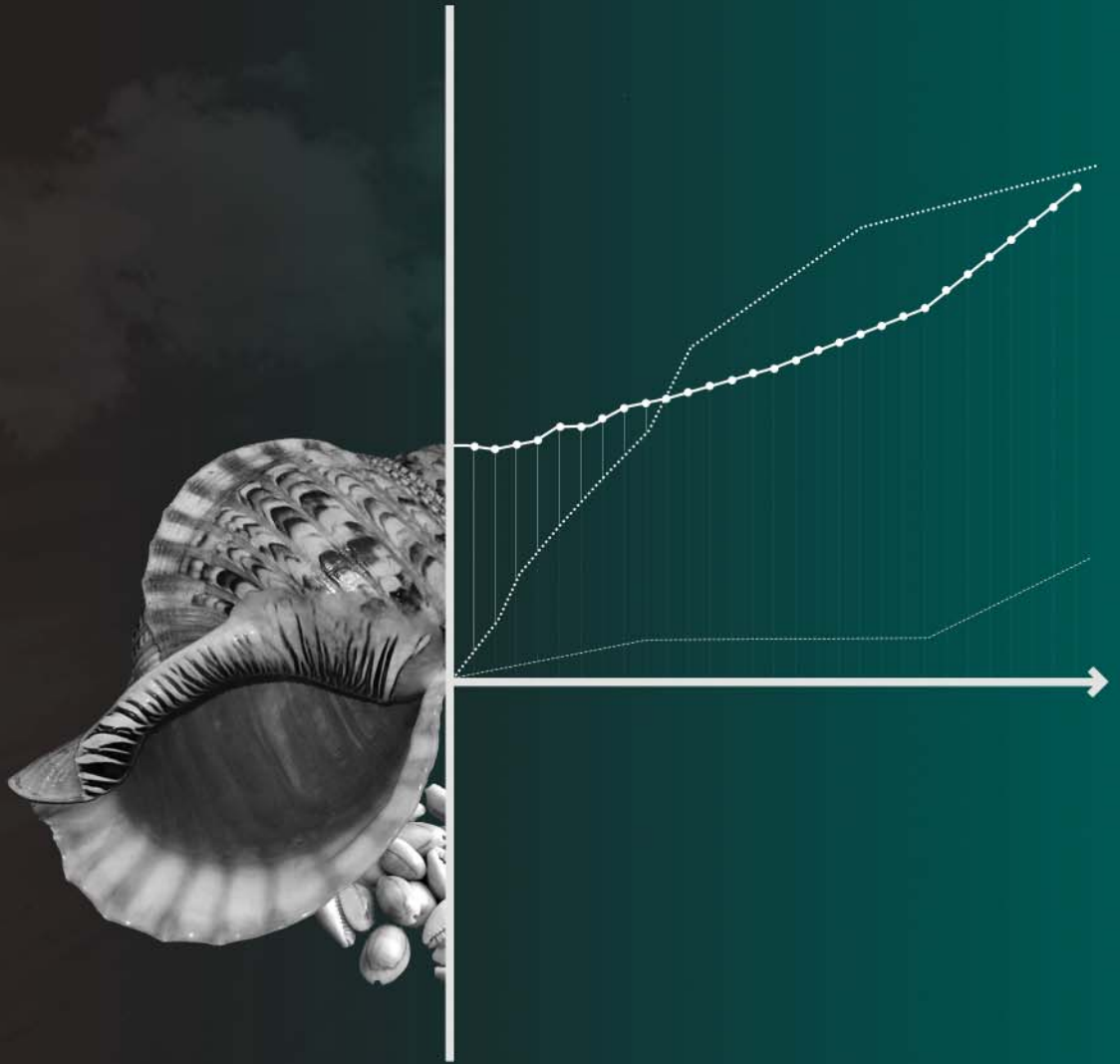




MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT
Q3 2017

ABBREVIATIONS

15Q1	2015, First Quarter
15Q2	2015, Second Quarter
15Q3	2015, Third Quarter
15Q4	2015, Fourth Quarter
16Q1	2016, First Quarter
16Q2	2016, Second Quarter
16Q3	2016, Third Quarter
16Q4	2016, Fourth Quarter
17Q1	2017, First Quarter
17Q2	2017, Second Quarter
17Q3	2017, Third Quarter
17Q4	2017, Fourth Quarter
ACCA	Association of Chartered Certified Accountants
ASC	Airport Service Charge
ATF	Airport Taxes and Fees
BPT	Business Profit Tax
CPD	Continuing Professional Development
DTA	Double Tax Avoidance
GGST	Goods and Services Tax (Non-Tourism Sector)
GST	Goods and Services Tax (refers to both TGST and GGST)
GRT	Green Tax
MIRA	Maldives Inland Revenue Authority
MVR	Maldivian Rufiyaa
TGST	Goods and Services Tax (Tourism Sector)
USD	United States Dollar
WHT	Withholding Tax

TABLE OF CONTENT

01

A. REVENUE COLLECTION

12

B. ACTIVITIES
DURING THE QUARTER

19

C. QUARTER IN
PICTURES

20

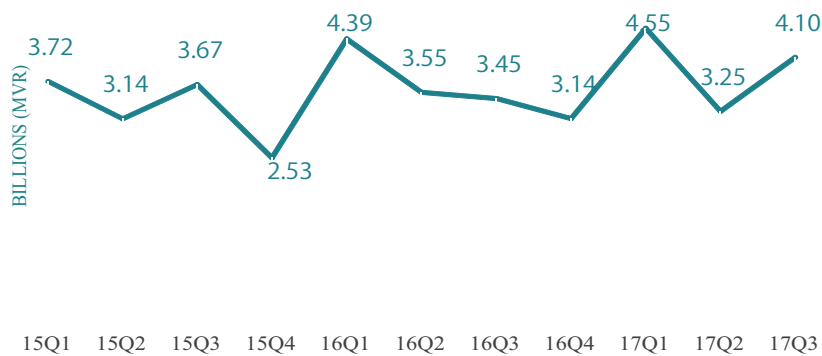
D. DETAILED
REVENUE FIGURES

A. REVENUE COLLECTION

1. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



The quarterly collection totaled MVR 4.10 billion in 17Q3. Revenue of 17Q3 exceeded the collection of 16Q3 by 18.7%, but was 0.5% less than projection.

The reason for the increase when compared to 16Q3 is the extension of GST, BPT, Green Tax, Bank Profit tax and Tourism Land Rent deadlines into July 2017, due government declaring the days preceding to 'Eid Al-Fitr' as public holidays.

Collection during the quarter is slightly below the projected revenue as some taxpayers opted to settle their payments of Bank Profit Tax before the quarter, regardless of the deadline falling for 17Q3.

MVR 4.10 billion

Total collection, inclusive of USD collection

+18.7%

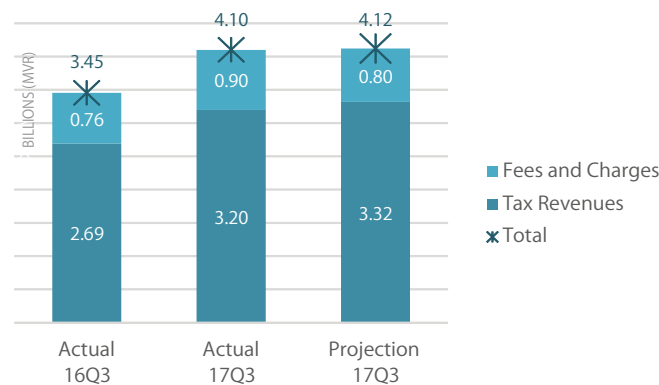
compared to 16Q3

-0.5%

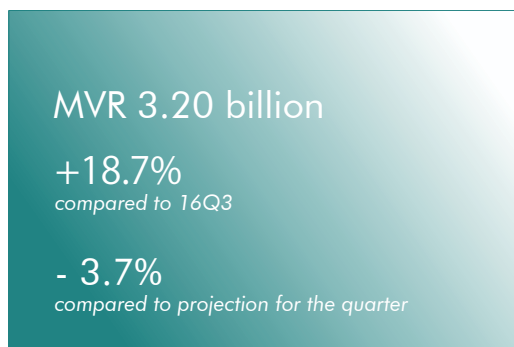
compared to projection for the quarter

1.2

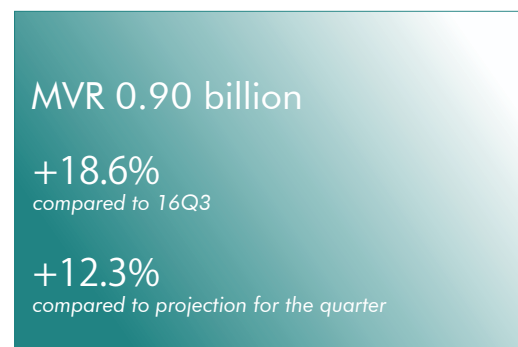
REVENUE COMPOSITION OF 17Q3



TAX REVENUES



NON-TAX REVENUES



All tax revenues in 17Q3 outdid the collection of the corresponding quarter in 2016. Overall, there was an increase of MVR 504.14 million when compared to the third quarter of 2016.

Compared to their collection in 16Q3, the highest relative increment in revenue was from Bank Profit Tax, GST and Airport Service Charge. This is largely due to the extension of the Bank Profit Tax and GST deadlines into the third quarter of 2017. When compared to 16Q3, there was an increment of MVR 76.61 million for Bank Profit Tax, and increment of MVR 262 million for GST, and an increase of MVR 18.24 Million for Airport Service Charge.

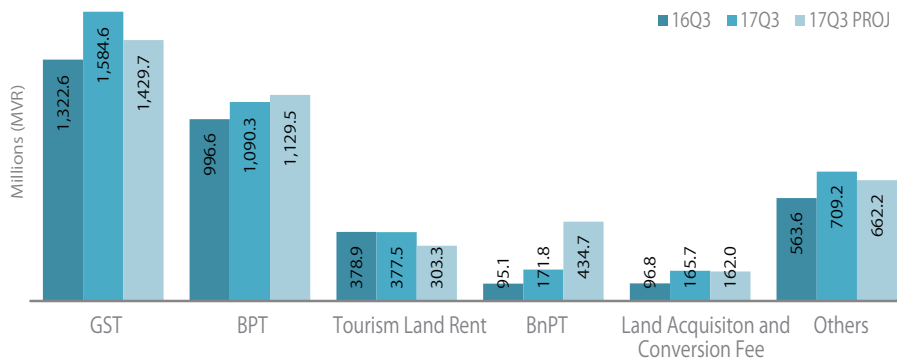
In addition to the aforementioned taxes, BPT increased by MVR 85.50 million, Green Tax increased by MVR 14.81 million, and Withholding Tax showed a positive variance of MVR 8.20 million when compared to 16Q3.

Remittance Tax, which commenced in 16Q4, contributed MVR 27.02 million to revenue this quarter.

The main reason behind this increase when compared to 16Q3 is the collection of Airport Development Fee, which was not collected in 2016. A total of MVR 138.35 million was collected as Airport Development Fee during this quarter.

Additionally, Land Acquisition and Conversion Fee, and Construction Period Extension Fee collection was higher than 16Q3 by MVR 68.83 million and MVR 10.59 million, respectively.

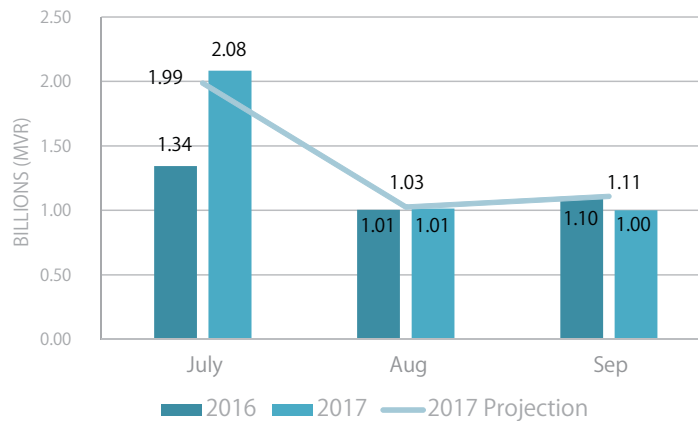
TOP FIVE REVENUE CONTRIBUTORS OF 17Q3



Revenue	Compared to 16Q3	Compared to Projection	% Share of 17Q3
GST	19.8%	10.8%	38.7%
BPT	9.4%	-3.5%	26.6%
Tourism Land Rent	-0.4%	24.5%	9.2%
Bank Profit Tax	80.5%	-60.5%	4.2%
Land Acquisition and Conversion Fee	71.1%	-80.7%	4.0%

Top 5 revenue contributors for the quarter mutually account for 82.7% of the total revenue.

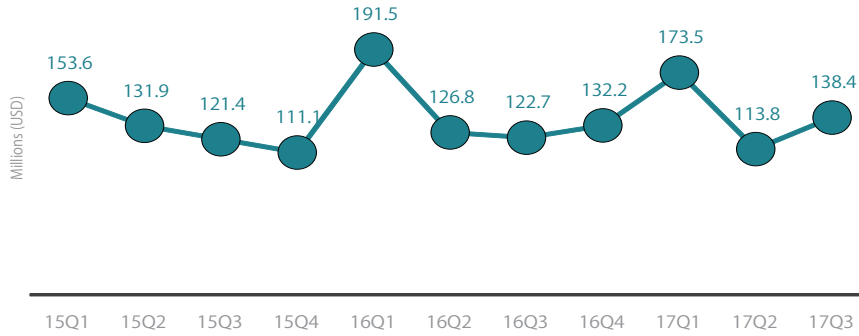
1.3 COMPARISON AGAINST 16Q3: MONTHLY



Months	Compared to 2016	Compared to Projection
July	+55.1%	+4.9%
August	+0.9%	-1.2%
September	-9.4%	-19.1%

2. USD REVENUE COLLECTION

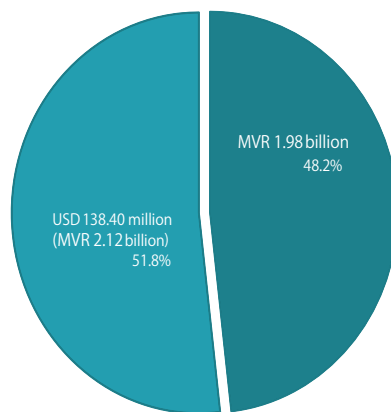
2.1 USD COLLECTION



USD 138.4 million
+12.8%
compared to 16Q3

One of the main reasons for the increase was the collection of Airport Development Fee in 17Q3 which was not collected in the corresponding quarter of 2016. Additionally, USD collection of Land Acquisition and Conversion Fee and Tourism GST for this quarter was notably higher than 16Q3.

2.2 CURRENCY COMPOSITION

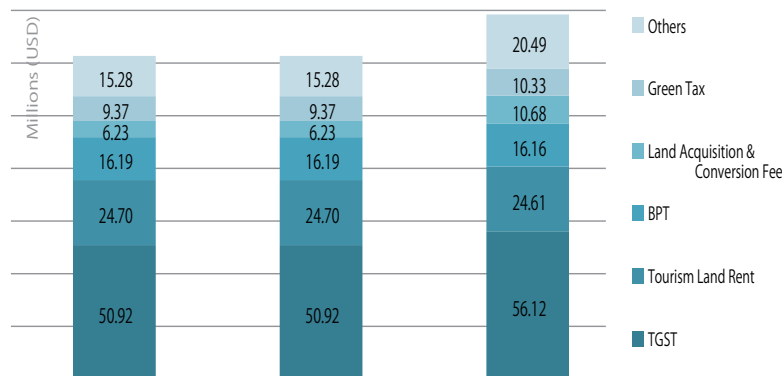


Revenue received in MVR accounts for 48.2% of the revenue, which is MVR 1.98 billion.

51.8% of the revenue was received in USD (USD 138.4 million), which is equivalent to MVR 2.12 billion

2.3

USD REVENUE GROWTH

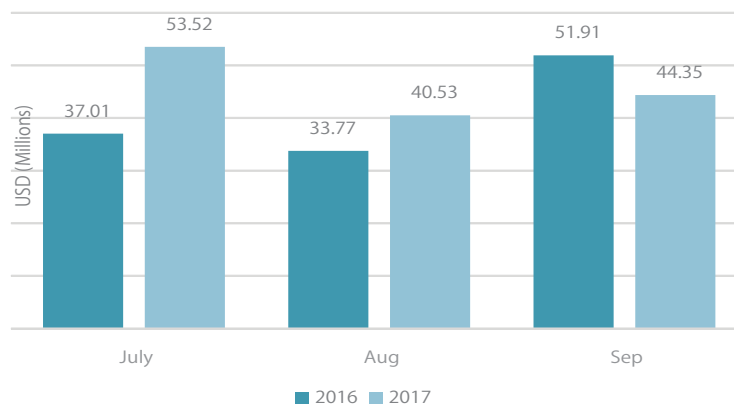


Revenue	Compared to 16Q3	% Share of 17Q3
TGST	10.2%	40.6%
Tourism Land Rent	-0.4%	17.8%
BPT	-0.2%	11.7%
Land Acquisition and Conversion Fee	71.5%	7.7%
Green Tax	10.2%	7.5%

The top five USD contributors mutually account for 85.3% of the total USD revenue.

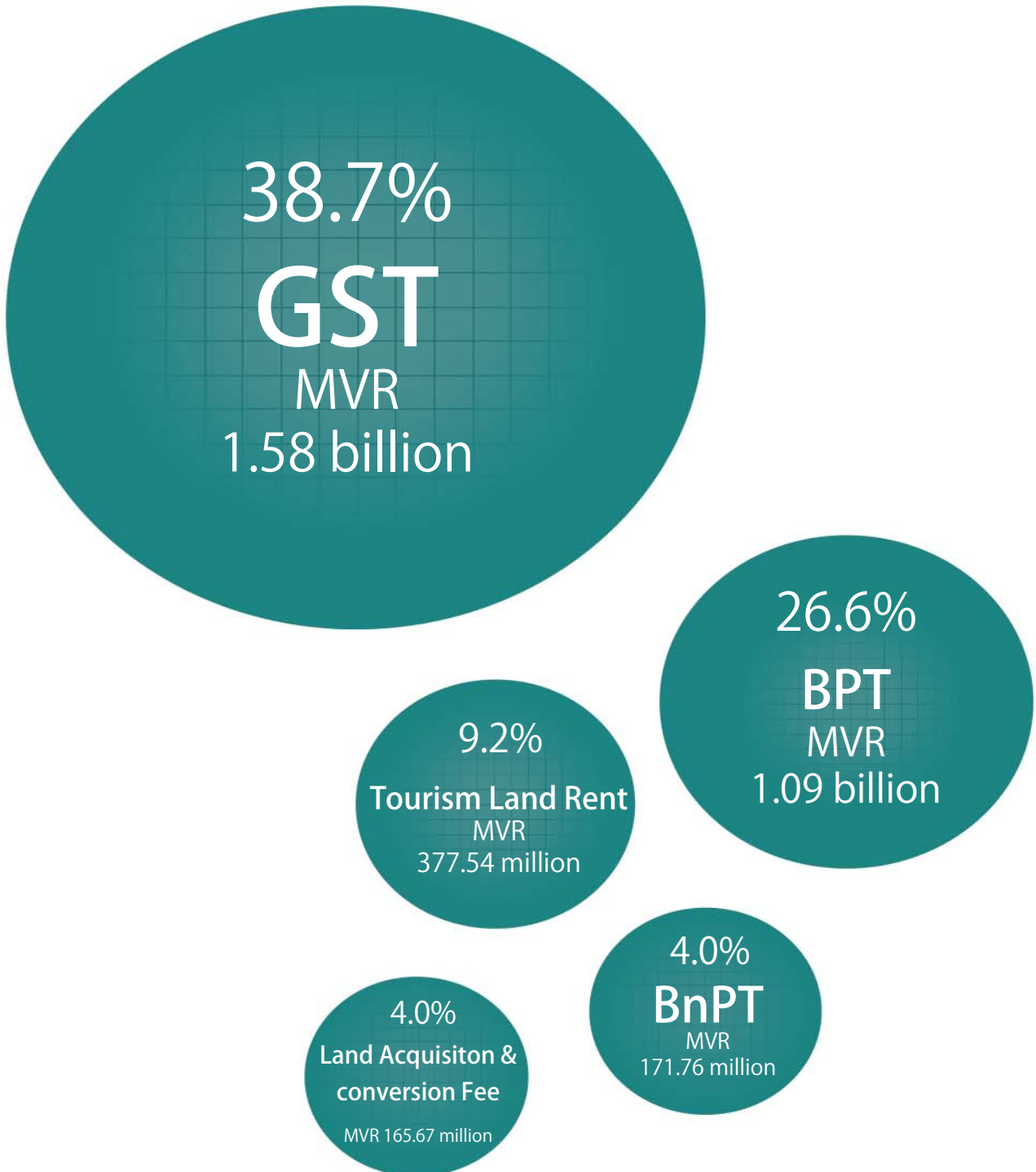
2.4

COMPARISON AGAINST 16Q3: MONTHLY



Months	Compared to 2016
July	+44.6%
August	+20.0%
September	-14.6%

3. TOP REVENUE CONTRIBUTORS



3.1

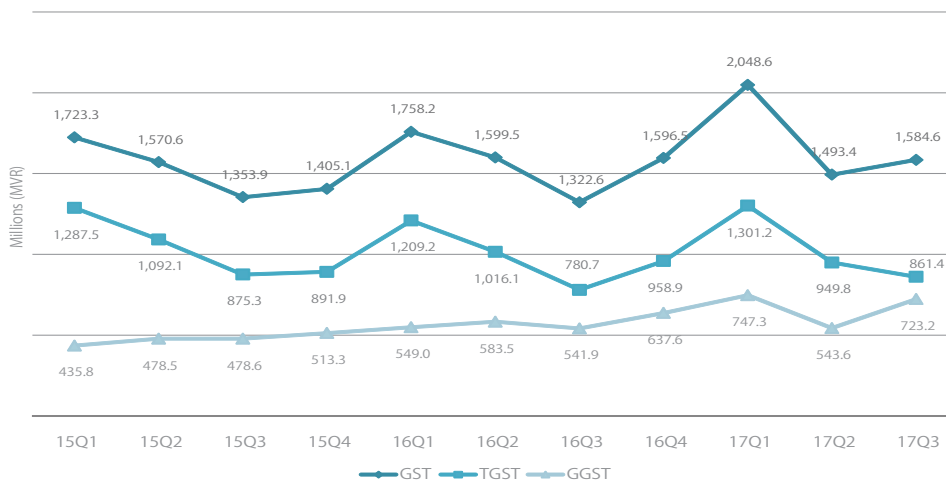
TOTAL GST COLLECTION

MVR 1.58 billion

+19.8%
compared to 16Q3

+10.8%
compared to projection for the quarter

54.4% of the GST collection relates to tourism sector, while the remaining 45.6% relates to the GST from general sector in 17Q3.



3.2

TGST COLLECTION

MVR 861.4 million

+10.3%
compared to 16Q3

+0.4%
compared to projection for the quarter

3.3

GGST COLLECTION

MVR 723.2 million

+33.4%
compared to 16Q3

+26.4%
compared to projection for the quarter

Tourist arrivals grew by 4.9% when compared with the arrivals of the corresponding quarter of the previous year. Additionally, the extension of TGST deadline of June to July in 17Q3 contributed to the increase in collection over the previous quarter.

GGST revenue depicts an upward trend over the quarters. This increase is related to the growth in the number GGST taxpayers observed over these periods. However, the steep increase in GGST revenue for 17Q3 is associated with the extension of GTS deadline to July 2017.

3.4

TOTAL BPT COLLECTION

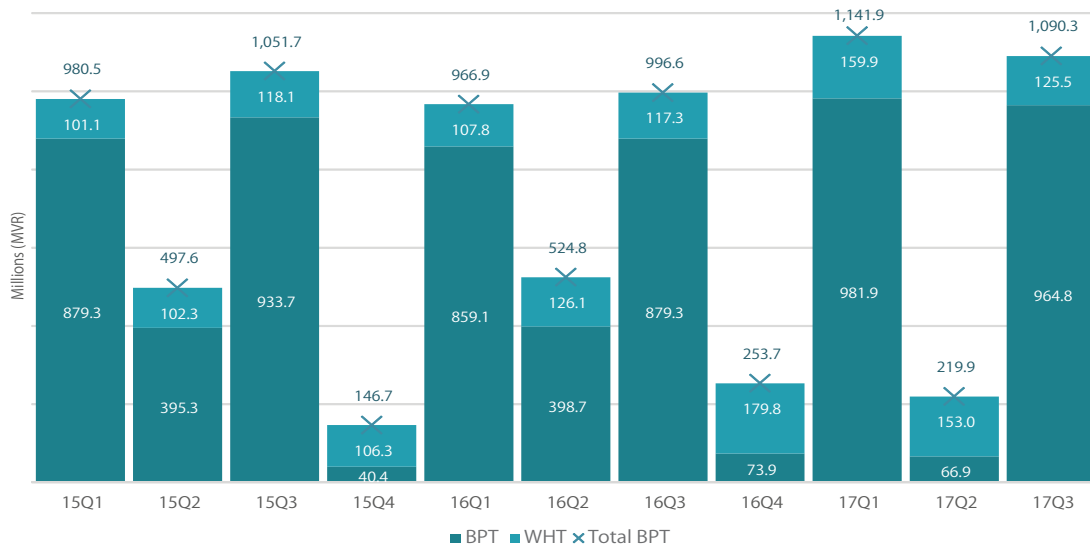
MVR 1.09 billion

+9.4%
compared to 16Q3

- 3.5%
compared to projection for the quarter

Total BPT revenue consists of revenue received from the profit component of BPT and the collection of WHT.

In 17Q3, 88.5% of the BPT revenue relates to the profit component of while the remaining 11.5% relates to Withholding Tax revenue.



3.5

BPT PROFIT COMPONENT COLLECTION

MVR 964.8 million

+ 9.7%
compared to 16Q3

- 4.7%
compared to projection for the quarter

Variation in the total BPT revenue over the quarters is dictated by the BPT deadlines (Interim and final payment deadlines). Though the Final BPT payment for 2016 was due in the previous quarter, it was later extended to July 2017 which lead to the increment of BPT revenue from the profit component. Nevertheless, as the first BPT interim payment was lower than projected, actual collection fell short of the forecasted revenue.

3.6

WHT COLLECTION

MVR 125.5 million

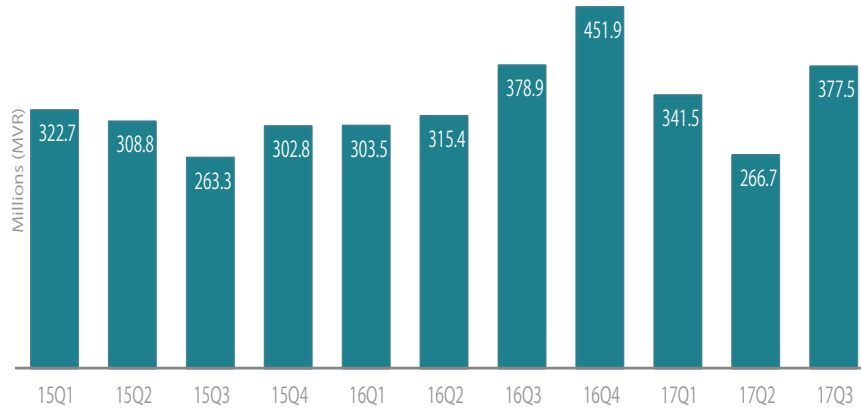
+ 7.0%
compared to 16Q3

+ 7.4%
compared to projection for the quarter

In addition to the impact of Tenth amendment to BPT regulation, enforced collection during the quarter contributed to the increase in collection, compared to corresponding period of 2016 and the projected revenue for 17Q3.

3.7

TOURISM LAND RENT COLLECTION

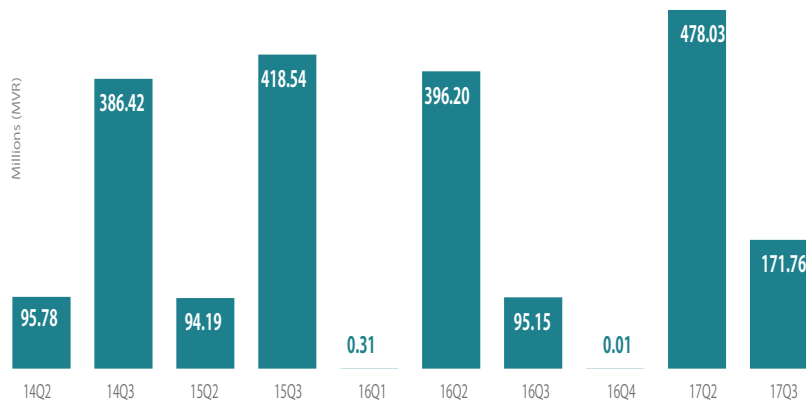


MVR 377.5 million
 -0.4%
compared to 16Q3
 +24.5%
compared to projection for the quarter

The deadline for the third quarter of 2017 was extended to July 2017 due to 'Eid Al-Fitr holidays, which led to an increase against projection. However, actual collection was 0.4% lower compared to 16Q3 as the deadline for the Tourism Land Rent for the 4th quarter of 2017 was extended to October 2017, since the deadline on September initially fell on a public holiday.

3.8

BANK PROFIT TAX COLLECTION

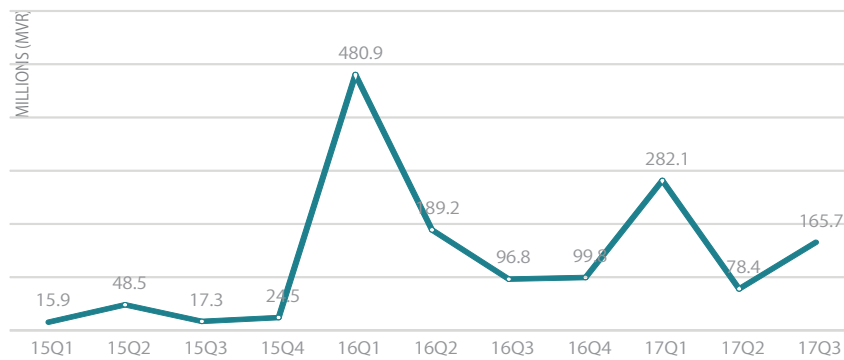


MVR 171.8 million
 +80.5%
compared to 16Q3
 -60.5%
compared to projection for the quarter

Revenue from Bank Profit Tax totaled to MVR 171.76 million. The increment of 80.5% was accommodated due to the increase in profit level of the banks compared to 2016, but also due to the extension of the deadline for 17Q2 into 17Q3. Actual collection was recorded to be 60.5% lower than projected revenue for the quarter as some taxpayers opted to settle the payments during 17Q2, even though the deadline fell for 17Q3.

3.9

LAND ACQUISITION AND CONVERSION FEE COLLECTION



MVR 165.7 million

+ 71.1%
compared to 16Q3

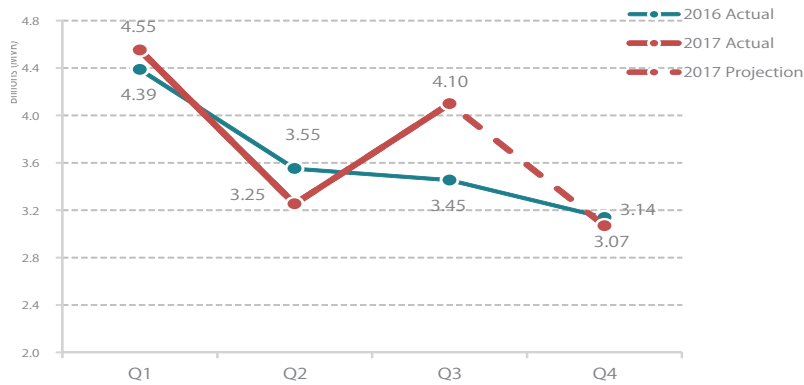
+ 2.2%
compared to projection for the quarter

The increase in Land Acquisition and Conversion Fee collection can be attributed to the 3 newly leased islands in 17Q3, thus the increment when compared to the the corresponding quarter of 2016 and projection.

4. OUTLOOK

4.1

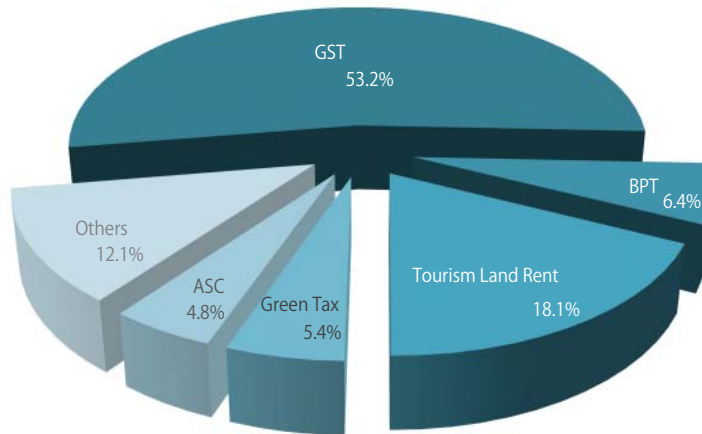
REVENUE OUTLOOK FOR 17Q4



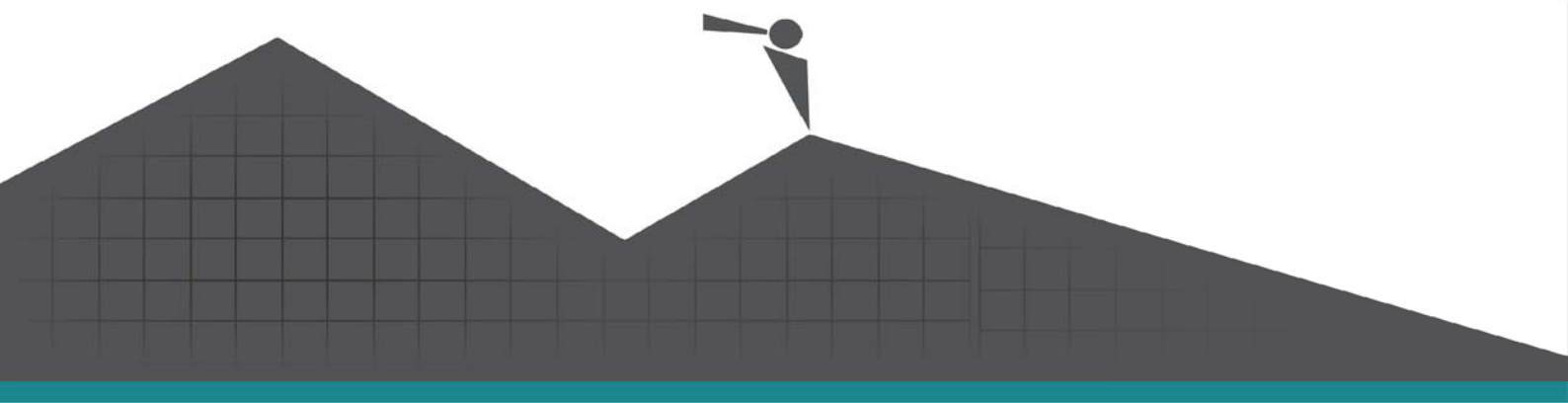
MVR 3.07 billion projected to be received in the upcoming quarter, which is a decrease of 2.2% compared to the corresponding quarter of the previous year. The decrease is expected, due to the increment in enforced collection during 16Q4.

4.2

17Q4 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 17Q4 followed by Tourism Land Rent. Deadline to pay Tourism Land Rent is to be extended to 17Q4 as it falls on a public holiday. BPT, Airport Service Charge and Airport Development Fee are also projected to be in the top five for the succeeding quarter.



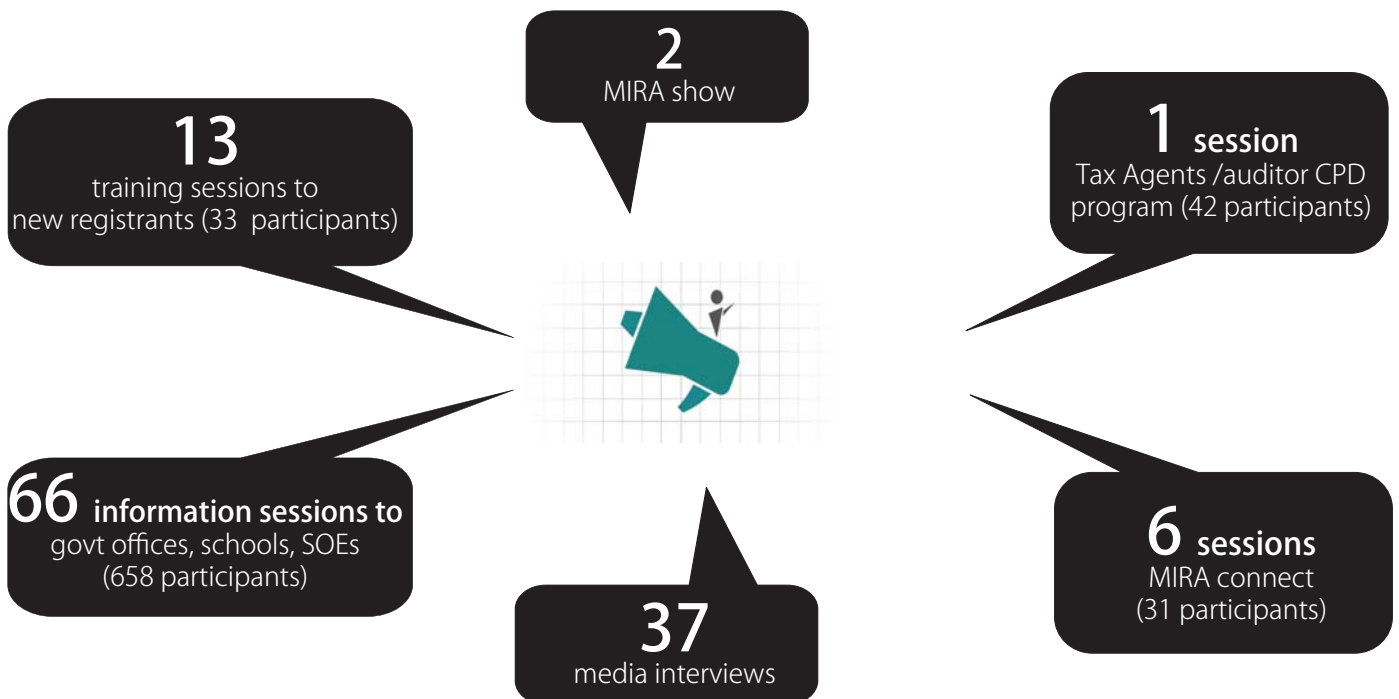
B. ACTIVITIES DURING THE QUARTER

TAX RULINGS ISSUED

G37 Twenty-first amendment to the Goods and Services Tax Regulation



TAXPAYER AWARENESS PROGRAMS



COMPLIANCE

- ✓ **983** compliance visits
- ✓ **183** non-compliance notices issued

AUDITS AND INVESTIGATIONS

2 Investigation audits completed
 additional tax assessed:
 MVR 64,246

0 Criminal Investigations completed

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	222	53,773,634
TGST	44	10,051,868
BPT	78	48,731,872
WHT	41	7,612,540
Green Tax	28	1,119,955
Total	413	121,289,868

413
AUDITS

MVR 121.29 million
additional tax assessed

REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Business Registrants	31,139	1095	301	31,933
TGST	1,726	56	1	1,781
GGST	10,026	485	22	10,489
Green Tax	1,002	44	6	1,040
Remittance Tax	13	1	0	14
Bank Profit Tax	7	0	0	7
Airport Service Charge	38	2	1	39

ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 321,614,258

Amount recovered under:

Action Policy MVR 1,422,469

Bank Account Freezing Policy MVR 15,844,614

Dues Clearance MVR 44,003,849

Dunning MVR 182,851,501

Court Cases MVR 1,476,805

Reminder calls/emails MVR 76,015,019

Final notices issued to 6,235 non-filers and 1,590 non-payers

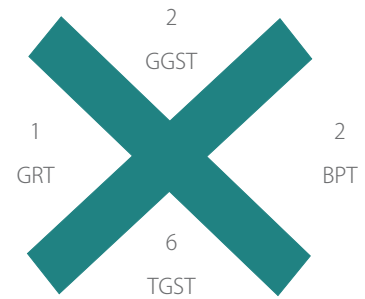
Installment plans granted to 169 taxpayers in 17Q3

OBJECTIONS

20 objections received



11 objections completed



LEGAL ACTIONS



- **21** cases filed by MIRA
21 with Civil Court
- **2** cases filed against MIRA
- **13** judgements passed in favour of MIRA
- **0** judgements passed against MIRA

HUMAN RESOURCE MANAGEMENT



18

staff recruited during the quarter

13

staff terminated during the quarter

271

staff working at MIRA at the end of the quarter

TRAININGS AND CONFERENCES

1

overseas conferences/seminars

2 participants

23

trainings/local seminars

197 staff trained

14

staff studying for ACCA on scholarship

6

overseas training held

16 participants

C. QUARTER IN PICTURES

IMF Mission: Technical assistance on compliance risk management



July 3-13

Double Tax Avoidance negotiations between Bangladesh and Maldives



July 3-6

Study Visit by Nepalese Revenue Investigation Department



July 16

MIRA's 7th Anniversary Function



Aug 4

MIRA held an Open Day to celebrate 7th Anniversary



Aug 6

Blood Donation Camp held in collaboration with Maldives Blood Service



Aug 8

Technical Assistance of Global Forum Mission on Implementing Exchange of information standards



Aug 15

MIRA launched Miothee Raseedhu Campaign



Sep 5

Thikudhinge Haveeru held in collaboration with AAROA institutions, HDC, MNDF, MACL, Dhiraagu, Maldives Red Crescent, Maldives Customs Service and Maldives Police Service



Aug 18

MIRA, along with other AAROA institutions, participated in the Rohingya Fund Donation



Sep 24

MIRA staff took part in International Coastal Cleaning Day



Sep 18

Official Opening of Funadhoo Collection Center



Sep 28

Official opening of Dhiddhoo Collection Center



Sep 28

D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 17Q3 (MVR)

Description	17Q3	% Share
TAX REVENUES	3,196,911,141	78.0%
Airport Service Charge	136,215,544	3.3%
Bank Profit Tax	171,764,267	4.2%
BPT	964,768,562	23.5%
Green Tax	158,516,929	3.9%
GGST	723,197,185	17.6%
TGST	861,439,168	21.0%
Land Sales Tax	15,864,487	0.4%
Remittance Tax	27,019,403	0.7%
Revenue Stamp	12,624,947	0.3%
WHT	125,500,650	3.1%
NON-TAX REVENUES	902,220,858	22.0%
Airport Development Fee Charge	138,353,952	3.4%
Business Permits ¹	4,716,425	0.1%
Construction Period Extension Fee	10,589,250	0.3%
Corporate Social Responsibility Fee	-	0.0%
Fines	37,665,465	0.9%
Land Acquisition and Conversion Fee	165,670,339	4.0%
Lease Period Extension Fee	4,781,250	0.1%
Non-tourism Property Income ²	38,851,904	0.9%
Ownership Transfer Tax	306,750	0.0%
Proceeds from Sale of Assets ³	5,590,516	0.1%
Resident Permit	62,289,980	1.5%
Royalties ⁴	18,379,900	0.4%
Tourism Administration Fee	7,668,000	0.2%
Tourism Land Rent	377,543,645	9.2%
Vehicle Fee	21,658,085	0.5%
Vessels Fee	7,011,871	0.2%
Others ⁵	1,143,526	0.0%
Total	4,099,132,000	100%
<i>Zakat Al-Mal</i>	<i>15,537,561</i>	<i>-</i>
<i>Donation/Sadaqah</i>	<i>3,431</i>	<i>-</i>

¹ **Business Permits:** Company Annual Fee, Restaurant, Café, Canteen Fee, Flat Maintenance Fee, Partnership Fees, Import Trade Fee, Co-operative Society Fees, Sole Trader Registration Fee, Trade Registry Fee, Foreign Investment Administration Annual Fee, Company Registration Fee, Foreign Business Fee, Dive School Registration Fee, Guest House Registration Fee, Other Registrations & License, Motor Vehicle and Vessel, Bank Mortgage Registration Fee, Sale of Tender Documents.

² **Non-tourism Property Income:** Uninhabited Islands Rent, Government Buildings Rent, Commercial Land Rent, Rent from land for Industry, Longterm Agricultural leased islands rent, Rent from Floating Jetty, Uninhabited Islands Administration Fee

³ **Proceeds from Sale of Assets:** Sale of items at auction, Sale of Government Buildings, Sale of Government Lands

⁴ **Royalties:** Duty Free Royalty, Foreign Investment Royalty, Fishing Royalty, Fuel re-export Royalty, Re-Export Royalty, Yellowfin Tuna Export Royalty, Skipjack Industry Royalty

⁵ **Others:** Reimbursement from previous year's budget

Table 2 Total USD Revenue Contribution, 17Q3 (USD)

Description	17Q3	% Share
TGST	56,124,784	40.6%
Tourism Land Rent	24,613,714	17.8%
Business Profit Tax	16,160,592	11.7%
Land Acquisition and Conversion Fee	10,675,793	7.7%
Green Tax	10,329,107	7.5%
Others	20,493,665	14.8%
Total	138,397,654	100%

* Others: Airport Development Fee, BPT, Business Permits, Fines, Construction Period Extension Fee, Corporate Social Responsibility Fee, Royalties, Ownership Transfer Tax, Other fees and charges, Vehicle Fee

Table 3 Comparison Against 16Q3 (MVR)

Description	Actual 17Q3	Actual 16Q3	% Growth
TAX REVENUES	3,196,911,141	2,692,836,357	18.7%
Airport Service Charge	136,215,544	118,037,800	15.4%
Bank Profit Tax	171,764,267	95,147,881	80.5%
BPT	964,768,562	879,275,122	9.7%
Green Tax	158,516,929	143,706,531	10.3%
GGST	723,197,185	541,934,173	33.4%
TGST	861,439,168	780,704,365	10.3%
Land Sales Tax	15,864,487	4,422,927	258.7%
Remittance Tax	27,019,403	-	
Revenue Stamp	12,624,947	12,302,614	2.6%
Tourism Tax	-	-	
WHT	125,500,650	117,304,943	7.0%
NON-TAX REVENUES	902,220,858	760,863,623	+18.6%
Airport Development Fee	138,353,952	-	
Business Permits ¹	4,716,425	5,244,024	-10.1%
Construction Period Extension Fee	10,589,250	-	
Corporate Social Responsibility Fee	-	-	
Fines	37,665,465	119,755,232	-68.5%
Land Acquisition and Conversion Fee	165,670,339	96,838,652	71.1%
Lease Period Extension Fee	4,781,250	22,905,000	-79.1%
Non-tourism Property Income ²	38,851,904	31,557,860	23.1%
Ownership Transfer Tax	306,750	-	
Proceeds from Sale of Assets ³	5,590,516	1,466,379	281.2%
Resident Permit	62,289,980	63,193,720	-1.4%
Royalties ⁴	18,379,900	17,770,568	3.4%
Tourism Administration Fee	7,668,000	-	
Tourism Land Rent	377,543,645	378,898,241	-0.4%
Vehicle Fee	21,658,085	17,539,331	23.5%
Vessels Fee	7,011,871	5,215,514	34.4%
Others ⁵	1,143,526	479,103	138.7%
Total	4,099,132,000	3,453,699,980	18.7%

* Refer to Table 1 footnotes for details

Table 4 Comparison Against Projection (MVR)

Description	Actual 17Q3	Projection 17Q3	% Variance
TAX REVENUES	3,196,911,141	3,318,255,808	-3.7%
Airport Service Charge	136,215,544	136,920,536	-0.5%
Bank Profit Tax	171,764,267	434,681,215	-60.5%
BPT	964,768,562	1,012,685,381	-4.7%
Green Tax	158,516,929	149,356,253	6.1%
GGST	723,197,185	571,978,284	26.4%
TGST	861,439,168	857,701,510	0.4%
Land Sales Tax	15,864,487	6,050,121	162.2%
Remittance Tax	27,019,403	20,651,433	30.8%
Revenue Stamp	12,624,947	11,375,707	11.0%
WHT	125,500,650	116,855,368	7.4%
NON-TAX REVENUES	902,220,858	803,132,177	12.3%
Airport Development Fee	138,353,952	136,920,536	+1.0%
Business Permits ¹	4,716,425	5,671,815	-16.8%
Construction Period Extension Fee	10,589,250	-	
Corporate Social Responsibility Fee	-	-	
Fines	37,665,465	54,433,778	-30.8%
Land Acquisition and Conversion Fee	165,670,339	162,029,039	2.2%
Lease Period Extension Fee	4,781,250	-	
Non-tourism Property Income ²	38,851,904	32,067,865	21.2%
Ownership Transfer Tax	306,750	-	
Proceeds from Sale of Assets ³	5,590,516	1,544,716	261.9%
Resident Permit	62,289,980	65,168,392	-4.4%
Royalties ⁴	18,379,900	18,903,090	-2.8%
Tourism Administration Fee	7,668,000	-	
Tourism Land Rent	377,543,645	303,259,951	24.5%
Vehicle Fee	21,658,085	17,774,209	21.9%
Vessels Fee	7,011,871	5,358,786	30.8%
Others ⁵	1,143,526	-	
Total	4,099,132,000	4,121,387,985	-0.5%

Table 5 Multi-year Summary (MVR in millions)

Description	Actual 14Q3	Actual 15Q3	Actual 16Q3	Actual 17Q3
TAX REVENUES	2,568.1	2,945.9	2,692.8	3,196.9
Airport Service Charge	73.4	106.2	118.0	136.2
Bank Profit Tax	386.4	418.5	95.1	171.8
BPT	853.8	933.7	879.3	964.8
Green Tax	-	-	143.7	158.5
GGST	377.2	478.6	541.9	723.2
TGST	572.5	875.3	780.7	861.4
Land Sales Tax	10.8	6.1	4.4	15.9
Remittance Tax	-	-	-	27.0
Revenue Stamp	9.7	9.4	12.3	12.6
Tourism Tax	202.3	0.1	-	-
WHT	82.0	118.1	117.3	125.5
NON-TAX REVENUES	775.7	726.0	760.9	902.2
Airport Development Fee				138.4
Business Permits ¹	3.1	7.2	5.2	4.7
Construction Period Extension Fee	-	-	-	10.6
Corporate Social Responsibility Fee	-	-	-	-
Fines	20.9	52.2	119.8	37.7
Land Acquisition and Conversion Fee	28.7	17.3	96.8	165.7
Lease Period Extension Fee	257.1	260.3	22.9	4.8
Non-tourism Property Income ²	28.7	28.3	31.6	38.9
Ownership Transfer Tax	-	-	-	0.3
Proceeds from Sale of Assets ³	1.9	1.5	1.5	5.6
Resident Permit	62.2	60.9	63.2	62.3
Royalties ⁴	19.0	19.1	17.8	18.4
Tourism Administration Fee	-	-	-	7.7
Tourism Land Rent	338.9	263.3	378.9	377.5
Vehicle Fee	13.6	14.4	17.5	21.7
Vessels Fee	1.5	1.4	5.2	7.0
Others ⁵	0.2	0.0	0.5	1.1
Total	3,343.8	3,672.0	3,453.7	4,099.1

