



MALDIVES  
INLAND REVENUE  
AUTHORITY

Quarter 1, 2016

# QUARTERLY REPORT

## ABBREVIATIONS

14Q1	2014, First Quarter
15Q1	2015, First Quarter
15Q2	2015, Second Quarter
15Q4	2015, Fourth Quarter
16Q1	2016, First Quarter
16Q2	2016, Second Quarter
ACCA	Association of Chartered Certified Accountants
ASC	Airport Service Charge
BPT	Business Profit Tax
GGST	Goods and Services Tax (Non-Tourism Sector)
GST	Goods and Services Tax (refers to both TGST and GGST)
LPEF	Lease Period Extension Fee
MIRA	Maldives Inland Revenue Authority
MVR	Maldivian Rufiyaa
SAARC	South Asian Association for Regional Cooperation
TGST	Goods and Services Tax (Tourism Sector)
USD	United States Dollar
WHT	Withholding Tax

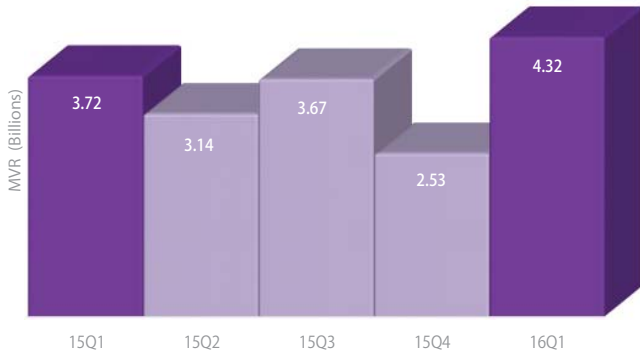
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# A. REVENUE COLLECTION

## 1. TOTAL REVENUE COLLECTION

### 1.1 TOTAL REVENUE COLLECTION



The total revenue collection for 16Q1 was MVR 4.32 billion.

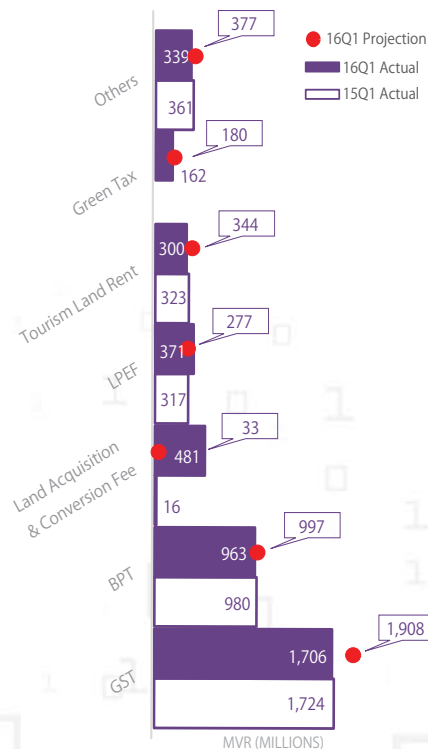
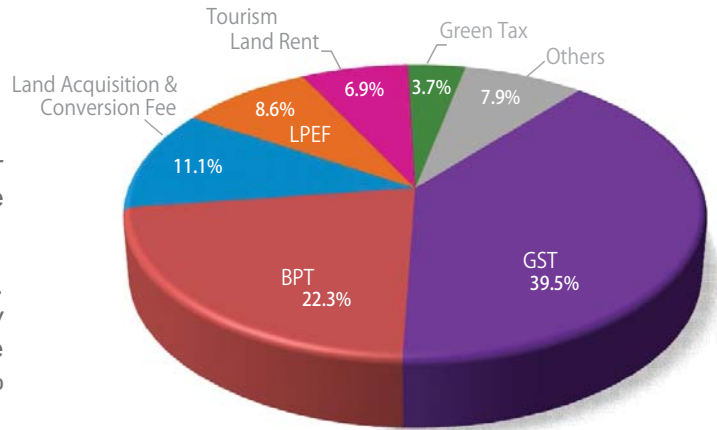
It depicted a growth of 16.1% compared to the corresponding quarter, 15Q1, and 71.1% compared to the previous quarter, 15Q4.

Commencement of Green Tax collection in November 2015 and a surge in Land Acquisition and Conversion Fee contributed to this significant increase compared to the first quarter of 2015.

### 1.2 REVENUE COMPOSITION

The top 5 revenue contributors for the quarter mutually account for 88.4% of the total revenue collection.

GST and BPT are the major revenue contributors. Compared to 15Q1, GST and BPT dropped by 1.0% and 1.7% respectively. In like manner these revenues fell behind the projection by 10.6% and 3.4% respectively.



A notable growth was perceived for Land Acquisition and Conversion Fee (11.1% share of the collection), as it surpassed 15Q1 collection by 29 times, which is also 13 times higher than projection. This was due to initial acquisition payments from newly leased islands in 16Q1.

Additionally, LPEF with its 8.6% share, excelled collection of 15Q1 by 17.0%, which is also 33.9% higher than projection.

Tourism Land Rent accounted for 5.8% of the total revenue. Though the deadline for the Tourism Land Rent payment for 16Q2 was due in 16Q1 it dropped by 7.1% compared to 15Q1, as 32 taxpayers failed to pay their dues on time. This resulted collection to be 12.9% lower than projection.

Green Tax collection, which commenced in 15Q4, contributed 3.7% to the total revenue share of 16Q1. It totaled MVR 161.80 million. However, this is 10.1% lower than the projection.

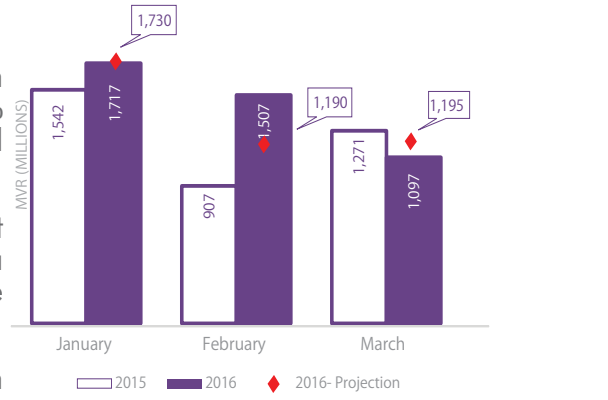
1.3

COMPARISON AGAINST 15Q1: MONTH-WISE

Compared to the previous year, revenue received in January and February increased by 11.4% and 66.1% respectively, whereas a decline of 13.7% was recorded for March.

Projection for 16Q1 was MVR 4.12 billion, which meant that the collection outdid its projection by 5.0%. On a monthly basis, February's collection surpassed the projection by 26.6%.

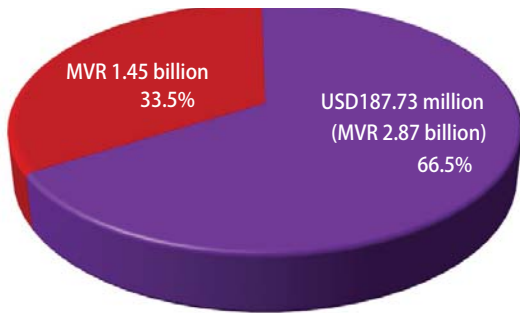
However, in January and March, there was a shortfall in revenue collection of 0.8% and 8.2% respectively. This was mainly because of the lower-than-expected tourism related revenues.



2. USD REVENUE COLLECTION

2.1

USD COLLECTION

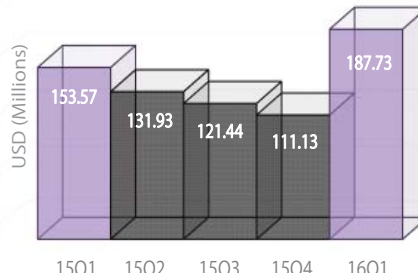


16Q1 marks the highest USD collection since the inception of MIRA. USD 187.73 million was received as revenue in USD. This depicts a 22.2% growth compared to 15Q1 and 68.9% growth compared to 15Q4.

2.2

CURRENCY COMPOSITION

Revenue collection in MVR amounted to MVR 1.45 billion which represents 33.5% of the collection.



66.5% of the revenue collection for 16Q1 was received in USD (equivalent to MVR 2.87 billion).

2.3

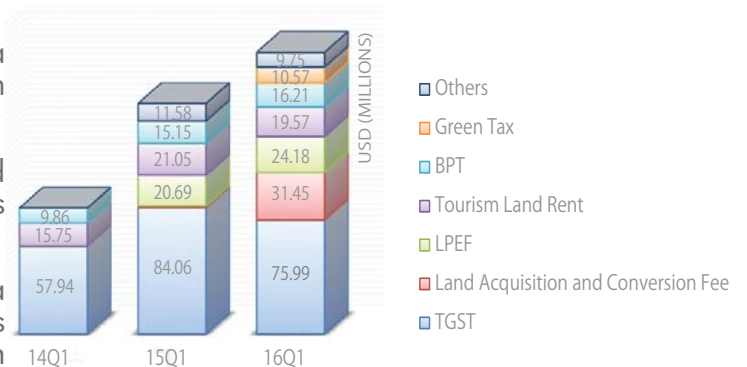
USD REVENUE GROWTH

The top USD revenue contributors depicted a growth in 16Q1 except for TGST and Tourism Land Rent.

TGST and Tourism Land Rent collection declined by 9.6% and 7.0% respectively, as taxpayers failed to pay their dues by the deadline.

Land Acquisition and Conversion Fee shows a steep progression as it increased by 29 times compared to 15Q1, due to initial acquisition payments from newly leased islands.

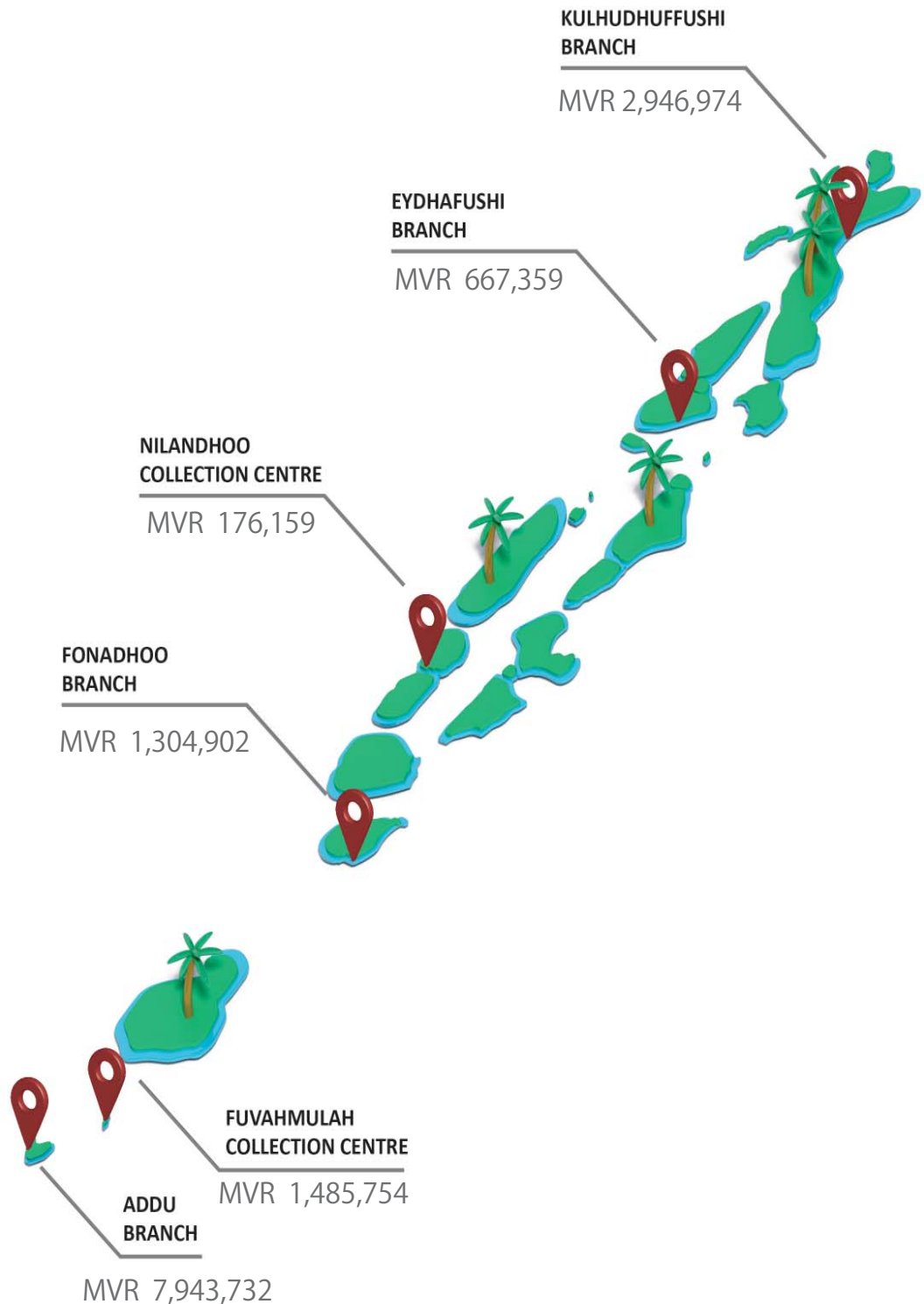
LPEF increased by 16.9% while BPT depicted an increment of 7.0%. Green Tax yielded USD 10.57 million in 16Q1.



### 3. REGIONAL BRANCHES AND COLLECTION CENTRES

MIRA seeks to open either a regional office or a collection centre in all the atolls of Maldives by the end of 2017. As of now, four regional branches and two collection centres are in operation.

Collection from these branches and collection centres for 16Q1 are as follows:

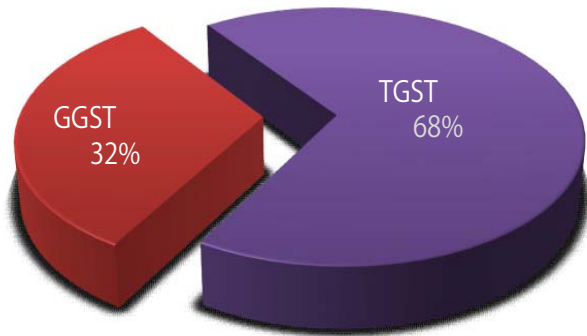


### 4. TOP REVENUE CONTRIBUTORS



4.1

TOTAL GST COLLECTION



Total GST collection for 16Q1 aggregated to MVR 1.71 billion. 68.2% of this revenue came from tourism sector while the rest was from the general goods and services sector.

GST revenue in 16Q1 declined by 1.0% compared to 15Q1, whereas it surpassed the collection of 15Q4 by 21.4%.

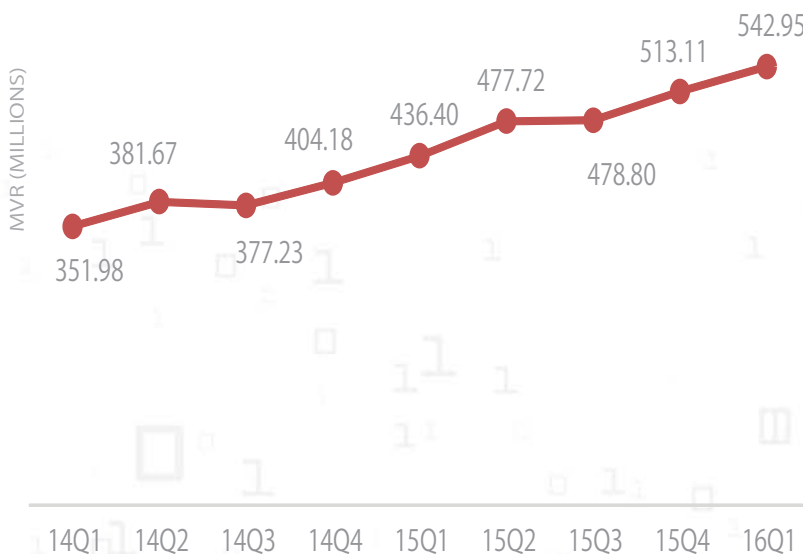
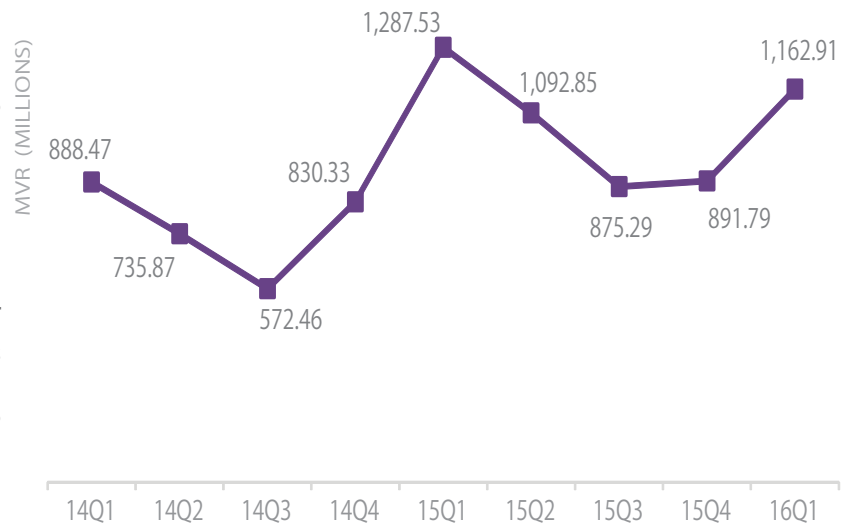
Compared to projection of GST (MVR 1.91 billion), collection fell short by 10.6%.

4.2

TGST COLLECTION

TGST collection in 16Q1 amounted to MVR 1.16 billion, depicting a decline of 9.7% compared to 15Q1. However, 16Q1 collection exceeded 15Q4 collection by 30.4%.

Nonetheless, lower-than-expected collection was recorded for TGST collection, i.e. 16.8%. Tourist arrivals increased by 8.4% compared to 15Q1, hence the decrease was mainly due to taxpayers not paying their dues by the deadline.



4.3

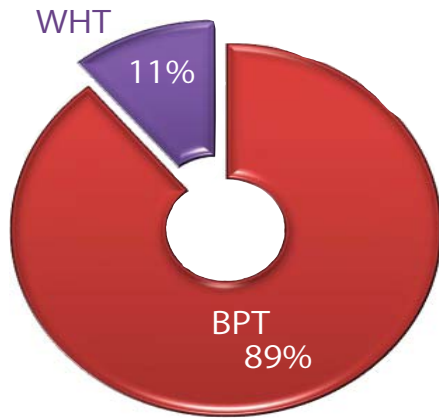
GGST COLLECTION

GST from the general sector shows a progressive trend over the years. GGST revenue in 16Q1 amounted to MVR 542.95 million, registering a growth of 24.4% and 5.8% compared to 15Q1 and 15Q4 respectively. This indicates growth in spending in the economy.

Compared to GGST projection (MVR 509.56 million), collection has outdone the projection by 6.6%.

4.4

TOTAL BPT COLLECTION



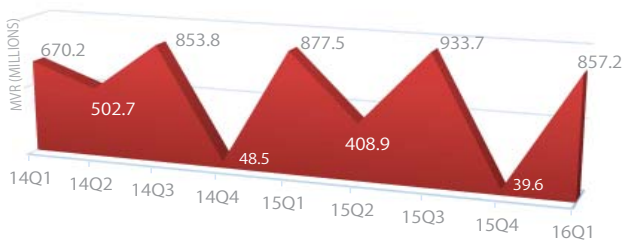
Total BPT collections consist of revenue received from the profit component of BPT and collection from WHT.

The total BPT collection for 16Q1 was MVR 962.76 million, in which 89.0% related to the profit component of BPT while 11.0% comprise WHT. BPT collection of 16Q1 decreased by 1.7% compared to 15Q1.

Compared against the projections (MVR 996.64 million), 16Q1 collection was 3.4% lower than expected.

4.5

BPT PROFIT COMPONENT COLLECTION

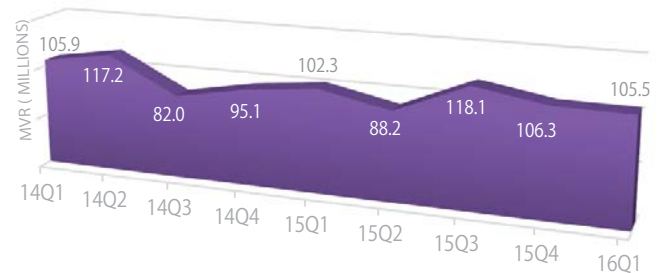


Revenue received from the profit component of BPT in 16Q1 totaled to MVR 857.22 million.

Though the deadline for the second interim payment of 2015 fell on 16Q1, the collection showed a decline of 2.3% compared to 15Q1. Compared to projection (MVR 887.31 million), 16Q1 collection was 3.4% lower.

4.6

WHT COLLECTION



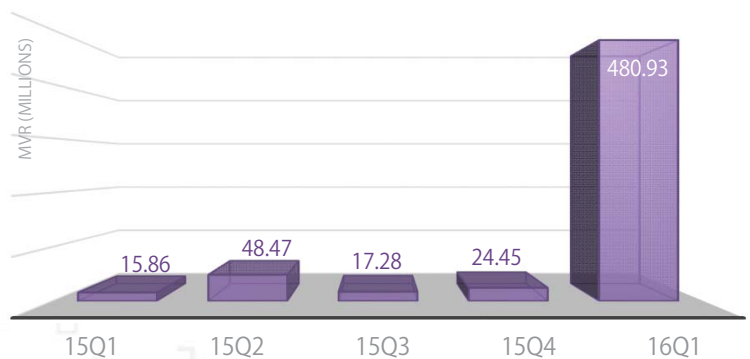
WHT received in 16Q1 aggregated to MVR 105.53 million, depicting a growth of 3.1% compared against 15Q1. Compared to projection (MVR 109.33 million), WHT collection fell short by 3.5%.

4.7

LAND ACQUISITION AND CONVERSION FEE

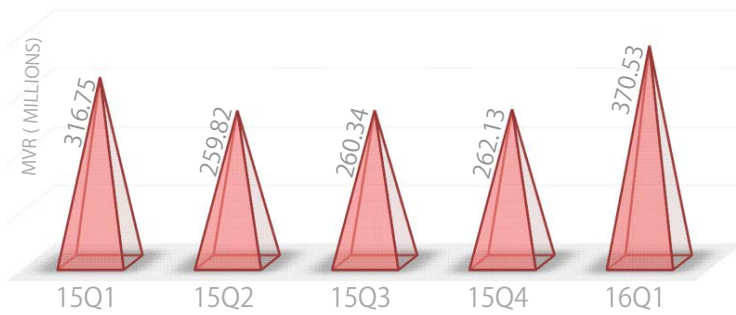
Land Acquisition and Conversion Fee grew steeply due to initial acquisition fees from newly leased islands in 16Q1 and totals to MVR 480.93 million.

As a result, collection grew by 29 times compared to 15Q1 and topped the projection by 13 times.



4.8

LPEF COLLECTION



Collection from LPEF amounted to MVR 370.53 million.

The deadline for the 8th installment of LPEF fell on 16Q1. The collection in 16Q1 outdid the collection of 15Q1 by 17.0%.

Moreover, the collection topped projection by 33.9%.

4.9

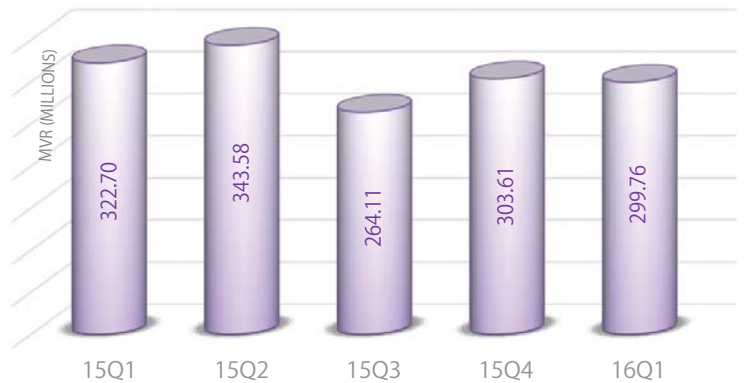
TOURISM LAND RENT COLLECTION

Collection from Tourism Land Rent amounted to MVR 299.76 million.

Although the deadline for the Land Rent payment for 16Q2 was due in March, 32 taxpayers failed to pay their dues.

As a result, 16Q1 collection declined by 7.1% compared to 15Q1.

When compared to the projection, Tourism Land Rent collection declined by 12.9%.

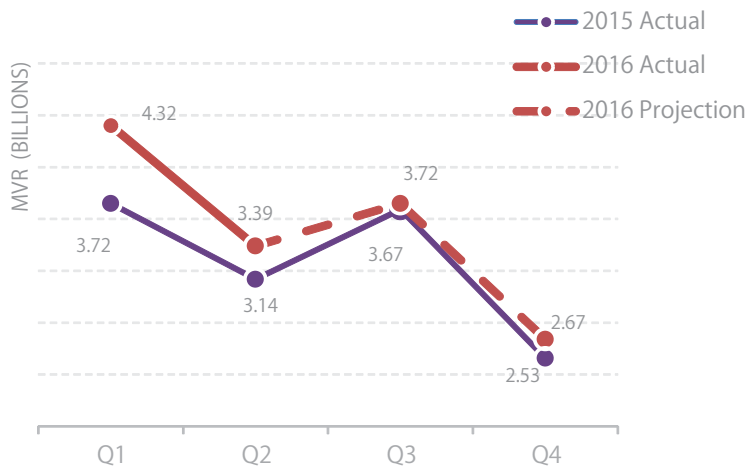


# 5. OUTLOOK



## 5.1

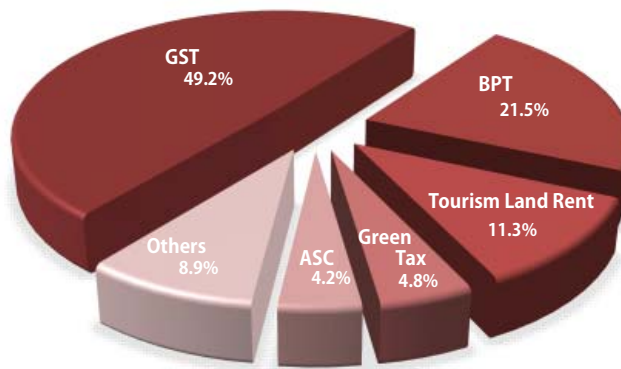
### REVENUE OUTLOOK FOR 16Q2



MVR 3.39 billion is projected to be collected in 16Q2. This is 8.2% higher than the actual collection for 15Q2.

## 5.2

### 16Q2 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 16Q2 followed by BPT and Tourism Land Rent. In addition, Green Tax and Airport Service Charge are expected to be among the top 5 revenue contributors for 16Q2.

# B. ACTIVITIES DURING THE QUARTER

## TAXPAYER AWARENESS PROGRAMS

**49**  
training sessions to new registrants  
(128 participants)

**2 sessions**  
Tax Agents CPD program  
(32 participants)

**13**  
information sessions to schools and  
government offices  
(546 participants)

**3**  
sessions on MIRAconnect  
(10 participants)



**55**  
media interviews

**1**  
media program  
produced by MIRA

## AUDITS AND INVESTIGATIONS

**557**  
audits

**MVR 72.21 million**  
additional tax assessed



**7**  
investigation audits completed  
additional tax assessed: MVR 1,443,592

**4**  
criminal investigations completed

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	249	23,543,823
TGST	67	11,011,000
WHT	69	9,009,094
BPT	161	26,889,949
Bank Profit Tax	4	310,085
<b>Total</b>	<b>557</b>	<b>72,207,543</b>

Total enforced collection **MVR 329,145,229**

Amount recovered under:

- Action Policy **MVR 13,965,802**
- Bank Account Freezing Policy **MVR 7,144,774** (42 taxpayers)
- Dues Clearance **MVR 90,343,446**
- Dunning **MVR 71,862,452**
- Court Cases **MVR 1,271,310**
- Reminder calls/emails **MVR 144,557,445**



Final notices issued to **1,216** non-filers and **1,132** non-payers  
 Installment plans granted to **62** taxpayers

## OBJECTIONS

**23**

objections received

- 15 GGST    2 TGST
- 4 WHT     2 BPT

**15**

objections completed

- 5 GGST    3 TGST
- 5 WHT     2 BPT

## LEGAL ACTIONS



**14**

cases filed by MIRA  
 1 with High Court  
 13 with Civil Court



**2**

cases filed against MIRA



**4**

cases filed with the Civil Court were withdrawn by MIRA



**24**

judgements passed in favour of MIRA



**0**

judgement passed against MIRA

## COMPLIANCE

**1,318**

non-compliance notices issued



**1,445**

compliance visits

## TAX RULINGS ISSUED

- G31** Fifteenth amendment to the Goods and Services Tax Regulation
- G32** Sixteenth amendment to the Goods and Services Tax Regulation
- B50** Incorporation of business carried on through a permanent establishment
- B51** First amendment to the Tax Ruling TR-2015/B49
- B52** First amendment to the Tax Ruling TR-2015/B38
- A4** First amendment to the Tax Agents Regulation
- A5** First amendment to the Tax Administration Regulation
- A6** Second amendment to the Tax Administration Regulation

## HUMAN RESOURCE MANAGEMENT



**21**

staff recruited during the quarter

**21**

staff terminated during the quarter

**244**

staff working at MIRA at the end of the quarter

# TRAININGS

**13**

trainings held (8 overseas, 5 local)

**115** staff trained

**14**

staff studying for ACCA on scholarship



## OVERSEAS TRAININGS

1. Official trip to American Power Conversion regional office in Bangalore, India from 18-21 February 2016 (2 participants).
2. Workshop on Income Tax held in Korea from 22-26 February 2016 (2 participants).
3. Digital Marketing Training held in Malaysia from 29 February to 2 March 2016 (2 participants).
4. The Del Future e-ready solutions event held in Sri Lanka on 15 March 2016 (1 participant).
5. Study tour at Global Cisco Briefing Centre held in India from 17-18 March 2016 (2 participants).
6. Tax Treaty-Special Issues held in Malaysia from 14-18 March 2016 (2 participants).
7. Workshop on Evaluation and Analysis of Tax Policy held in China from 14-18 March 2016 (2 Participants).
8. SAARC Seminar on Modern Techniques of Investigation and Intelligence Gathering from 8-11 March 2016 (3 participants).

## LOCAL TRAININGS

1. Corruption Prevention conducted by the Anti Corruption Commission on 15 March 2016 (15 participants).
2. Microsoft Training conducted by Microsoft on 30 March 2016 (50 participants).
3. Information session regarding the change in the regulation governing vessel fees, conducted by Transport Authority on 11 February 2016 (29 participants).
4. Virtual Desktop Infrastructure workshop conducted by Dell and Maxcom Technologies Pvt Ltd on 17 March 2016 (2 participants).
5. Chief Information Officer Forum conducted by Hewlett Packard Enterprise on 29 March 2016 (3 participants).

# C. QUARTER IN PICTURES



27 March: Signing the Memorandum of Understanding between MIRA and Ministry of Islamic Affairs- MIRA to collect Zakat Al-Mal commencing from 1 June 2016



26 March: MIRA staff visit patients in IGMH



3 March: Official opening of Fonadhoo Branch



Official opening of Addu Branch on 1 Feb (Left), B. Evidhafushi Branch on 31 March (Center), and Fuvahmulah collection centre on 11 Feb (Right)



23Jan: Annual futsal tournament among MIRA staff, "CG CUP", was held



22Jan: MIRA staff donated a motorized wheelchair to a disabled child at the Maldives Association of Physical Disabilities (MAPD) Opportunities launching event



22March: MIRA participated in the awareness march organized by Beautiful Eyes Down Syndrome Association



21Jan: 'Kobad Raseedhu' campaign winners awarding ceremony



24Jan: MIRA delivered a session at the Associations' Symposium organized by the Ministry of Home Affairs



16-20March: MIRA participated in the Democracy Week organized by Elections Commission, held in HA. Hoarafushi



Awareness sessions in the atolls



27-29Jan: MIRA participated in the MACI Build and Home Expo

# D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 16Q1 (MVR)

Description	16Q1	% Share
Airport Service Charge	135,787,780	3.1%
Bank Profit Tax	310,086	0.0%
Business Permits <sup>1</sup>	13,420,107	0.3%
BPT	962,757,924	22.3%
Fines	35,857,926	0.8%
GGST	542,947,652	12.6%
TGST	1,162,909,251	26.9%
Green Tax	161,796,956	3.7%
Land Acquisition and Conversion Fee	480,932,560	11.1%
Land Sales Tax	6,318,877	0.1%
Lease Period Extension Fee	370,526,430	8.6%
Non-tourism Property Income <sup>2</sup>	29,960,664	0.7%
Proceeds from Sale of Assets <sup>3</sup>	2,328,911	0.1%
Resident Permit	62,506,900	1.4%
Revenue Stamp	10,842,373	0.3%
Royalties <sup>4</sup>	18,129,564	0.4%
Tourism Land Rent	299,757,223	6.9%
Tourism Tax	123,701	0.0%
Vehicle Fee	19,193,292	0.4%
Vessels Fee	3,564,117	0.1%
Others <sup>5</sup>	861,841	0.0%
<b>Total</b>	<b>4,320,834,135</b>	<b>100%</b>

<sup>1</sup> **Business Permits:** Company Annual Fee, Restaurant, Café, Canteen Fee, Flat Maintenance Fee, Partnership Fees, Import Trade Fee, Co-operative Society Fees, Trade Registry Fee, Foreign Investment Administration Annual Fee, Company Registration Fee, Foreign Business Fee

<sup>2</sup> **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

<sup>3</sup> **Proceeds from Sale of Assets:** Sale of items at auction, Sale of Government Buildings, Sale of Government Lands

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

<sup>5</sup> **Others:** Reimbursement from previous year's budget, International Airport fees

Table 2 Total USD Revenue Contribution, 16Q1 (USD)

Description	16Q1	% Share
TGST	75,992,399	40.5%
Land Acquisition and Conversion Fee	31,452,076	16.8%
Lease Period Extension Fee	24,184,669	12.9%
Tourism Land Rent	19,573,117	10.4%
BPT	16,207,387	8.6%
Green Tax	10,571,116	5.6%
Others	9,751,224	5.2%
<b>Total</b>	<b>187,731,989</b>	<b>100%</b>

\* Others: Airport Service Charge, Business Permits, Royalties, Foreign Investment Administration Annual Fee, Sale of Government Land, Tourism Tax and Fines

Table 3 Comparison Against 15Q1 (MVR)

Description	Actual 16Q1	Actual 15Q1	% Growth
Airport Service Charge	135,787,780	127,654,937	6.4%
Bank Profit Tax	310,086	-	
Business Permits <sup>1</sup>	13,420,107	13,020,916	3.1%
BPT	962,757,924	979,825,502	-1.7%
Fines	35,857,926	72,448,524	-50.5%
GGST	542,947,652	436,404,515	24.4%
TGST	1,162,909,251	1,287,532,482	-9.7%
Green Tax	161,796,956	-	
Land Acquisition and Conversion Fee	480,932,560	15,856,042	2933.1%
Land Sales Tax	6,318,877	14,481,342	-56.4%
Lease Period Extension Fee	370,526,430	316,752,637	17.0%
Non-tourism Property Income <sup>2</sup>	29,960,664	26,334,499	13.8%
Proceeds from Sale of Assets <sup>3</sup>	2,328,911	2,083,005	11.8%
Resident Permit	62,506,900	57,504,810	8.7%
Revenue Stamp	10,842,373	10,149,374	6.8%
Royalties <sup>4</sup>	18,129,564	19,835,015	-8.6%
Tourism Land Rent	299,757,223	322,701,420	-7.1%
Tourism Tax	123,701	354,421	-65.1%
Vehicle Fee	19,193,292	15,215,014	26.1%
Vessels Fee	3,564,117	2,169,733	64.3%
Others <sup>5</sup>	861,841	560	153800.2%
<b>Total</b>	<b>4,320,834,135</b>	<b>3,720,324,749</b>	<b>16.1%</b>

\* Refer to Table 1 footnotes for details

Table 4 Comparison Against Projection (MVR)

Description	Actual 16Q1	Projection 16Q1	% Variance
Airport Service Charge	135,787,780	157,365,989	-13.7%
Bank Profit Tax	310,086	-	
Business Permits <sup>1</sup>	13,420,107	12,363,211	8.5%
BPT	962,757,924	996,637,468	-3.4%
Fines	35,857,926	54,088,755	-33.7%
GGST	542,947,652	509,561,656	6.6%
TGST	1,162,909,251	1,397,950,447	-16.8%
Green Tax	161,796,956	180,259,184	-10.2%
Land Acquisition and Conversion Fee	480,932,560	32,760,401	1368.0%
Land Sales Tax	6,318,877	13,351,810	-52.7%
Lease Period Extension Fee	370,526,430	276,660,000	33.9%
Non-tourism Property Income <sup>2</sup>	29,960,664	27,362,024	9.5%
Proceeds from Sale of Assets <sup>3</sup>	2,328,911	1,739,885	33.9%
Resident Permit	62,506,900	59,868,507	4.4%
Revenue Stamp	10,842,373	10,303,059	5.2%
Royalties <sup>4</sup>	18,129,564	23,513,306	-22.9%
Tourism Land Rent	299,757,223	344,007,553	-12.9%
Tourism Tax	123,701	-	
Vehicle Fee	19,193,292	15,053,140	27.5%
Vessels Fee	3,564,117	2,163,768	64.7%
Others <sup>5</sup>	861,841		
<b>Total</b>	<b>4,320,834,135</b>	<b>4,115,010,163</b>	<b>5.0%</b>

Table 5 TGST Breakdown, 16Q1

Category	Number of Taxpayers	Number of GST Returns	GST Liability (USD) **
Tourist resort	123	362	66,119,986
Tourist hotel	18	41	1,393,828
Tourist guest house	301	365	661,678
Tourist vessel	155	312	1,028,682
Picnic island	8	18	102,867
Yacht marina	-	-	-
Diving school*	66	130	1,037,289
Shop*	77	171	466,220
Spa*	25	67	317,957
Water sports facility*	26	53	364,590
Other places located on tourist establishments	105	182	439,020
Travel agency service provider	515	734	593,506
Foreign tourist vessels' agent	9	13	28,201
Domestic air transport provider	4	12	5,141,031

\* Located on a tourist establishment

\*\* Discrepancy between GST liability and collection is due to adjustments by the taxpayer



miramaldives



Mira Maldives



MIRAmaldives



Maldives Inland Revenue Authority

☎ 1415

✉ 1415@mira.gov.mv



www.mira.gov.mv