



MALDIVES
INLAND REVENUE
AUTHORITY



Q2 QUARTERLY REPORT

2 0 1 8 MALDIVES INLAND
REVENUE AUTHORITY

ABBREVIATIONS

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
18Q1	2018, First Quarter
18Q2	2018, Second Quarter
18Q3	2018, Third Quarter
ACCA	Association of Chartered Certified Accountants
ASC	Airport Service Charge
ADF	Airport Development Fee
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



C O N T E N T S

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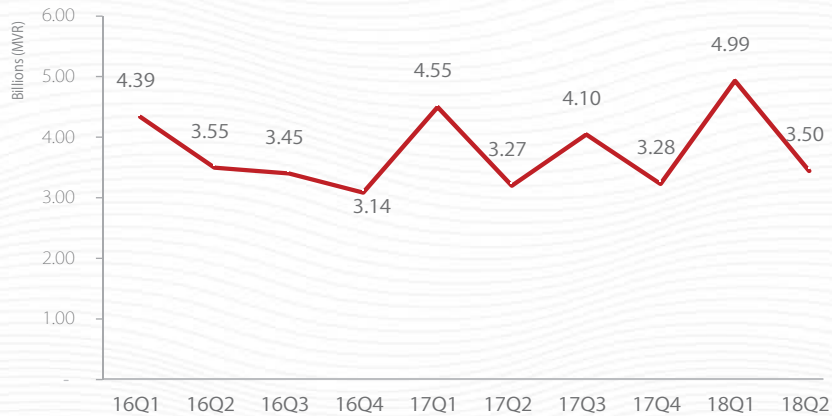


A. REVENUE COLLECTION

1. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



The quarterly collection totaled MVR 3.50 billion in 18Q2. Revenue of the quarter outdid the revenue collected in the corresponding quarter of 2017 and projection for the quarter by 6.9% and 10.1%, respectively.

Increment in the revenue of GST, BPT, Green Tax, Withholding Tax, Tourism Land Rent and Airport Development Fee revenue led to this favorable outcome in 18Q2.

Quarterly revenue exceeded the forecasted revenue due to the growth in collection observed for Bank Profit Tax, GST from both sectors, Tourism Land Rent and Land Acquisition and Conversion Fee.

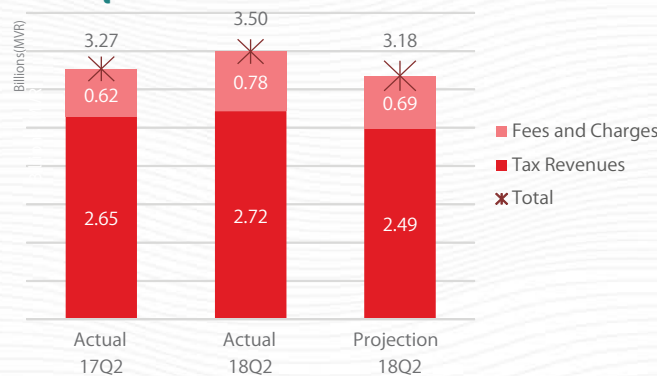
MVR 3.50 billion
Total collection, inclusive of USD collection

+6.9%
compared to 17Q2

+10.1%
compared to projection for the quarter

1.2

REVENUE COMPOSITION OF 18Q2



TAX REVENUES

MVR 2.72 billion

+2.6%
compared to 17Q2

+9.2%
compared to projection for the quarter

NON-TAX REVENUES

MVR 0.78 billion

+25.0%
compared to 17Q2

+13.2%
compared to projection for the quarter

Out of the tax revenues, GGST, TGST, BPT and Green Tax outdid the revenue collected in the corresponding quarter of 2017, whereas a significant decrement was observed for Bank Profit Tax, Airport Service Charge and Land Sales Tax.

Against 17Q2, the highest comparative increment was observed for TGST revenue with MVR 172.67 million, followed by GGST with an increment of MVR 142.35 million. One of the main reasons behind the increment in TGST is the growth of tourist arrivals by 6.2% in 18Q2 compared to 17Q2. Additionally, tax deadlines fell to Fitr 'Eid, So, GST deadlines were extended to July 2017, which resulted in a higher collection in 18Q2 compared to 17Q2, as no such extensions were granted in 18Q2. Furthermore, due to the deadline adjustment and the growth in tourist arrivals, Green Tax revenue grew by 19.1% (MVR 30.98 million) compared to 17Q2.

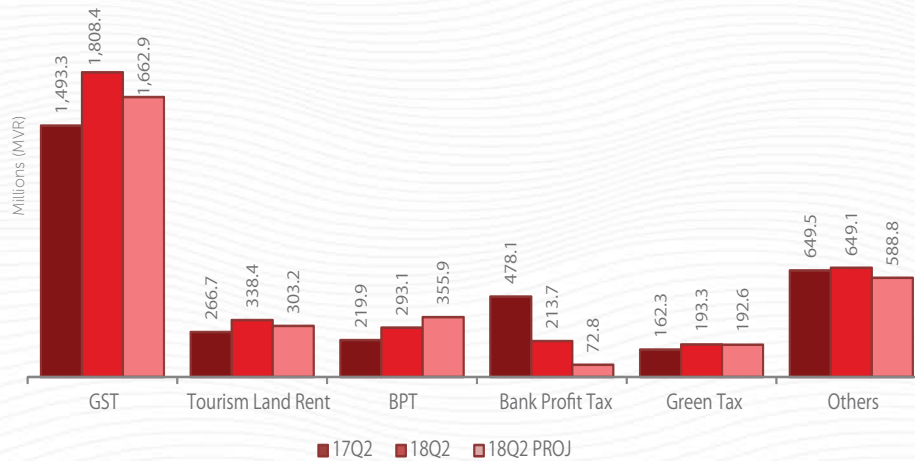
Similar to the GST and Green tax deadlines, deadline for the final payment of BPT for the tax year 2016 was extended to July as the deadline coincided with the Fitr 'Eid holidays in 17Q2, whereas timely payments were received in 18Q2 which resulted in a higher BPT collection during the period.

While the international departures have increased in 18Q2, the revenue from Airport Service Charge shows a decrement. The higher collection observed in 17Q2 is due to the change of law which led to the collection of arrears dating back to 2012 during that period, whilst on-time payments were collected in 18Q2. Furthermore, revenue from Land Sales Tax decreased as the number of lands sold in the quarter had decreased.

The increment of revenue collection from non-tax revenues exceeded collection of the corresponding quarter of the previous year by MVR 172.31 million. This favorable outcome was mainly due to the increment in Airport Development Fee by MVR 117.61 million, along with the increment of Tourism Land Rent in MVR 71.72 million.

Since Airport Development Fee commenced in May 2017, payments were due in June 2017, which meant only a month's collection was included in the revenue of 17Q2, whereas collection for the full quarter was received in 18Q2. Additionally, as new resorts are in operation in 2018 compared to the previous year, it has led to a record increment of Tourism Land Rent in this quarter.

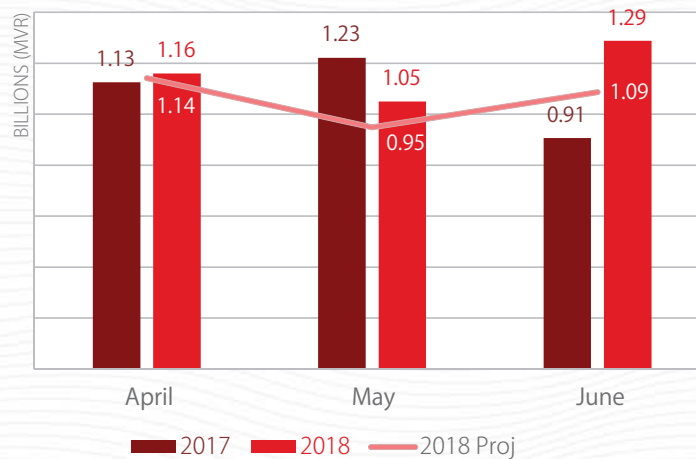
1.3 TOP FIVE REVENUE CONTRIBUTORS OF 18Q2



Revenue	Compared to 17Q2	Compared to Projection	Share of 18Q2
GST	+21.1%	+8.7%	51.7%
Tourism Land Rent	+26.9%	+11.6%	9.7%
BPT	+33.3%	-17.6%	8.4%
Bank Profit Tax	-55.3%	+193.4%	6.1%
Green Tax	+19.1%	+0.3%	5.5%

Top 5 revenue contributors for the quarter mutually accounted for 81.4% of the total revenue.

1.4 COMPARISON AGAINST 17Q2: MONTHLY

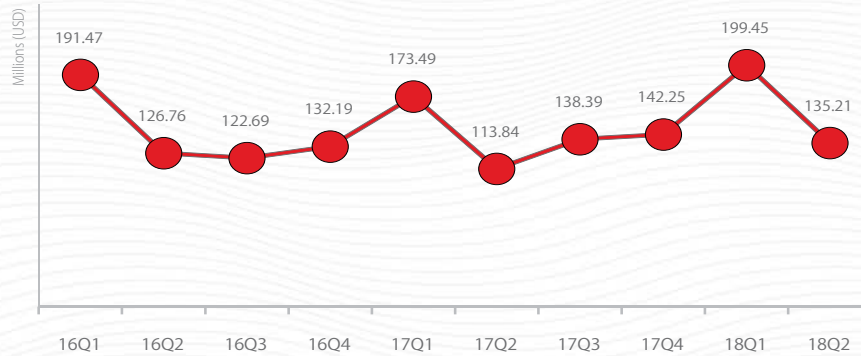


Months	Compared to 2017	Compared to Projection
April	+2.8%	+1.6%
May	-14.6%	+10.6%
June	+41.0%	+18.5%

2. USD REVENUE COLLECTION

2.1

USD COLLECTION



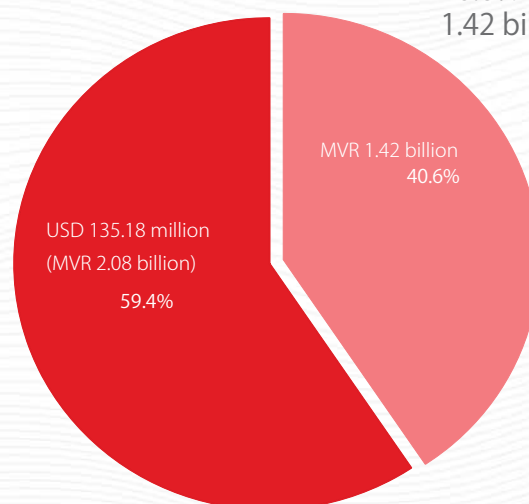
USD 135.21 million

+18.8%
compared to 17Q2

The increment in 18Q2 was largely due to the increment in collection of Airport Development Fee, Tourism Land Rent and TGST.

2.2

CURRENCY COMPOSITION

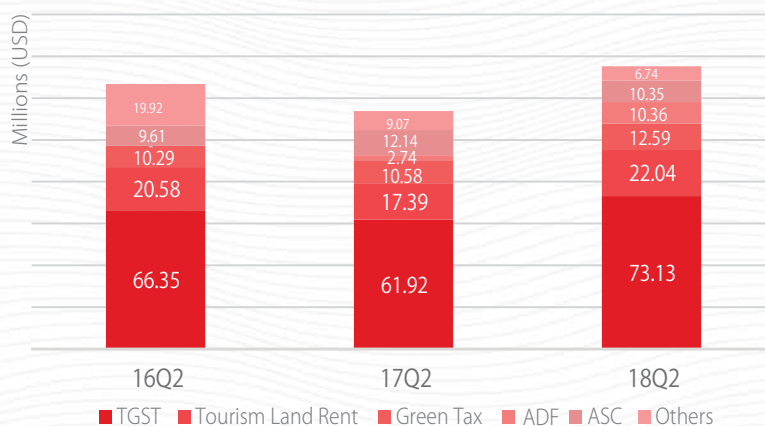


Revenue received in MVR accounts for 40.6% of the revenue, which is MVR 1.42 billion.

59.4% of the revenue was received in USD (USD 135.21 million), which is equivalent to MVR 2.08 billion.

2.3

USD REVENUE GROWTH

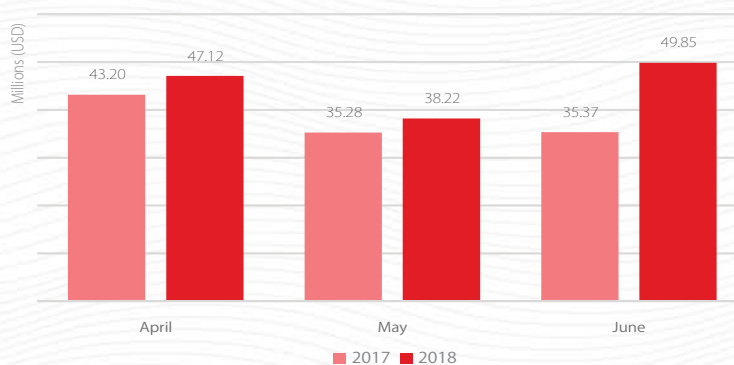


Revenue	Compared to 17Q2	Share of 18Q2
TGST	+18.1%	54.1%
Tourism Land Rent	+26.8%	16.3%
Green Tax	+19.0%	9.3%
Airport Development Fee (ADF)	+277.7%	7.7%
Airport Service Charge (ASC)	-14.7%	7.7%

The top five USD contributors mutually accounted for 95.0% of the total USD revenue collection.

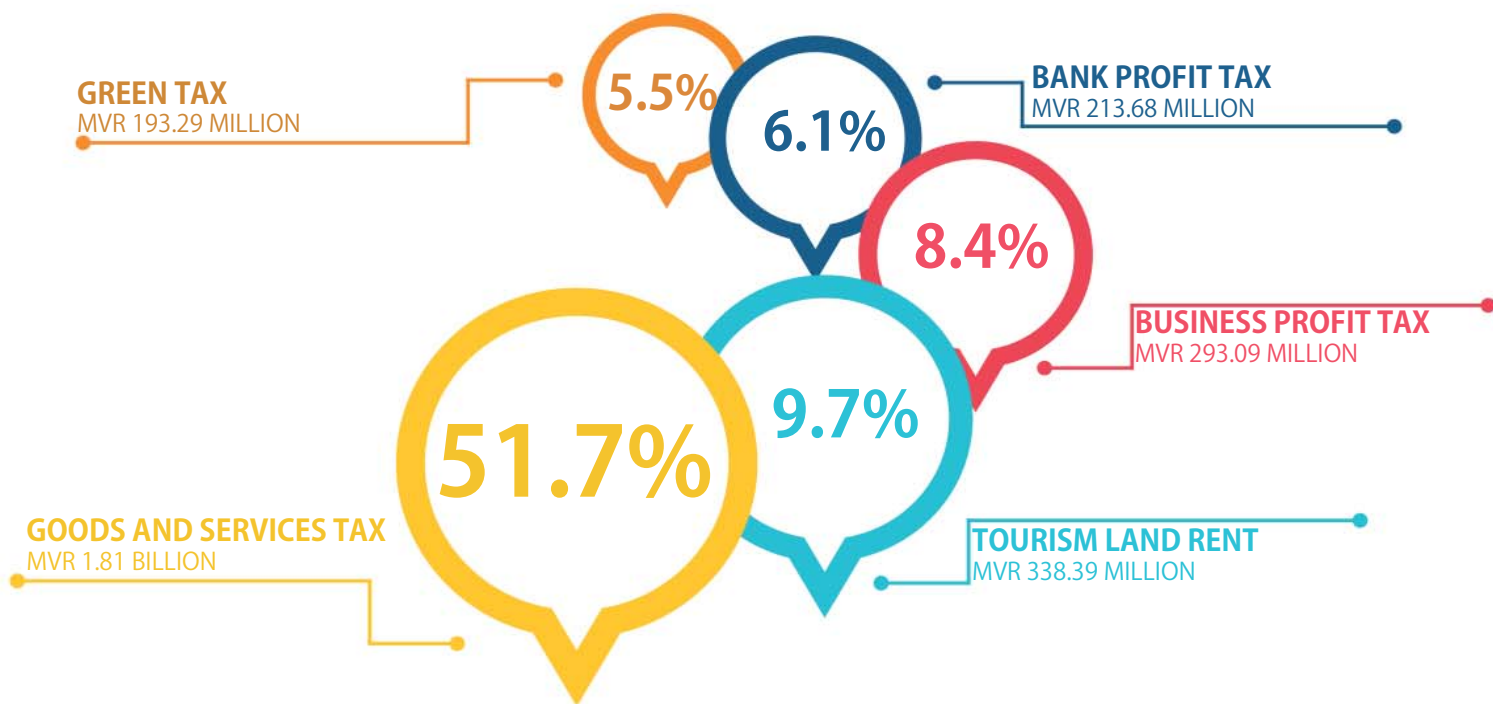
2.4

COMPARISON AGAINST 17Q2: MONTHLY



Months	Compared to 2017
April	+9.1%
May	+8.3%
June	+41.0%

TOP REVENUE CONTRIBUTORS



3.1

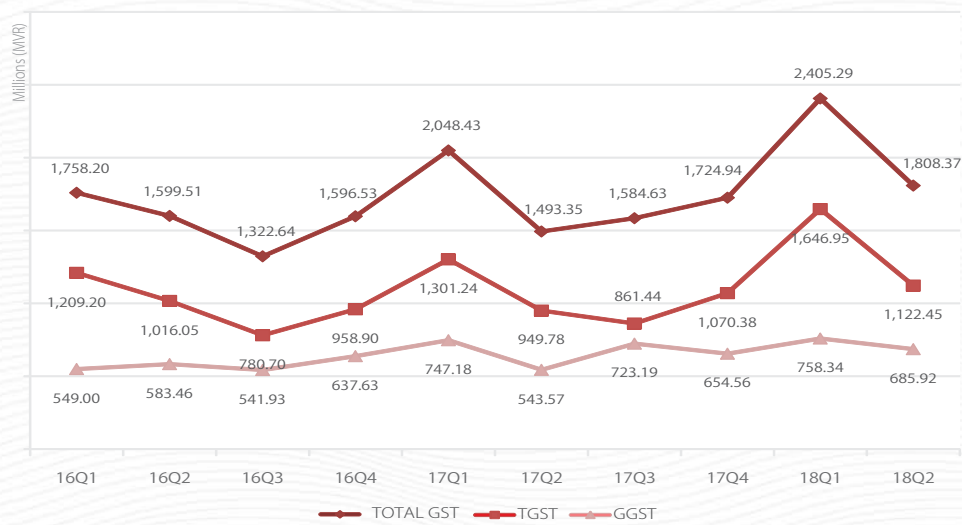
TOTAL GST COLLECTION

MVR 1.81 billion

+21.1%
compared to 17Q2

+8.7%
compared to projection for the quarter

62.1% of the GST collection in 18Q2 relates to tourism sector, while the remaining 37.9% relates to the GST from general sector.



3.2

TGST COLLECTION

MVR 1.12 billion

+18.2%
compared to 17Q2

+4.4%
compared to projection for the quarter

3.3

GGST COLLECTION

MVR 685.92 million

+26.2%
compared to 17Q2

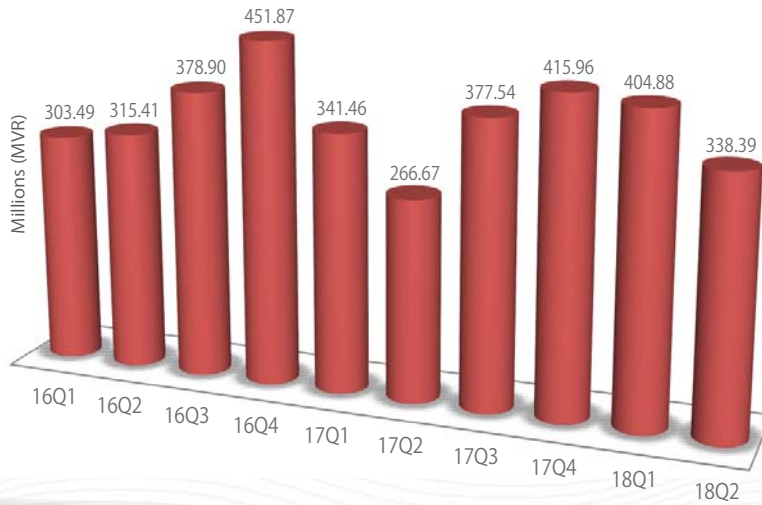
+16.7%
compared to projection for the quarter

An increase of 6.2% of tourist arrivals, the operation of more resorts, and increased on-time payments, when compared to 17Q2 led to this increment.

GGST revenue has depicted an upward trend over the quarters. This increase is related to the growth in number of the businesses and the increase in receipt of on-time payments in 18Q2.

3.4

TOURISM LAND RENT COLLECTION



MVR 338.39 million

+26.9%
compared to 17Q2

+11.6%
compared to projection for the quarter

The deadline of Tourism Land Rent for the third quarter of 2018 fell to 18Q2. In contrast to 17Q2, new taxpayers were in the tax net, as more resorts are in operation than they were in 2017. Additionally, the enforcement action taken against the late and non-payers in the prior periods resulted in more timely payments from the taxpayers in 18Q2.

3.5

TOTAL BPT COLLECTION

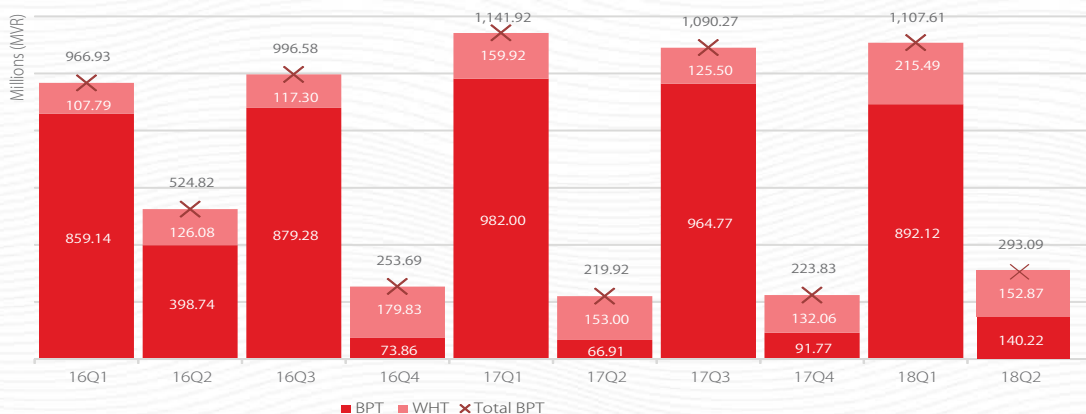
MVR 293.09 million

+ 33.3%
compared to 17Q2

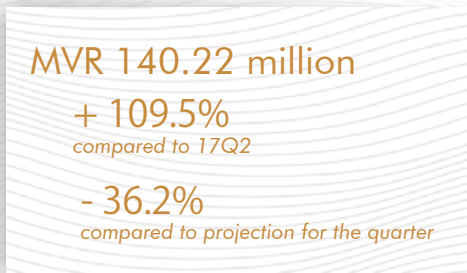
- 17.6%
compared to projection for the quarter

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

In 18Q2, 47.8% of the BPT revenue relates to the profit component of while the remaining 52.2% relates to Withholding Tax revenue.



3.6
BPT PROFIT COMPONENT COLLECTION

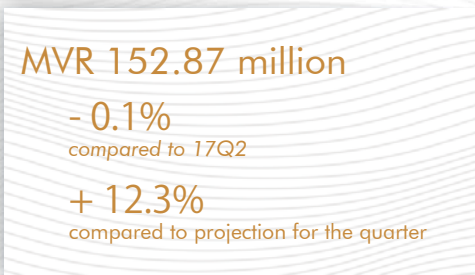


The fluctuations in the total BPT revenue over the quarters is dictated by the BPT deadlines (Interim and final payment deadlines).

The deadline for the Final BPT payment for each tax year would be due on the 30th June of the following year. Deadline of the final BPT payment in 2017 was extended to July 2017, as the last week of June 2017 was declared as a public holiday by the government.

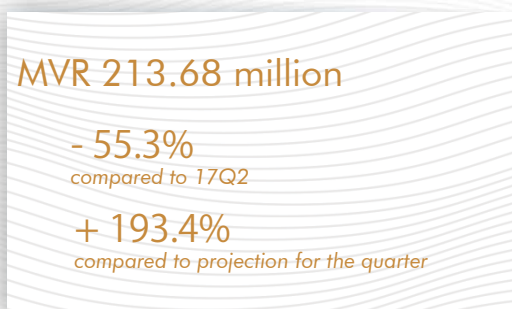
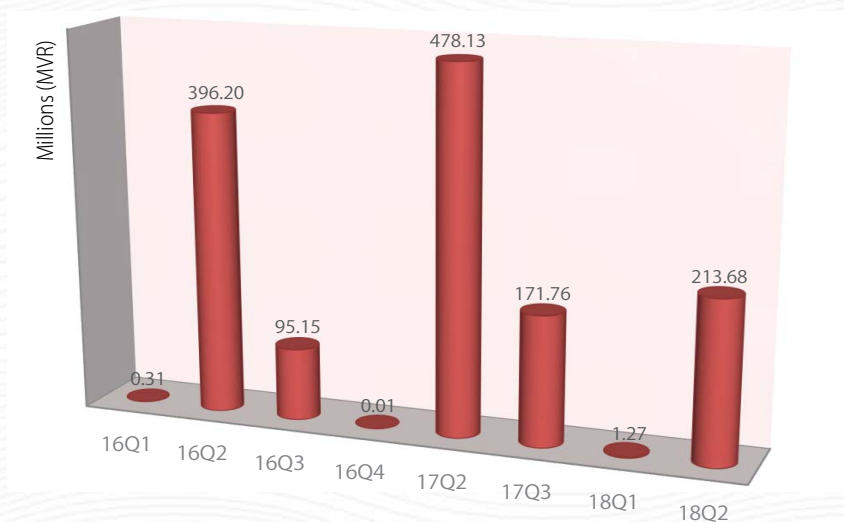
In 18Q2, most of the taxpayers paid their dues ahead of the deadline, which meant that the BPT revenue collection outdid the BPT collected in 17Q2. But some taxpayers chose to pay in the first week of July in 2018, as the deadline was extended since the initial deadline fell on a Saturday, resulting in a decrement against projection.

3.7
WHT COLLECTION



Only a small decrease was observed in Withholding Tax collection, when compared to 17Q2. As most taxpayers paid on-time, collection surpassed the projection by MVR 16.77 million.

3.8
BANK PROFIT TAX COLLECTION

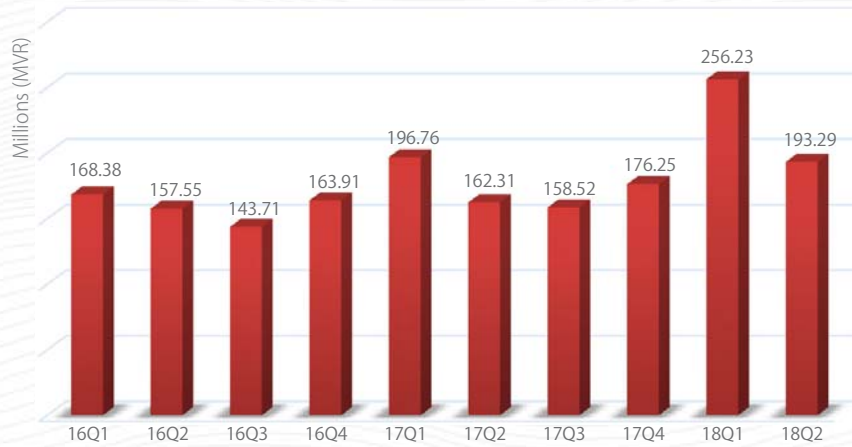


In 17Q2, commercial banks with the highest market share paid ahead of the deadline, whereas half of the commercial banks which operate in Maldives are yet to pay their dues by the end of 18Q2, which led to the decrement in revenue against 17Q2.

However, in 18Q2, 4 commercial banks paid ahead of the actual deadline of 31 July 2018, which resulted in a higher collection compared to the projection for the quarter.

3.9

GREEN TAX COLLECTION



MVR 193.29 million

+ 19.1%
compared to 17Q2

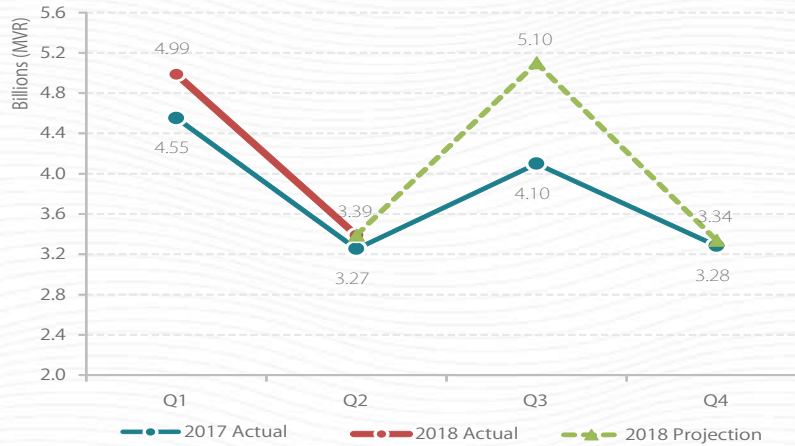
+ 0.3%
compared to projection for the quarter

Revenue from Green Tax in 18Q2 was MVR 193.29 million. The increment was due to the increment in tourist arrivals when compared to 2017, along with the collection of dues accrued from previous periods. Additionally, there are more taxpayers in the tax net which collectively led to this increase.

4. OUTLOOK

4.1

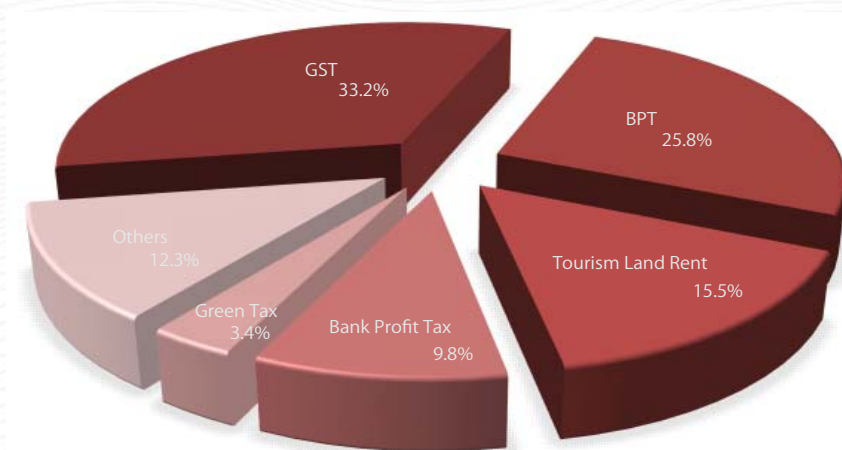
REVENUE OUTLOOK FOR 18Q3



MVR 5.1 billion projected to be received in the upcoming quarter, which is an increment of 24.4% compared to 17Q3.

4.2

18Q3 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 18Q3 followed by BPT since the deadline for the BPT final payment was extended to 1 July 2018 and the deadline for the First Interim payment of 2018 is due on 31 July 2018. Tourism Land Rent for the fourth quarter of 2018 is due in 18Q3, and is expected to be the third highest revenue contributor. As the deadline of Bank Profit Tax also falls in 18Q3, Bank Profit Tax is expected to be the next highest revenue contributor as several banks are yet to pay their dues. With the increment in taxpayers in the tourism sector, Green Tax revenue is also projected to be in the top five for the succeeding quarter.

B. ACTIVITIES DURING THE QUARTER

- B63 Submission of financial statements and appointment of auditors
- B64 Thin Capitalization
- B65 Employment under a contract service
- B66 Fifteenth amendment to the Business Profit Tax Regulation
- A15 Mandatory online filing of BPT Return
- A16 Second amendment to the Online Filing and Payment Regulation
- A17 Mandatory online filing of general sector GST Return

TAX RULINGS ISSUED



TAXPAYER AWARENESS PROGRAMS

2 MIRA shows

19 training sessions
to new registrants
(43 participants)

3 sessions
Tax Agents/auditor CPD
program (50 participants)

5 information sessions
to govt offices, schools, SOEs
(126 participants)

7 training sessions
on MIRAconnect portal
(28 participants)

28 media interviews



COMPLIANCE

2,716 compliance visits

316 non-compliance notices issued

71% On-time filing rate

AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	183	25,656,651
TGST	94	37,232,845
BPT	94	124,131,984
WHT	79	758,896
Green Tax	78	690,693
Bank Profit Tax	1	6,850
Total	529	188,477,918

10 Investigation audits completed.
additional tax assessed:
MVR 11,305,617

4 Criminal Investigations completed

529
AUDITS
MVR 188.48 million
ADDITIONAL TAX ASSESSED



REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Business Registrants	33,548	793	12	34,329
TGST	1,618	54	5	1,667
GGST	11,152	470	5	11,617
Green Tax	1,181	52	6	1,227
Remittance Tax	13	-	-	13
Bank Profit Tax	8	-	-	8
Airport Service Charge	40	-	-	40

ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 378,017,520

Amount recovered under:

- Dunning MVR 219,281,379
- Reminder calls/emails MVR 97,605,249
- Bank Account Freezing Policy(111 taxpayers) MVR 28,327,576
- Dues Clearance MVR 23,614,139
- Court Cases MVR 6,729,707
- Action Policy MVR 2,459,470

Final notices issued to 3,433 non-filers and 2,235 non-payers
 Installment plans granted to 43 taxpayers in 18Q2

OBJECTIONS

22

objections received

12 GGST
3 TGST
6 BPT
1 WHT




21

objections completed

6 GGST
4 TGST
7 BPT
3 WHT
1 ATF

LEGAL ACTIONS



 **106** cases filed by MIRA with Civil Court

 **4** cases filed against MIRA

 **14** judgements passed in favour of MIRA

 **0** judgements passed against MIRA

HR MANAGEMENT



19

staff recruited during the quarter

14

staff terminated during the quarter

278

staff working at MIRA
at the end of the quarter

TRAININGS AND CONFERENCES

5

overseas conferences/seminars

10 participants

17

staff studying for ACCA on

scholarship



2

trainings/local seminars

4 staff trained

9

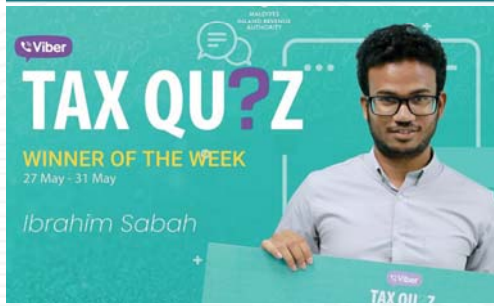
overseas training held

23 participants

C. QUARTER IN PICTURES

1 April to 30 June

MIRA's Viber Chat Quiz was conducted in 18Q2



April 15

Certificate 1 in Taxation in Maldives - Batch 5



April 19

MIRA staff donated MVR 52,000 to Care Society of Maldives to build a care development centre



April 21

MIRA staff participated in the "Maa Saafu Male" cleaning event organized by Ministry of Environment and Energy and WAMCO



April 23

Official opening of MIRA Hulhumale Branch office



May 4 to 7

MIRA participated in the Inter-office Volleyball tournament



May 3

Commissioner General of Taxation, Yazeed Mohamed, won the prestigious Asia Tax commissioner of the year Award



May 8

Blood donation camp was held on the International Thalassaemia Day in collaboration with AAROA institutions



May 28

MIRA staff participated in the Ramadan Inter-office Cricket Carnival



D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 18Q2 and Comparison Against 17Q2 (MVR)

Description	18Q2	17Q2	Growth	% Share
TAX REVENUES	2,716,089,335	2,646,037,865	2.6%	77.7%
Airport Service Charge	158,824,377	186,131,243	-14.7%	4.5%
Bank Profit Tax	213,684,943	478,130,560	-55.3%	6.1%
BPT	140,218,242	66,914,973	109.5%	4.0%
Green Tax	193,288,521	162,306,100	19.1%	5.5%
GGST	685,922,542	543,573,181	26.2%	19.6%
TGST	1,122,449,931	949,776,524	18.2%	32.1%
Land Sales Tax	8,894,285	61,379,158	-85.5%	0.3%
Remittance Tax	28,341,060	32,859,321	-13.8%	0.8%
Revenue Stamp	11,587,478	11,962,985	-3.1%	0.3%
Tourism Tax	3,561	-		0.0%
WHT	152,874,394	153,003,820	-0.1%	4.4%
NON-TAX REVENUES	779,820,778	623,815,849	25.0%	22.3%
Airport Development Fee Charge	159,596,507	41,988,396	280.1%	4.6%
Business Permits ¹	9,072,521	7,429,142	22.1%	0.3%
Construction Period Extension Fee	17,271,300	20,707,500	-16.6%	0.5%
Corporate Social Responsibility Fee	-	-		0.0%
Fines	51,615,835	46,340,127	11.4%	1.5%
Land Acquisition and Conversion Fee	24,731,361	78,355,661	-68.4%	0.7%
Lease Period Extension Fee	-	-		0.0%
Non-tourism Property Income ²	30,352,396	32,870,988	-7.7%	0.9%
Ownership Transfer Tax	76,750	76,650	0.1%	0.0%
Proceeds from Sale of Assets ³	9,628,696	6,713,251	43.4%	0.3%
Resident Permit	66,520,000	59,638,250	11.5%	1.9%
Royalties ⁴	17,030,861	17,931,516	-5.0%	0.5%
Tourism Administration Fee	7,677,000	3,060,000	150.9%	0.2%
Tourism Land Rent	338,394,765	266,674,137	26.9%	9.7%
Vehicle Fee	22,725,624	19,058,544	19.2%	0.7%
Vessels Fee	5,482,289	5,935,677	-7.6%	0.2%
Zakat Al-Mal	17,518,432	16,295,380	7.5%	0.5%
Others ⁵	2,126,443	740,629	187.1%	0.1%
Total	3,495,910,113	3,269,853,714	6.9%	100%

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, Sale of Pass

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:** Other Registration and License fees, Reimbursement from previous year's budget, Sadaqa/Donation

Table 2 Total USD Revenue Contribution, 18Q2 (USD)

Description	18Q2	% Share
TGST	73,126,154	54.1%
Tourism Land Rent	22,041,911	16.3%
Green Tax	12,593,157	9.3%
Airport Development Fee	10,358,143	7.7%
Airport Service Charge	10,352,222	7.7%
Others	6,736,460	5.0%
Total	135,208,046	100%

*Others: Business Permits, BPT, Fines, Construction Period Extension Fee, CSR Fee, Land Acquisition and Conversion Fee, Royalties, Ownership Transfer Tax, Tourism Administration Fee, Other fees and charges, Vessel Fee

Table 3 Comparison Against Projection (MVR)

Description	Actual 18Q2	Projection 18Q2	% Variance
TAX REVENUES	2,716,089,335	2,487,323,833	9.2%
Airport Service Charge	158,824,377	156,014,786	1.8%
Bank Profit Tax	213,684,943	72,839,761	193.4%
BPT	140,218,242	219,789,294	-36.2%
Green Tax	193,288,521	192,635,848	0.3%
GGST	685,922,542	587,948,195	16.7%
TGST	1,122,449,931	1,074,984,761	4.4%
Land Sales Tax	8,894,285	5,872,886	51.4%
Remittance Tax	28,341,060	29,824,560	-5.0%
Revenue Stamp	11,587,478	11,311,057	2.4%
Tourism Tax	3,561	-	-
WHT	152,874,394	136,102,686	12.3%
NON-TAX REVENUES	779,820,778	689,003,495	13.2%
Airport Development Fee	159,596,507	156,014,786	2.3%
Business Permits ¹	9,072,521	6,919,206	31.1%
Construction Period Extension Fee	17,271,300	20,817,000	-17.0%
Corporate Social Responsibility Fee	-	-	-
Fines	51,615,835	49,443,968	4.4%
Land Acquisition and Conversion Fee	24,731,361	5,220,940	373.7%
Lease Period Extension Fee	-	-	-
Non-tourism Property Income ²	30,352,396	34,378,768	-11.7%
Ownership Transfer Tax	76,750	77,100	-0.5%
Proceeds from Sale of Assets ³	9,628,696	2,280,827	322.2%
Resident Permit	66,520,000	61,542,065	8.1%
Royalties ⁴	17,030,861	18,806,046	-9.4%
Tourism Administration Fee	7,677,000	3,084,000	148.9%
Tourism Land Rent	338,394,765	303,206,288	11.6%
Vehicle Fee	22,725,624	21,159,258	7.4%
Vessels Fee	5,482,289	6,053,243	-9.4%
Zakat Al-mal	17,518,432	-	-
Others ⁵	2,126,443	-	-
Total	3,495,910,113	3,176,327,328	10.1%

Table 4 Multi-year Summary (MVR in millions)

Description	Actual 15Q2	Actual 16Q2	Actual 17Q2	Actual 18Q2
TAX REVENUES	2,299.0	2,839.8	2,646.0	2,716.1
Airport Service Charge	122.5	146.7	186.1	158.8
Bank Profit Tax	94.2	396.2	478.1	213.7
BPT	395.3	398.7	66.9	140.2
Green Tax	-	157.6	162.3	193.3
GGST	478.5	583.5	543.6	685.9
TGST	1,092.1	1,016.1	949.8	1,122.4
Land Sales Tax	4.4	4.8	61.4	8.9
Remittance Tax	-	-	32.9	28.3
Revenue Stamp	9.6	10.2	12.0	11.6
Tourism Tax	0.1	0.0	-	0.0
WHT	102.3	126.1	153.0	152.9
NON-TAX REVENUES	837.5	711.1	565.5	779.8
Airport Development Fee				159.6
Business Permits ¹	3.5	5.6	7.4	9.1
Construction Period Extension Fee	-	-	20.7	17.3
Corporate Social Responsibility Fee	-	-	-	-
Fines	93.7	56.2	46.3	51.6
Land Acquisition and Conversion Fee	48.5	189.2	78.4	24.7
Lease Period Extension Fee	256.7	-	-	-
Non-tourism Property Income ²	26.6	32.1	32.9	30.4
Ownership Transfer Tax	-	-	0.1	0.1
Proceeds from Sale of Assets ³	1.3	3.0	6.7	9.6
Resident Permit	62.3	65.7	59.6	66.5
Royalties ⁴	20.2	18.9	17.9	17.0
Tourism Administration Fee	-	-	3.1	7.7
Tourism Land Rent	308.8	315.4	266.7	338.4
Vehicle Fee	14.4	19.4	19.1	22.7
Vessels Fee	1.5	5.4	5.9	5.5
Zakat Al-mal	-	-	16.3	17.5
Others ⁵	-	0.3	0.7	2.1
Total	3,136.6	3,550.9	3,269.9	3,495.9

Table 5 Reported Sales from Tourism Categories (USD)

Description	18Q2	17Q2	Growth
Resorts	693,443,020	651,933,433	6.4%
Tour Operator	55,336,096	55,615,155	-0.5%
Domestic air transport provider	51,332,855	51,643,071	-0.6%
Other Facilities	20,988,616	17,562,629	19.5%
Hotel	14,482,637	14,573,710	-0.6%
Guesthouse	14,431,435	10,871,476	32.7%
Spa	13,246,953	14,180,287	-6.6%
Tourist Vessels	12,078,920	10,258,564	17.7%
Diving School	10,324,697	9,464,622	9.1%
Shops	6,458,245	4,943,877	30.6%
Water Sports	6,109,493	5,995,423	1.9%
Picnic Island	3,201,590	2,734,316	17.1%
Foreign Tourist Vessels	1,235,044	899,092	37.4%
	902,669,601	850,675,655	6.1%



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