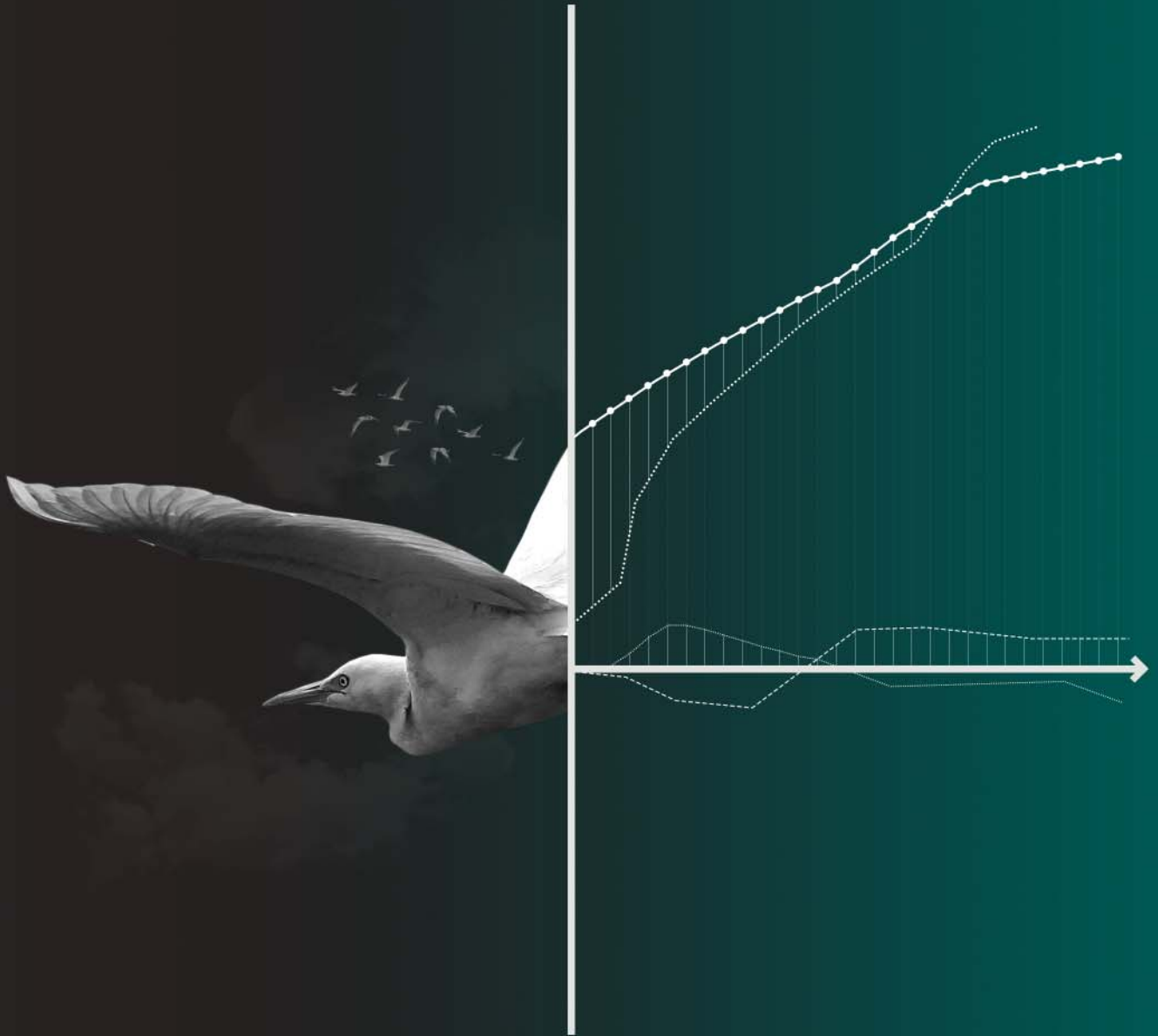




MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT
Q4 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
18Q1	2018, First Quarter
ACCA	Association of Chartered Certified Accountants
ASC	Airport Service Charge
ADF	Airport Development Fee
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

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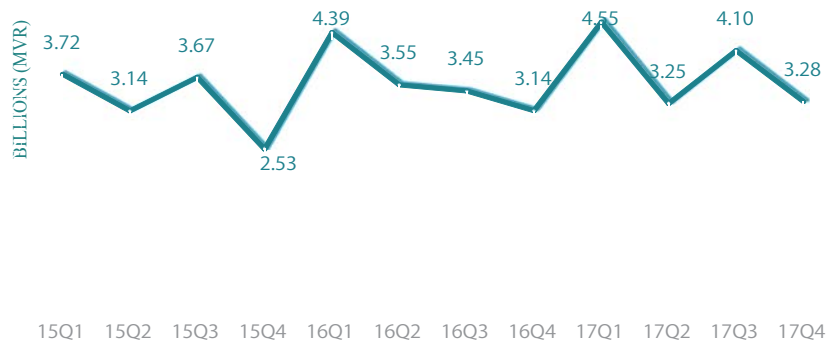
D. DETAILED
REVENUE FIGURES

A. REVENUE COLLECTION

1. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



The quarterly collection totaled MVR 3.28 billion in 17Q4. Revenue of 17Q4 exceeded the collection of the corresponding quarter of 2016 and projection by 4.6% and 7.0%, respectively.

The reasons behind the increase when compared to 16Q4 is the increase in BPT, GST, Green Tax, Airport Service Charge and the inclusion of Airport Development Fee collection in 17Q4.

Collection during the quarter is greater than the forecasted revenue due to the increase in revenue of GST, Green Tax, Withholding Tax and receipt of Lease Period Extension Fee during the quarter

MVR 3.28 billion

Total collection, inclusive of USD collection

+4.6%

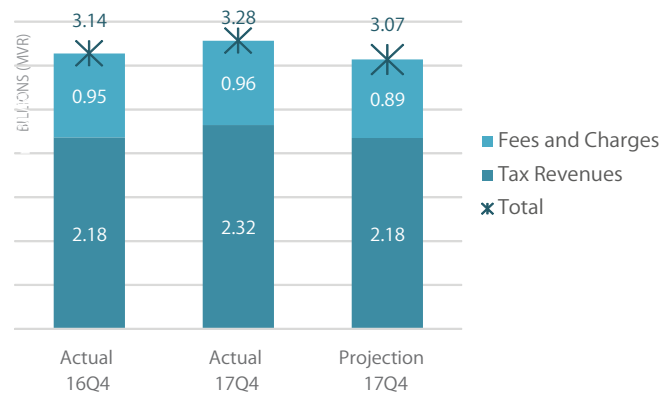
compared to 16Q4

+7.0%

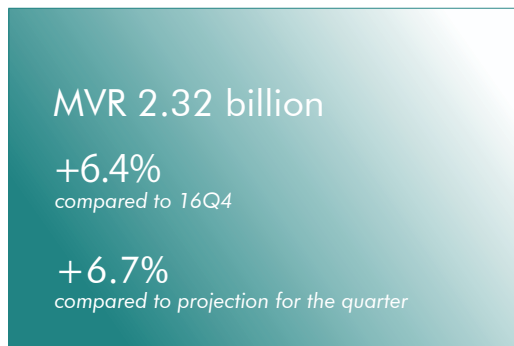
compared to projection for the quarter

1.2

REVENUE COMPOSITION OF 17Q4



TAX REVENUES



NON-TAX REVENUES



All tax revenues in 17Q4 outdid the collection of the corresponding quarter in 2016, except the Withholding Tax revenue. Overall increase of tax revenues sums to MVR 139.74 million compared to 16Q4.

Compared to 16Q4, the highest relative increment in revenue was from GST, TGST revenue in particular. This is largely due to the surge in tourist arrivals by 9.4%, resulting in an increase of MVR 111.48 million in TGST revenue compared to the corresponding period of the previous year. Furthermore, due to the above-mentioned reason, Green Tax revenue increased by MVR 12.34 million.

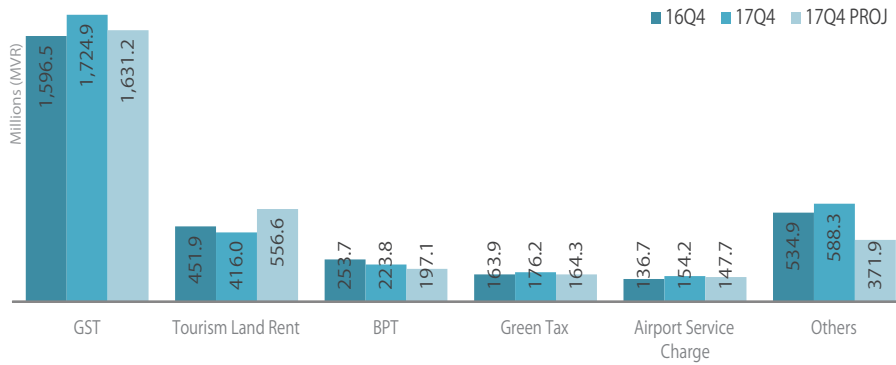
Likewise, revenue from Airport Service Charge has increased by MVR 17.46 million compared to 16Q4. This was the result of increase in foreign departures by 10.7% and the receipt of arrears from previous periods in the last quarter of 2017. Additionally, BPT collection of the period surpassed the collection of 16Q4 by MVR 17.90 million, collectively leading to the positive variances compared to 16Q4 and the forecasted revenue.

Remittance Tax, which commenced in 16Q4, contributed MVR 24.15 million to revenue this quarter.

The increment from Fees and Charges is slightly above the collection of 16Q4. Although the revenue of Airport Development Fee is included in the collection of 17Q4, the positive variance is hindered by the decrement of Land Acquisition and Conversion Fee, Lease Period Extension Fee and the Tourism Land Rent.

The deadline for the Tourism Land Rent for the first quarter of 2018 fell on a public holiday, so the deadline was extended to 2nd January 2018.

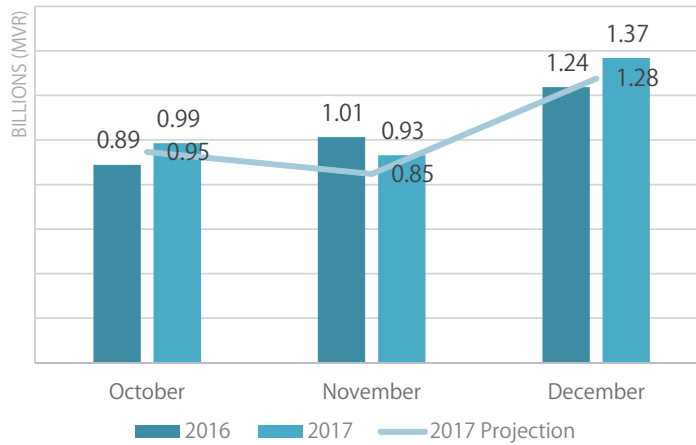
TOP FIVE REVENUE CONTRIBUTORS OF 17Q4



Revenue	Compared to 16Q4	Compared to Projection	% Share of 17Q4
GST	8.0%	5.7%	52.5%
Tourism Land Rent	-7.9%	-25.3%	12.7%
BPT	-11.8%	13.6%	6.8%
Green Tax	7.5%	7.3%	5.4%
Airport Service Charge	12.8%	4.4%	4.7%

Top 5 revenue contributors for the quarter mutually account for 82.1% of the total revenue.

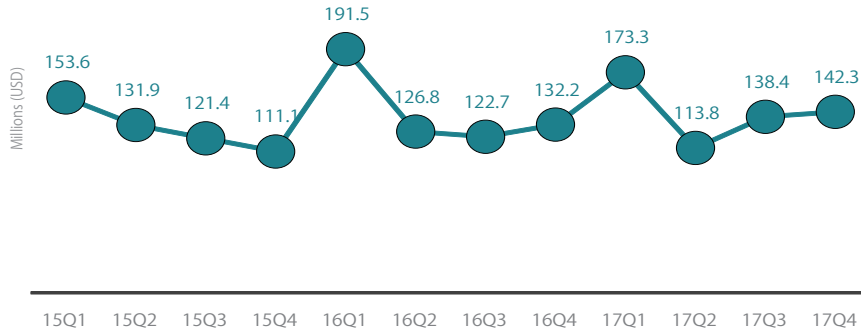
1.3 COMPARISON AGAINST 16Q4: MONTHLY



Months	Compared to 2016	Compared to Projection
October	+10.9%	+4.2%
November	-8.0%	+9.9%
December	+10.5%	+7.2%

2. USD REVENUE COLLECTION

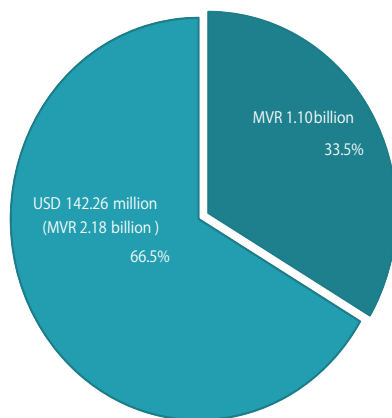
2.1 USD COLLECTION



USD 142.3 million
+7.6%
compared to 16Q4

One of the main reasons for the increase was the collection of Airport Development Fee in 17Q4, which commenced from May 2017. Additionally, TGST for this quarter was notably higher than 16Q4.

2.2 CURRENCY COMPOSITION

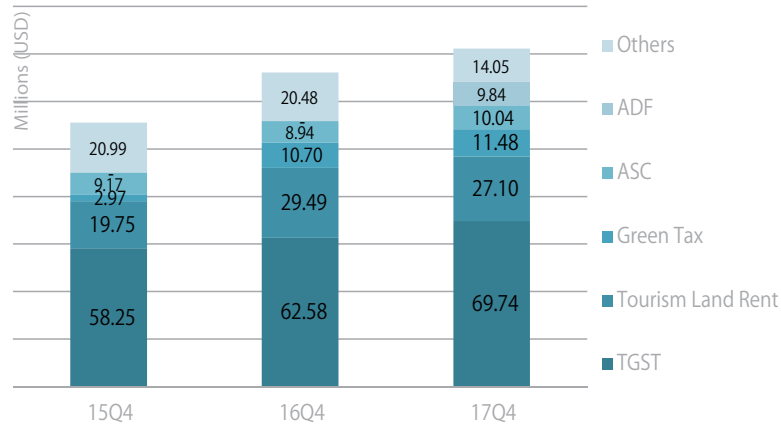


Revenue received in MVR accounts for 33.5% of the revenue, which is MVR 1.10 billion.

66.5% of the revenue was received in USD (USD 142.26 million), which is equivalent to MVR 2.18 billion.

2.3

USD REVENUE GROWTH

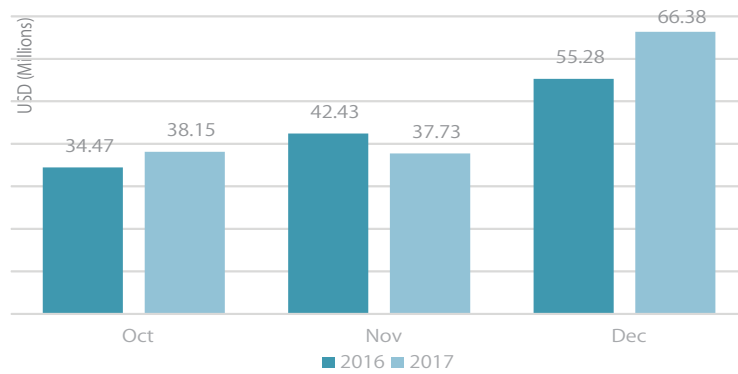


Revenue	Compared to 16Q4	% Share of 17Q4
TGST	11.4%	49.0%
Tourism Land Rent	-8.1%	19.1%
Green Tax	7.3%	8.1%
Airport Service Charge (ASC)	12.4%	7.1%
Airport Development Fee (ADF)	-	6.9%

The top five USD contributors mutually account for 94.1% of the total USD revenue.

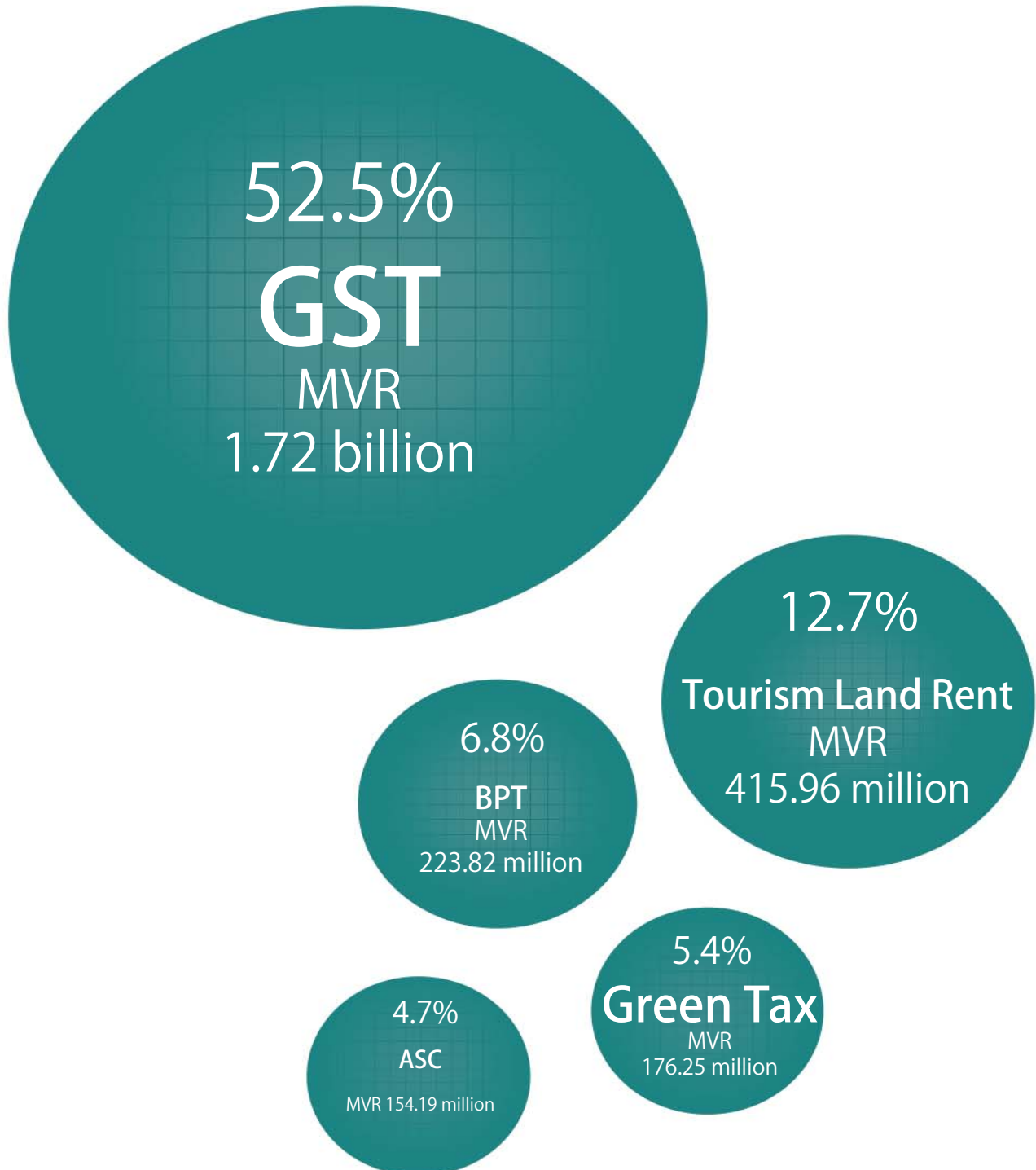
2.4

COMPARISON AGAINST 16Q4: MONTHLY



Months	Compared to 2016
October	+10.9%
November	-8.0%
December	+10.5%

3. TOP REVENUE CONTRIBUTORS



3.1

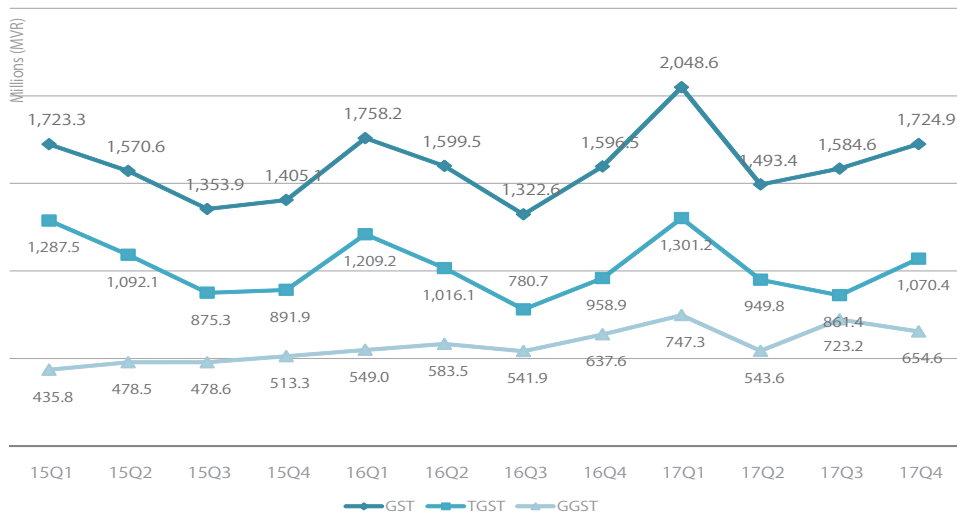
TOTAL GST COLLECTION

MVR 1.72 billion

+8.0%
compared to 16Q4

+5.7%
compared to projection for the quarter

62.1% of the GST collection relates to tourism sector, while the remaining 37.9% relates to the GST from general sector in 17Q4.



3.2

TGST COLLECTION

MVR 1.07 billion

+11.6%
compared to 16Q4

+4.2%
compared to projection for the quarter

3.3

GGST COLLECTION

MVR 654.6 million

+2.7%
compared to 16Q4

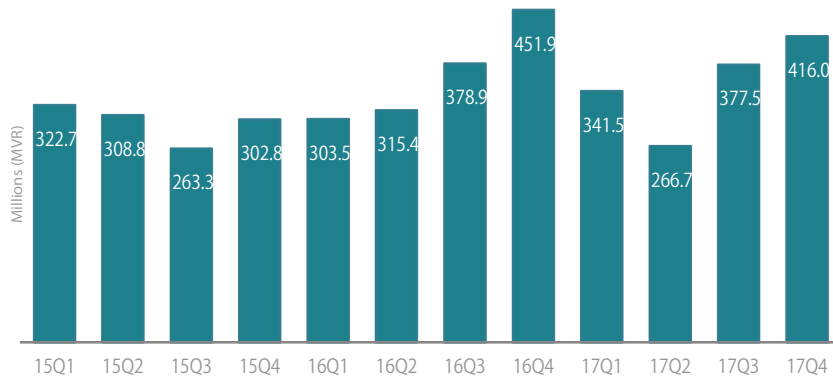
+8.5%
compared to projection for the quarter

Tourist arrivals grew by 9.4% when compared with the arrivals of the corresponding quarter of the previous year, which led to the significant increment of TGST revenue in 17Q4.

GGST revenue depicts an upward trend over the quarters. This increase is related to the growth in the number of businesses observed over these periods.

3.4

TOURISM LAND RENT COLLECTION



MVR 416.0 million
 -7.9% compared to 16Q4
 -25.3% compared to projection for the quarter

The deadline for the first quarter of 2018 was extended to 2nd January 2018 since the government declared 31st December 2017 as a public holiday, which led to the decrease in Tourism Land Revenue received in 17Q4, compared to 16Q4 and projection

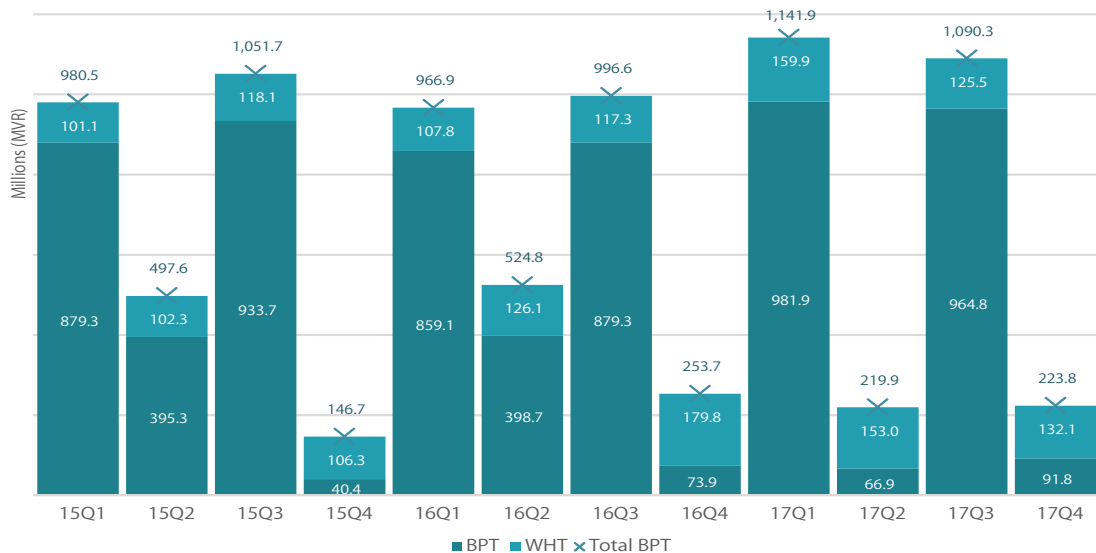
3.5

TOTAL BPT COLLECTION

MVR 223.82 million
 -11.8% compared to 16Q4
 +13.6% 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 17Q4, 41.0% of the BPT revenue relates to the profit component of while the remaining 59.0% relates to Withholding Tax revenue.



3.6 BPT PROFIT COMPONENT COLLECTION

MVR 91.77 million

+ 24.2%
compared to 16Q4

- 11.3%
compared to projection for the quarter

The fluctuations in the total BPT revenue over the quarters is dictated by the BPT deadlines (Interim and final payment deadlines). No deadline fell in the last quarter of 2017. Compared to 16Q4, the collection of arrear payments has risen by MVR 16.95 million. Moreover, the second interim payment for the respective year has increased by 21.93 million compared to 16Q4. On the other hand, as the collection of assessed tax fell by MVR 14.23 million compared to 16Q4, actual collection fell short of the forecasted revenue.

3.7 WHT COLLECTION

MVR 132.06million

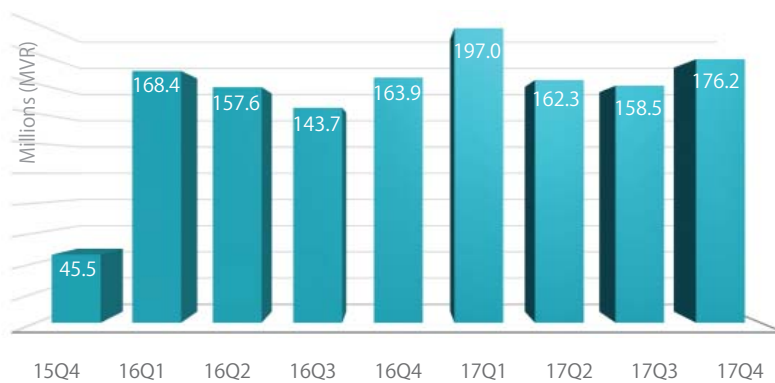
- 26.6%
compared to 16Q4

+ 40.9%
compared to projection for the quarter

Pursuant to the Tenth Amendment to BPT regulation, a window to declare pending WHT without incurring fines were given to the taxpayers in 16Q4, in which the WHT revenue was marked at the peak in 16Q4 over the past quarters.

However, this created a negative variance of 26.6% in the revenue of 17Q4, as most of the taxpayers paid their dues before 15th December 2016 to avoid the fines. Since then, on-time declarations have increased, which meant the revenue of 17Q4 to be on-top of the forecasted revenue for the quarter.

3.8 GREEN TAX COLLECTION



MVR 176.25 million

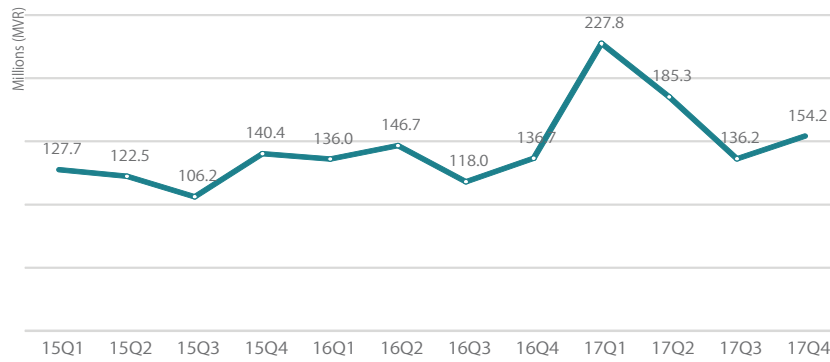
+7.5%
compared to 16Q4

+7.3%
compared to projection for the quarter

Revenue from Green Tax totaled to MVR 176.25 million. The increment was accommodated due to the increase in tourist arrivals compared to 2016. Also, Green Tax collection from tourist Guesthouses commenced from 1st October 2016. The registration of guesthouses has doubled, while 11 new resorts were in operation in 2017 compared to 2016.

3.9

AIRPORT SERVICE CHARGE COLLECTION



MVR 154.2 million

+ 12.8%
compared to 16Q4

+ 4.4%
compared to projection for the quarter

The increase in Airport Service Charge collection can be attributed to the increase in departures compared to 16Q4. Foreign departures in 17Q4 have increased by 10.7% while local departures were also increased by 9.9% compared to 16Q4.

4. OUTLOOK

4.1

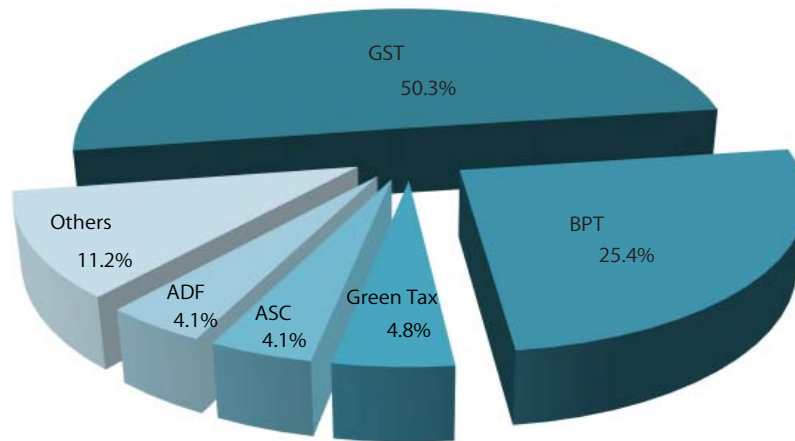
REVENUE OUTLOOK FOR 18Q1



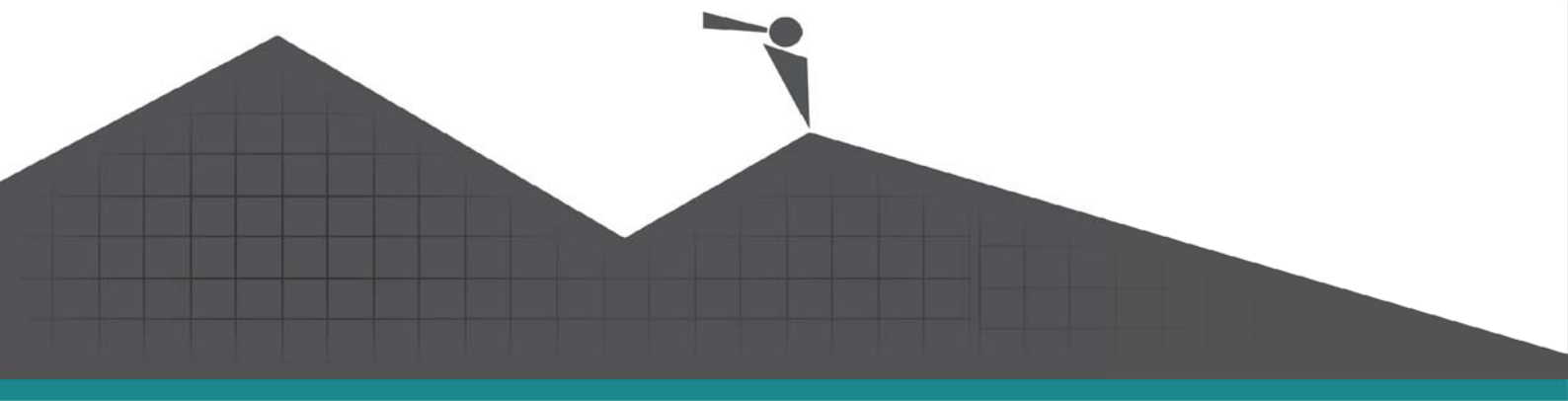
MVR 4.21 billion projected to be received in the upcoming quarter, 18Q1, which is an increment of 28.3% compared to 17Q4.

4.2

18Q1 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 18Q1 followed by BPT since the deadline for the second interim payment of 2017 falls in 18Q1. Green tax, Airport Service Charge and Airport Development Fee are also projected to be in the top five for the succeeding quarter.



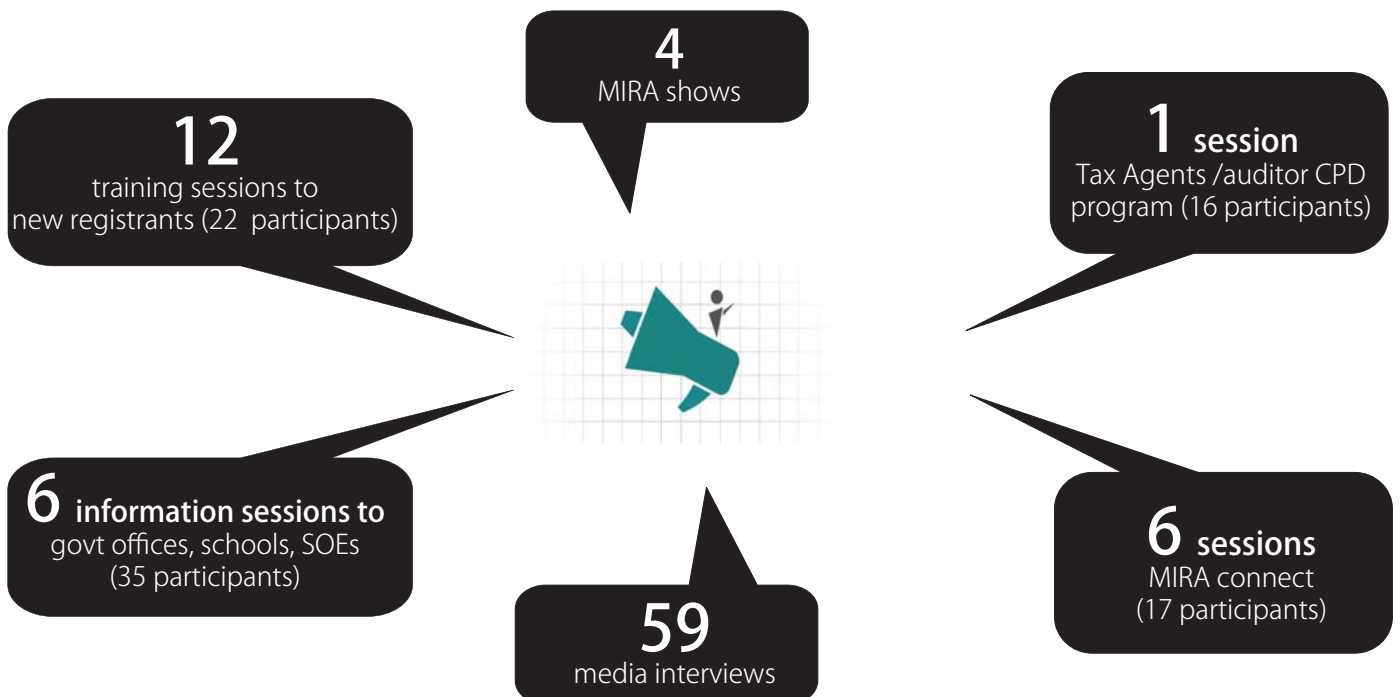
B. ACTIVITIES DURING THE QUARTER

TAX RULINGS ISSUED

- G43 Twenty second amendment to the Goods and Services Tax Regulation
- G44 Fourth amendment to the Tax Ruling TR-2015/G23
- G45 Twenty third amendment to the Goods and Services Tax Regulation
- B62 First amendment to the Tax Ruling TR-2013/B25
- A14 First amendment to the Online Filing and Payment Regulation



TAXPAYER AWARENESS PROGRAMS



COMPLIANCE

- ✓ **1,998** compliance visits
- ✓ **124** non-compliance notices issued

AUDITS AND INVESTIGATIONS

3 Investigation audits completed
 additional tax assessed:
 MVR 260,667

1 Criminal Investigations completed

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	286	26,197,214
TGST	74	32,383,579
BPT	133	265,459,447
WHT	46	53,545,482
Green Tax	26	1,147,928
Total	565	378,733,650

565
AUDITS

MVR 378.73 million
additional tax assessed

REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Business Registrants	32,141	975	1,373	32,727
TGST	1,531	73	408	1,585
GGST	10,381	498	1,931	10,804
Green Tax	699	63	112	731
Remittance Tax	12	0	0	12
Bank Profit Tax	7	0	0	7
Airport Service Charge	36	4	1	40

ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 346,630,237

Amount recovered under:

Action Policy MVR 4,304,486

Bank Account Freezing Policy MVR 55,198,664

Dues Clearance MVR 27,264,261

Dunning MVR 125,535,125

Court Cases MVR 1,699,109

Reminder calls/emails MVR 132,628,592

Final notices issued to 2,158 non-filers and 2,128 non-payers

Installment plans granted to 284 taxpayers in 17Q4

OBJECTIONS

33 objections received



27 objections completed



LEGAL ACTIONS



- **22** cases filed by MIRA
22 with Civil Court
- **0** cases filed against MIRA
- **17** judgements passed in favour of MIRA
- **0** judgements passed against MIRA

HUMAN RESOURCE MANAGEMENT



25

staff recruited during the quarter

3

staff terminated during the quarter

284

staff working at MIRA at the end of the quarter

TRAININGS AND CONFERENCES

8

overseas conferences/seminars

2 participants

12

trainings/local seminars

263 staff trained

14

staff studying for ACCA on scholarship

8

overseas training held

16 participants

C. QUARTER IN PICTURES

Double Tax Avoidance Agreement between UAE and the Maldives was signed



Oct 17

AAROA Futsal Tournament



Oct 6-7

Official opening of Nilandhoo Collection Center



Oct 19

Official opening of Kudahuvadho Collection Center



Oct 19

Technical Assistance from Central Board of Direct Taxes (CBDT) of India to implement transfer pricing in the Maldives from 3 November 2017 to 1 February 2018



Nov 3

IMF Mission: Reviewing the Strategic Plan of MIRA



Oct 24

MIRA participated in the Islamic Fair organized by the Ministry of Islamic Affairs



Dec 11

Kudakudhinge Haveeru held on Anti-corruption day



Dec 3

D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 17Q4 (MVR)

Description	17Q4	% Share
TAX REVENUES	2,322,556,172	70.7%
Airport Service Charge	154,189,320	4.7%
Bank Profit Tax	-	0.0%
BPT	91,761,700	2.8%
Green Tax	176,247,575	5.4%
GGST	654,568,209	19.9%
TGST	1,070,379,581	32.6%
Land Sales Tax	8,985,817	0.3%
Remittance Tax	24,152,749	0.7%
Revenue Stamp	10,205,122	0.3%
Tourism Tax	3,072	0.0%
WHT	132,063,027	4.0%
NON-TAX REVENUES	960,896,553	29.3%
Airport Development Fee Charge	151,586,908	4.6%
Business Permits ¹	11,405,677	0.3%
Construction Period Extension Fee	17,490,000	0.5%
Corporate Social Responsibility Fee	-	0.0%
Fines	57,798,633	1.8%
Land Acquisition and Conversion Fee	17,403,343	0.5%
Lease Period Extension Fee	112,632,000	3.4%
Non-tourism Property Income ²	35,374,743	1.1%
Ownership Transfer Tax	1,611,800	0.0%
Proceeds from Sale of Assets ³	9,619,977	0.3%
Resident Permit	76,043,210	2.3%
Royalties ⁴	22,306,243	0.7%
Tourism Administration Fee	-	0.0%
Tourism Land Rent	415,962,810	12.7%
Vehicle Fee	20,816,671	0.6%
Vessels Fee	7,411,186	0.2%
Others ⁵	3,433,353	0.1%
Total	3,283,452,726	100%
<i>Zakat Al-Mal</i>	<i>19,040,270</i>	<i>-</i>
<i>Donation/Sadaqah</i>	<i>10,202</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, 17Q4 (USD)

Description	17Q4	% Share
TGST	69,736,425	49.0%
Tourism Land Rent	27,100,579	19.1%
Green Tax	11,484,404	8.1%
Airport Service Charge	10,043,861	7.1%
Airport Development Fee	9,837,101	6.9%
Others	14,053,859	9.9%
Total	142,256,229	100%

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

Table 3 Comparison Against 16Q4 (MVR)

Description	Actual 17Q4	Actual 16Q4	% Growth
TAX REVENUES	2,322,556,172	2,182,814,857	6.4%
Airport Service Charge	154,189,320	136,728,959	12.8%
Bank Profit Tax	-	11,079	-100.0%
BPT	91,761,700	73,858,771	24.2%
Green Tax	176,247,575	163,910,525	7.5%
GGST	654,568,209	637,633,528	2.7%
TGST	1,070,379,581	958,897,497	11.6%
Land Sales Tax	8,985,817	7,408,157	21.3%
Remittance Tax	24,152,749	14,583,885	65.6%
Revenue Stamp	10,205,122	9,953,303	2.5%
Tourism Tax	3,072	-	-
WHT	132,063,027	179,829,152	-26.6%
NON-TAX REVENUES	960,896,553	954,866,071	0.6%
Airport Development Fee	151,586,908	-	-
Business Permits ¹	11,405,677	8,335,743	36.8%
Construction Period Extension Fee	17,490,000	-	-
Corporate Social Responsibility Fee	-	-	-
Fines	57,798,633	58,083,882	-0.5%
Land Acquisition and Conversion Fee	17,403,343	99,759,680	-82.6%
Lease Period Extension Fee	112,632,000	176,545,000	-36.2%
Non-tourism Property Income ²	35,374,743	37,744,334	-6.3%
Ownership Transfer Tax	1,611,800	-	-
Proceeds from Sale of Assets ³	9,619,977	6,472,982	48.6%
Resident Permit	76,043,210	70,763,850	7.5%
Royalties ⁴	22,306,243	19,299,439	15.6%
Tourism Administration Fee	-	-	-
Tourism Land Rent	415,962,810	451,874,532	-7.9%
Vehicle Fee	20,816,671	19,399,625	7.3%
Vessels Fee	7,411,186	6,343,384	16.8%
Others ⁵	3,433,353	243,620	1309.3%
Total	3,283,452,726	3,137,680,928	4.6%

* Refer to Table 1 footnotes for details

Table 4 Comparison Against Projection (MVR)

Description	Actual 17Q4	Projection 17Q4	% Variance
TAX REVENUES	2,322,556,172	2,175,968,368	6.7%
Airport Service Charge	154,189,320	147,688,051	4.4%
Bank Profit Tax	-	-	
BPT	91,761,700	103,405,304	-11.3%
Green Tax	176,247,575	164,319,765	7.3%
GGST	654,568,209	603,486,996	8.5%
TGST	1,070,379,581	1,027,683,047	4.2%
Land Sales Tax	8,985,817	5,389,480	66.7%
Remittance Tax	24,152,749	20,651,433	17.0%
Revenue Stamp	10,205,122	9,634,778	5.9%
Tourism Tax	3,072	-	
WHT	132,063,027	93,709,514	40.9%
NON-TAX REVENUES	960,896,553	892,798,279	7.6%
Airport Development Fee	151,586,908	147,688,051	2.6%
Business Permits ¹	11,405,677	8,842,375	29.0%
Construction Period Extension Fee	17,490,000	-	
Corporate Social Responsibility Fee	-	-	
Fines	57,798,633	28,487,811	102.9%
Land Acquisition and Conversion Fee	17,403,343	6,660,574	161.3%
Lease Period Extension Fee	112,632,000	-	
Non-tourism Property Income ²	35,374,743	31,423,784	12.6%
Ownership Transfer Tax	1,611,800	-	
Proceeds from Sale of Assets ³	9,619,977	2,295,087	319.2%
Resident Permit	76,043,210	69,001,375	10.2%
Royalties ⁴	22,306,243	22,620,576	-1.4%
Tourism Administration Fee	-	-	
Tourism Land Rent	415,962,810	556,604,089	-25.3%
Vehicle Fee	20,816,671	15,951,851	30.5%
Vessels Fee	7,411,186	3,222,705	130.0%
Others ⁵	3,433,353	-	
Total	3,283,452,726	3,068,766,647	7.0%

Table 5 Multi-year Summary (MVR in millions)

Description	Actual 14Q4	Actual 15Q4	Actual 16Q4	Actual 17Q4
TAX REVENUES	1,742.2	1,750.4	2,182.8	2,322.6
Airport Service Charge	131.6	140.4	136.7	154.2
Bank Profit Tax	-	-	0.0	-
BPT	48.5	40.4	73.9	91.8
Green Tax	-	45.5	163.9	176.2
GGST	404.2	513.3	637.6	654.6
TGST	830.3	891.9	958.9	1,070.4
Land Sales Tax	5.1	4.1	7.4	9.0
Remittance Tax	-	-	14.6	24.2
Revenue Stamp	10.4	8.5	10.0	10.2
Tourism Tax	217.0	0.1	-	0.0
WHT	95.1	106.3	179.8	132.1
NON-TAX REVENUES	729.6	775.3	954.9	960.9
Airport Development Fee				151.6
Business Permits ¹	7.6	8.5	8.3	11.4
Construction Period Extension Fee	-	-	-	17.5
Corporate Social Responsibility Fee	-	-	-	-
Fines	22.9	39.6	58.1	57.8
Land Acquisition and Conversion Fee	20.6	24.5	99.8	17.4
Lease Period Extension Fee	256.9	262.1	176.5	112.6
Non-tourism Property Income ²	26.2	28.2	37.7	35.4
Ownership Transfer Tax	-	-	-	1.6
Proceeds from Sale of Assets ³	2.1	2.0	6.5	9.6
Resident Permit	58.9	68.0	70.8	76.0
Royalties ⁴	21.8	19.4	19.3	22.3
Tourism Administration Fee	-	-	-	-
Tourism Land Rent	297.3	302.8	451.9	416.0
Vehicle Fee	13.8	18.2	19.4	20.8
Vessels Fee	1.5	1.9	6.3	7.4
Others ⁵	-	0.1	0.2	3.4
Total	2,471.7	2,525.6	3,137.7	3,283.5

