of 00:01, on 01 January 2012.

- the charge will be \$25.00 (twenty five USD) per departing international passenger (age – 2 years and above)
- No exceptions other than for infants
- Mode of payment – cash and cc
- Self Service Kiosk will be placed in front of each check-in counter, to obtain the receipt prior to check-in

- Selection of 6 top languages will be available in the Kiosk - Dhivehi, English, German, French, Chinese & Spanish
- 2 receipts will be printed – 01 for passenger and the other will be pasted on the boarding card
- The floor supervisors will assist pax in the purchase and also the boarding cards will be checked prior to proceeding to passport check
- No ADC will be charged for deportees or INAD

GMR has planed for a number of awareness programs.

- from 15 December 2011, leaflets will be distributed to all arrival passengers at the immigration counter
- banners will be displayed at different parts of the airport
- airport website will be uploaded with a special alert
- If required GMR will provide text to display in the airline websites.
- Also leaflets will be provided to ticketing agencies to advise passengers.

The current plan is to continue collection in this manner for the next 6 months – till IATA allocates a code or till the airlines and tour operators implement the charge in the ticket. The method of collection will be reviewed over time to make it as much hassle free for the passengers.

Please feel free to contact me should you have any questions and I shall try to obtain answers from GMR. In a near future GMR will pass on further information regarding the process, which I shall forward to all concerned accordingly.

Kindly advise all concerned accordingly.

MISC

Meetings

18 Oct Met IMF's Extended Fund Facility / Extended Credit Facility Programme negation mission.

Submissions / Correspondence

5 Oct Letter to the Minister of Tourism requesting a copy of the Regulation relating to resort boundaries published in the Government Gazette, as revealed by the Minister of State for Tourism at the meeting between HEP and resort GM's meeting on 22 Sept.

9 Oct Letter to the Minister of Tourism re Extension of Resort Leases to 50 years.

"We are pleased to learn that several more resorts have accessed the long-term lease of their resorts through the facility offered under the advance lump-sum payment for the lease.

You will recall that at the meeting of resort GM's with President Nasheed on 22nd Sept 2011, the issue of difficulties faced by some resorts to pay the advance was raised by Sun Hotels.

His Excellency the President, said he would revisit the issue for due consideration.

We bring this to your notice as some of our other members have also referred the issue to MATI."

9 Oct Letter to His Excellency President Mohamed Nasheed re Waste Management at Thilafushi.

"At our meeting with you on 22nd September 2011, Bandos Island Resort raised the issue of waste management at Thilafushi and its impact on the resorts in Male' Atoll.

We were informed that an international company had been contracted to manage the Thilafushi service from next year.

We have serious misgivings about the approach to waste disposal that might not include burning or incineration of waste. The problem lies with swarms of big flies that invade the resorts unless waste is incinerated.

MATI is concerned over the terms of the contract that the new managers of the service are obliged to perform.

We would appreciate it very much if these undertakings are made known to MATI at your earliest.

You will understand, no doubt, that waste-disposal in Male' atoll is an issue of immense interest to tourism industry."

- 18 Oct *email from David Feinberg re award to Meeru.
- 23 Oct *email from Maldivian Air Taxi re role of seaplanes in Maldivian Tourism.
- 24 Oct Letter from Trans Maldivian Airways re role of seaplanes in Maldives Tourism.

(1) Seaplane transferred passenger details:

Year	Passenger (incl FOC & locals)
2000	143,088
2001	144,800
2002	177,423
2003	191,194
2004	231,009
2005	166,523
2006	244,148
2007	270,514
2008	266,022
2009	264,489
2010	390,940
2011	468,686

(2) Seaplane in operations in the country from 2000 to 2011 – TMA only

Seaplane Operations in the Maldives by TMA:

Year	Fleet Size
2000	7
2001	10

2002	12
2003	12
2004	12
2005	13
2006	16
2007	16
2008	17
2009	21
2010	23
2011	24

1 Nov Letter to the Minister of Tourism re Invasion of Private Property by the Labour Tribunal Authority

“We have attached here public communication from the Labour Tribunal regarding unannounced visits and inspection of tourist resort properties.

We believe unannounced and secretive visits to resorts by government inspectors, for whatever reason, are an invasion of private property (investments).

The sanctity of property rights and the right to enjoy the proceeds from personal investments and business ought to be recognized as a constitutional right and a right of resort operators (businesses) enshrined in the Universal Declaration of Human Rights.

We would urge you to propose to the government a revision of the Employment Act to reflect the rights of resort operators in clear unambiguous terms.”