



MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT
Q2 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
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)
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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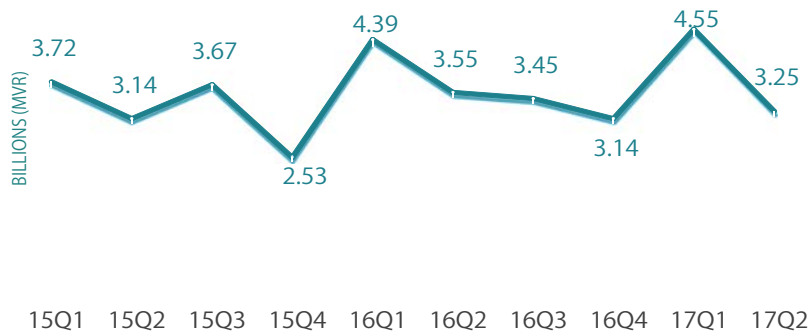
D. DETAILED
REVENUE FIGURES

A. REVENUE COLLECTION

1. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



The quarterly collection totalled MVR 3.25 billion in 17Q2. Revenue of 17Q2 was 8.3% and 4.7% lower compared to the collection of 16Q2 and projection for the quarter, respectively.

The payment deadlines of GST, BPT, Green Tax and Tourism Land Rent for the 3rd quarter of 2017 were extended to July 2017, since the government declared the days preceding to Eid Al-Fitr' as public holidays.

MVR 3.25 billion

Total collection, inclusive of USD collection

- 8.3%

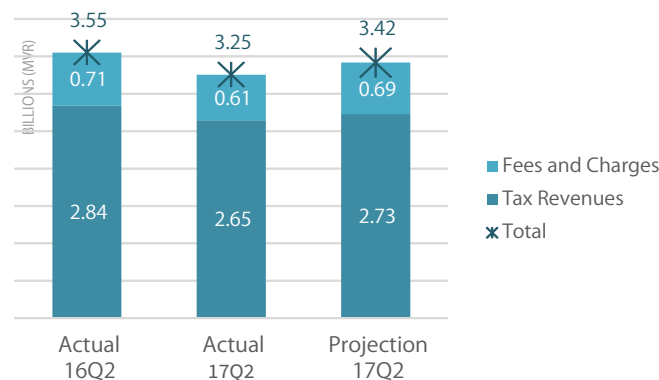
compared to 16Q2

-4.7%

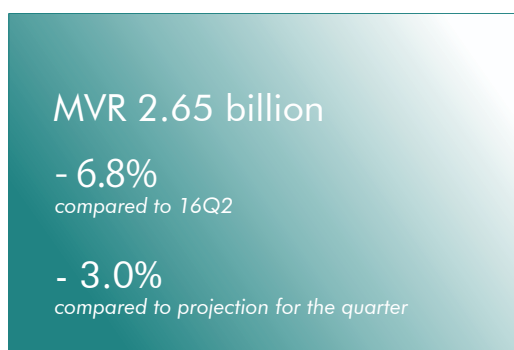
compared to projection for the quarter

1.2

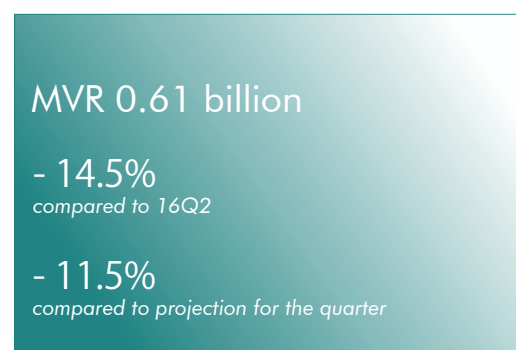
REVENUE COMPOSITION OF 17Q2



TAX REVENUES



NON-TAX REVENUES



Majority of the tax revenues, with the exception of GST and BPT, outdid the collection of 16Q2. However, as BPT and GST are the major revenue contributors, extension of these deadlines lead to an overall decrement of MVR 436.6 million.

Compared to 16Q2, a significant increment in revenue was contributed by Bank Profit Tax and Airport Service Charge. Profits generated from most of the banks were higher compared to the previous year, which lead to an increment of MVR 81.83 million of Bank Profit Tax in 17Q2. Additionally, some airlines declared dues of previous periods which boosted the revenue of Airport Service Charge by MVR 39.39 million.

Revenue from Land Sales Tax has increased by 13 times (i.e. 56.57 million) compared to 16Q2. In 17Q2, Land Sales Tax was received for additional lands sold, when compared to 16Q2.

WHT showed an increment of MVR 26.82 million, while Green Tax showed a positive variance of MVR 4.79 million, compared to 16Q2. WHT collection has increased since the Tenth Amendment to the BPT Regulation, while the commencement of Green taxes from tourist guesthouses from 1 October 2016 led to the increment of Green Tax. Furthermore, Remittance Tax contributed MVR 32.86 million to total revenue.

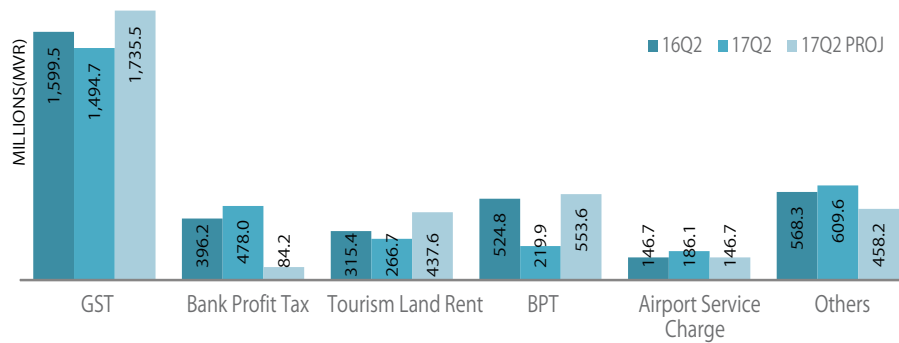
Though all the tax revenues have increased compared to 16Q2, it was not enough to counter the negative variance created by the extension of BPT and GST deadline to July 2017.

The main reason behind this fall was the decrement of Tourism Land Rent and Land Acquisition and Conversion Fee collection.

Tourism Land Rent payment for the 3rd quarter of 2017 was extended to July, since the government declared the days preceding Eid Al-Fitr' as public holidays. In addition to this, the decrement of Land Acquisition and Conversion Fee is mainly due to the decrement of taxpayers and the settlement of dues in 16Q2. Some of the taxpayers settled their lease payments in full in the last quarter, which created the variance between the revenue figures of these two quarters.

Airport Development Fee (ADF) was commenced from May 2017 and collection has begun as of June 2017. MVR 41.99 million was received as Airport Development Fee in June 2017.

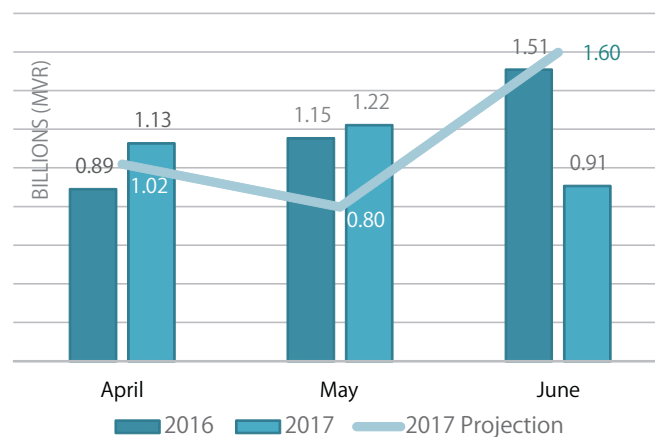
1.3 TOP FIVE REVENUE CONTRIBUTORS OF 17Q2



Revenue	Compared to 16Q2	Compared to Projection	% Share of 17Q2
GST	-6.6%	-13.9%	45.9%
Bank Profit Tax	+20.7%	+467.6%	14.7%
Tourism Land Rent	-15.5%	-39.1%	8.2%
BPT	-58.1%	-60.3%	6.8%
Airport Service Charge	+26.9%	+26.8%	5.7%

Top five revenue contributors for the quarter mutually account for 81.3% of the total revenue.

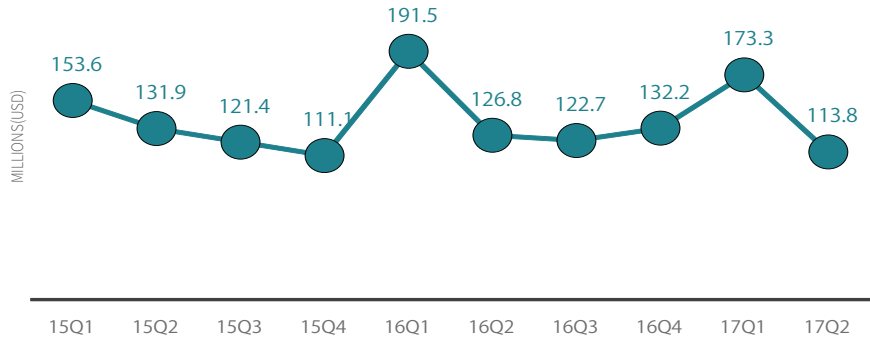
1.4 COMPARISON AGAINST 16Q1: MONTHLY



Months	Compared to 2016	Compared to Projection
April	+26.6%	+10.5%
May	+6.0%	+53.1%
June	-39.9%	-43.3%

2. USD REVENUE COLLECTION

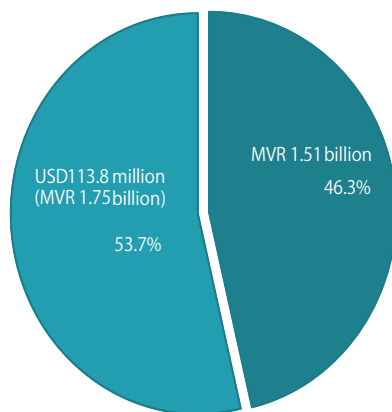
2.1 USD COLLECTION



USD 113.8 million
 -10.2%
 compared to 16Q2

The decline in USD collection was mainly due to the extension of BPT, GST and Tourism Land Rent deadlines into July 2017. A variance of USD 12.89 million was observed, due to the deadline extension.

2.2 CURRENCY COMPOSITION

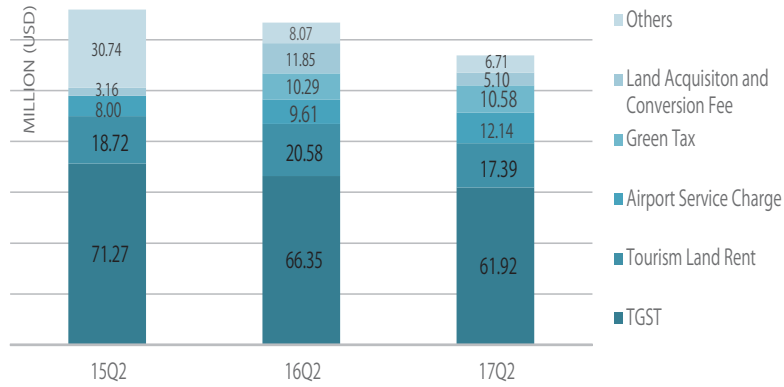


Revenue received in MVR accounts for 46.3% of the revenue, which is MVR 1.51 billion.

53.7% of the revenue was received in USD (USD 113.8 million), which is equivalent to MVR 1.75 billion.

2.3

USD REVENUE GROWTH

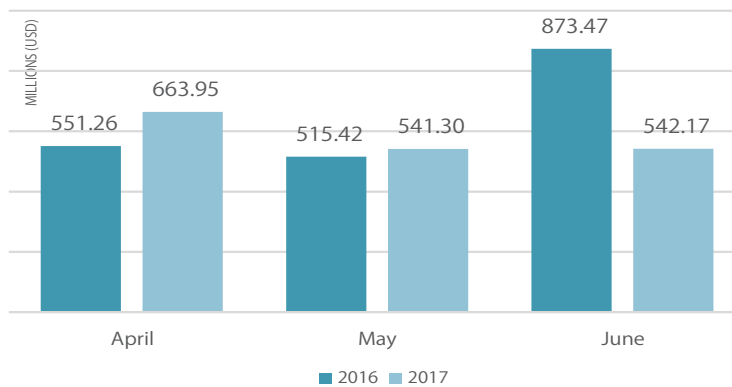


Revenue	Compared to 16Q2	% Share of 17Q2
TGST	-6.7%	54.4%
Tourism Land Rent	-15.5%	15.3%
Airport Service Charge	+26.3%	10.7%
BPT	+2.8%	9.3%
Land Acquisition and Conversion Fee	-57.0%	4.5%

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

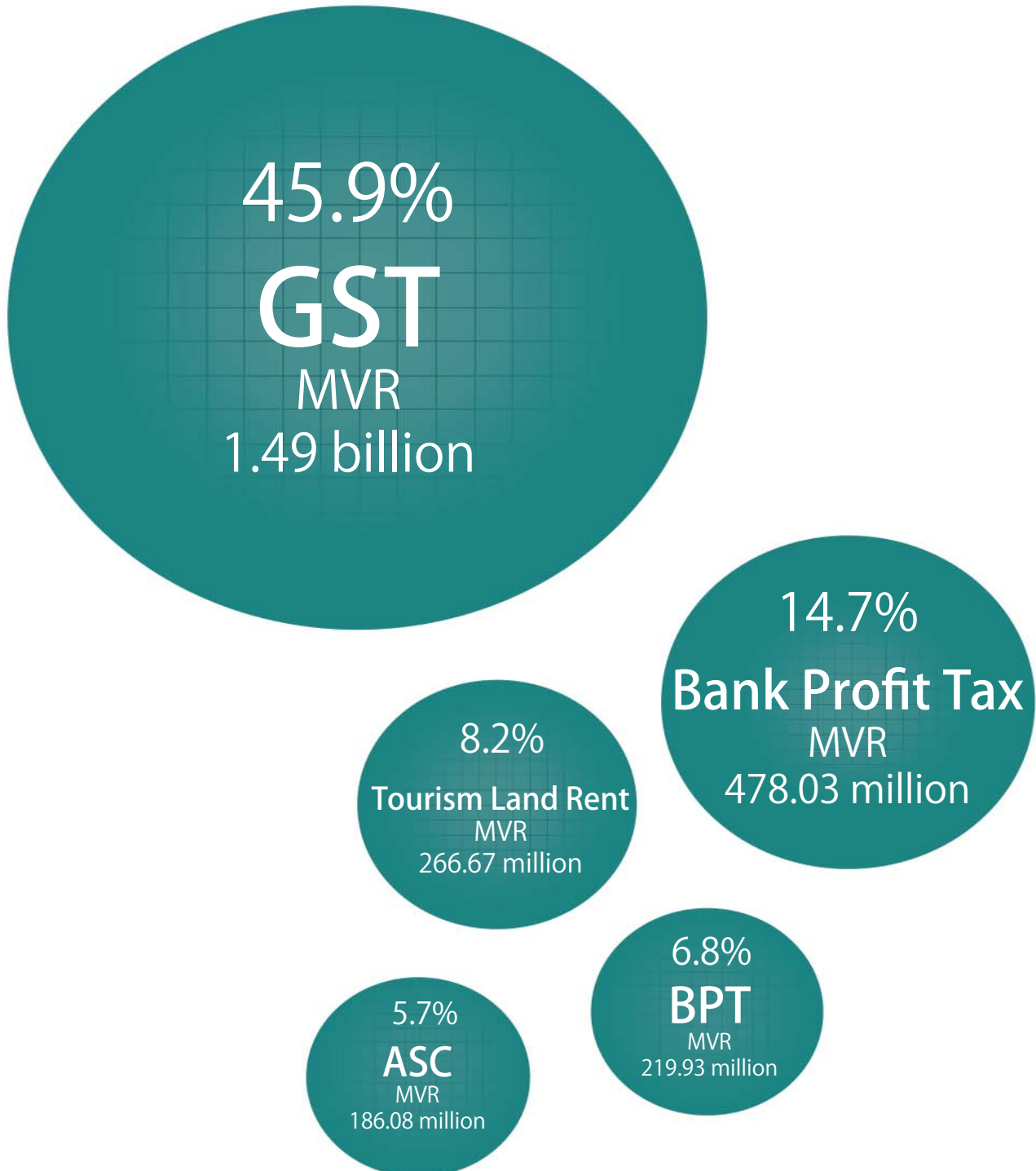
2.4

COMPARISON AGAINST 16Q2: MONTHLY



Months	Compared to 2016
April	+20.4%
May	+5.0%
June	-37.9%

3. TOP REVENUE CONTRIBUTORS



3.1

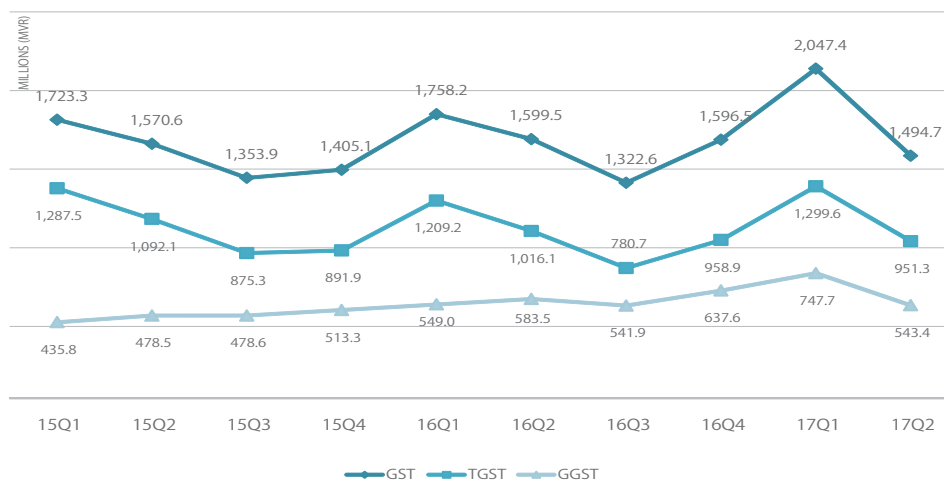
TOTAL GST COLLECTION

MVR 1.49 billion

- 6.6%
compared to 16Q2

- 13.9%
compared to projection for the quarter

63.6% of the GST collection in 17Q2 relates to tourism sector, while the remaining 36.4% relates to the GST from general sector.



3.2

TGST COLLECTION

MVR 951.3 million

-6.4%
compared to 16Q2

-13.6%
compared to projection for the quarter

3.3

GGST COLLECTION

MVR 543.4 million

- 6.9%
compared to 16Q2

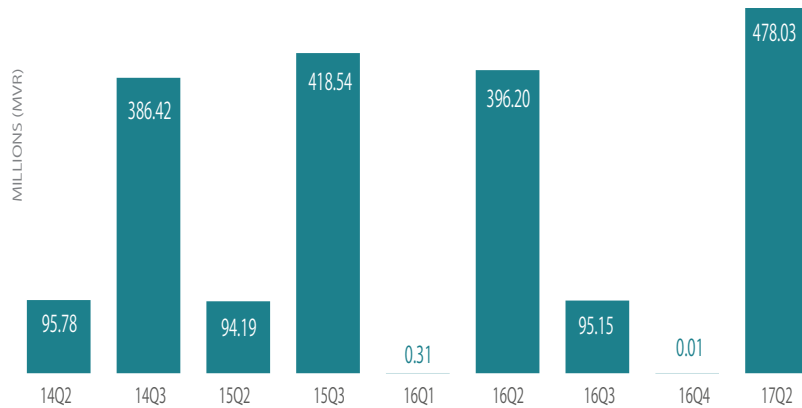
- 14.4%
compared to projection for the quarter

Tourist arrivals grew by 4.5% when compared with the arrivals of the corresponding quarter of the previous year. However, due to the extension of TGST deadline of June to July in 17Q2, the increment in TGST revenue was not realized in June 2017. Moreover, the number of taxpayers in the tourist sector has increased when compared to 16Q2.

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 decline in GGST revenue for 17Q2 is associated with the extension of GTS deadline to July 2017.

3.4

BANK PROFIT TAX COLLECTION



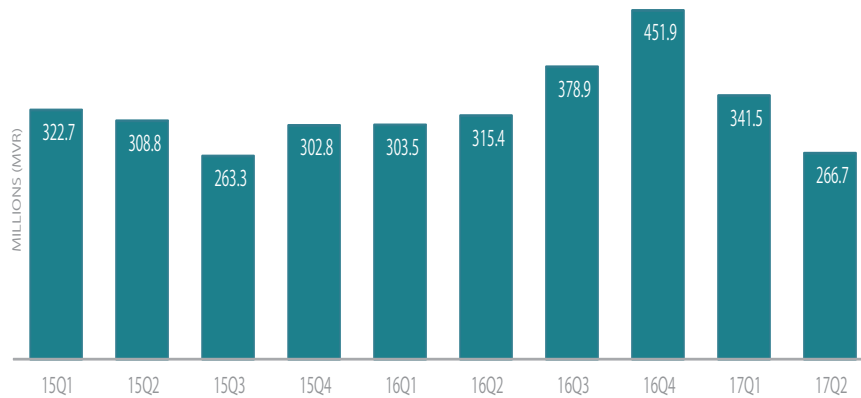
MVR 478.0 million
 +20.7%
compared to 16Q2

6 times higher
compared to projection for the quarter

Revenue from Bank Profit Tax totaled to MVR 478.0 million. The increment of 20.7% was due to the increase in profit level of the banks compared to 2016. In addition to this, as some banks declared their statements and paid taxes ahead of the deadline, revenue from this code has increased by 6 times compared to projection.

3.5

TOURISM LAND RENT COLLECTION



MVR 266.7 million
 -15.5%
compared to 16Q2

-39.1%
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 a decrement of revenue compared to 16Q2 and projection.

3.6

TOTAL BPT COLLECTION

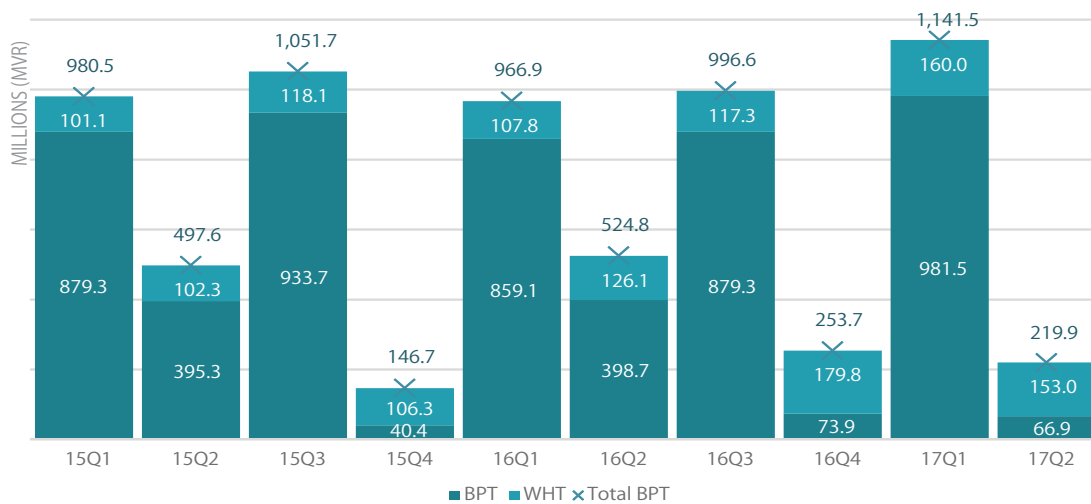
MVR 219.9 million

- 58.1%
compared to 16Q2

- 60.3%
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 17Q2, 30.4% of the BPT revenue relates to the profit component of while the remaining 69.6% relates to Withholding Tax revenue.



3.7

BPT PROFIT COMPONENT COLLECTION

MVR 66.9 million

- 83.2%
compared to 16Q2

- 84.5%
compared to projection for the quarter

3.8

WHT COLLECTION

MVR 153.0 million

+ 21.4%
compared to 16Q2

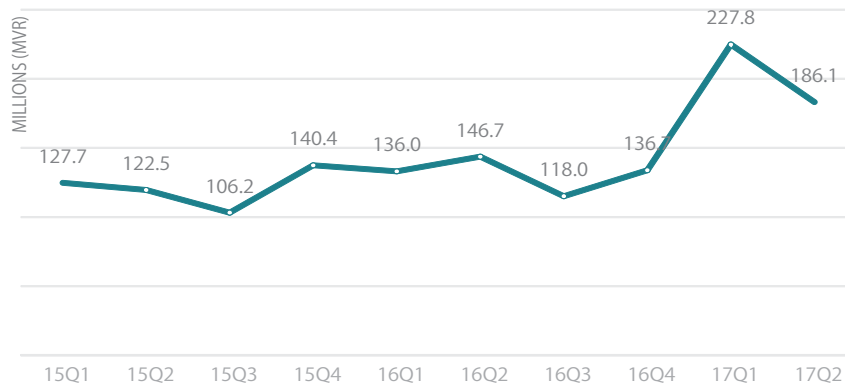
+ 24.7%
compared to projection for the quarter

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 this quarter, it was later extended to July 2017 which lead to the decrement of BPT revenue from the profit component.

Main reason behind the increase in WHT has been the Tenth amendment to the BPT regulation in August 2016. Since then, WHT declarations have increased compared to the preceding quarters. Pursuant to the amendment, WHT on amounts paid or payable to non-residents must be declared on their respective month, whereas the prior regulation stated to declare WHT on paid amounts.

3.9

AIRPORT SERVICE CHARGE COLLECTION



MVR 186.1 million

+ 26.9%
compared to 16Q2

+ 26.8%
compared to projection for the quarter

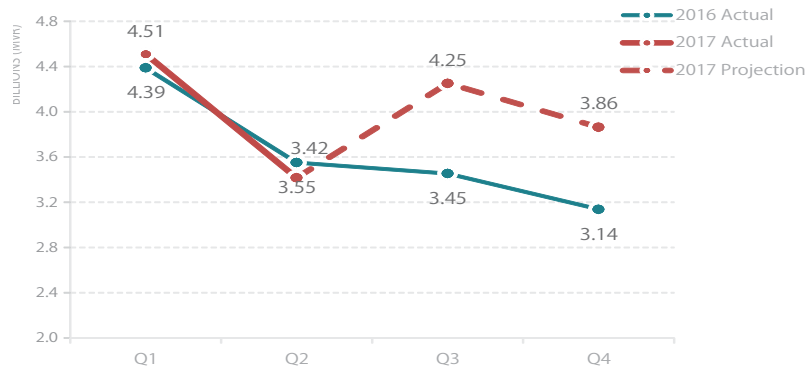
Pursuant to the new Airport Tax and Fees Act (Act number: 29/2016), airlines are to submit ATF Return and pay Airport Service Charge to MIRA.

The observed increment of Airport Service Charge is due to the receipt of dues of previous periods from some airlines, since final payment notices were issued to them in 17Q2.

4. OUTLOOK

4.1

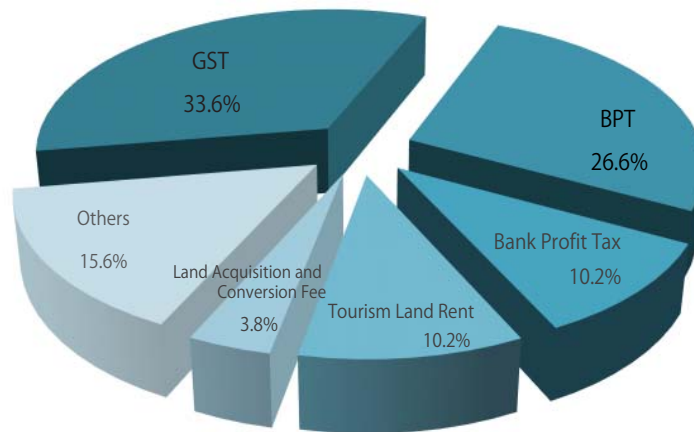
REVENUE OUTLOOK FOR 17Q3



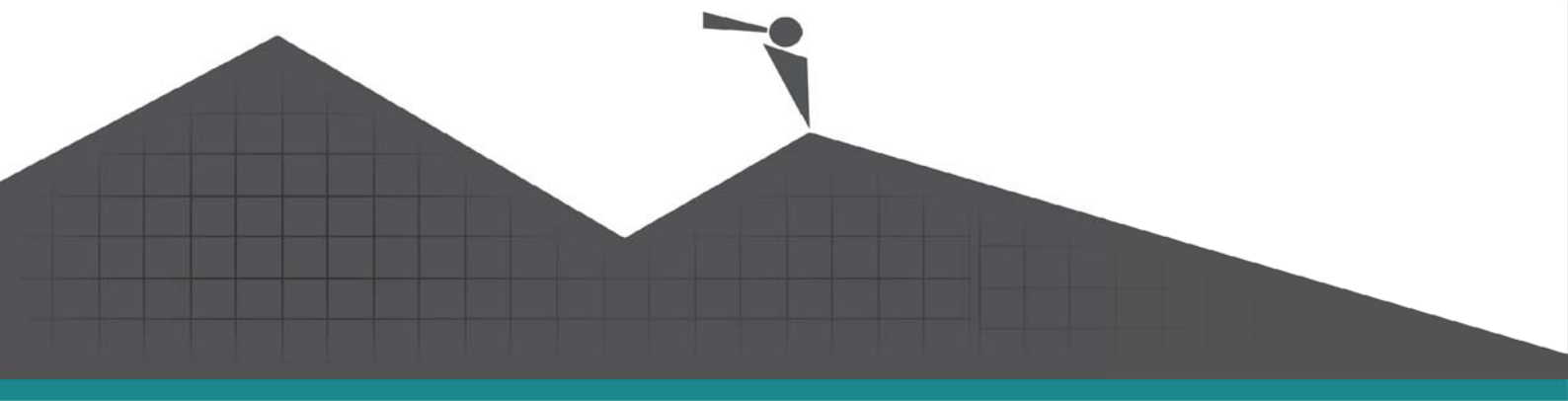
MVR 4.25 billion projected to be received in the upcoming quarter, which is an increment of 23.1% compared to the corresponding quarter of the previous year. The growth is expected, since most payment deadlines were extended to 17Q3, and due to the inclusion of Airport Development Fee which commenced in May 2017.

4.2

17Q3 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 17Q3 followed by BPT and Bank Profit Tax. Since the deadline for the Land Rent due for the third quarter of 2017 was extended to July 2017 from 17Q2, Tourism Land Rent is expected to generate a higher proportion of the total revenue. Land Acquisition and Conversion Fee is also projected to be in the top five revenue contributors for the succeeding quarter.



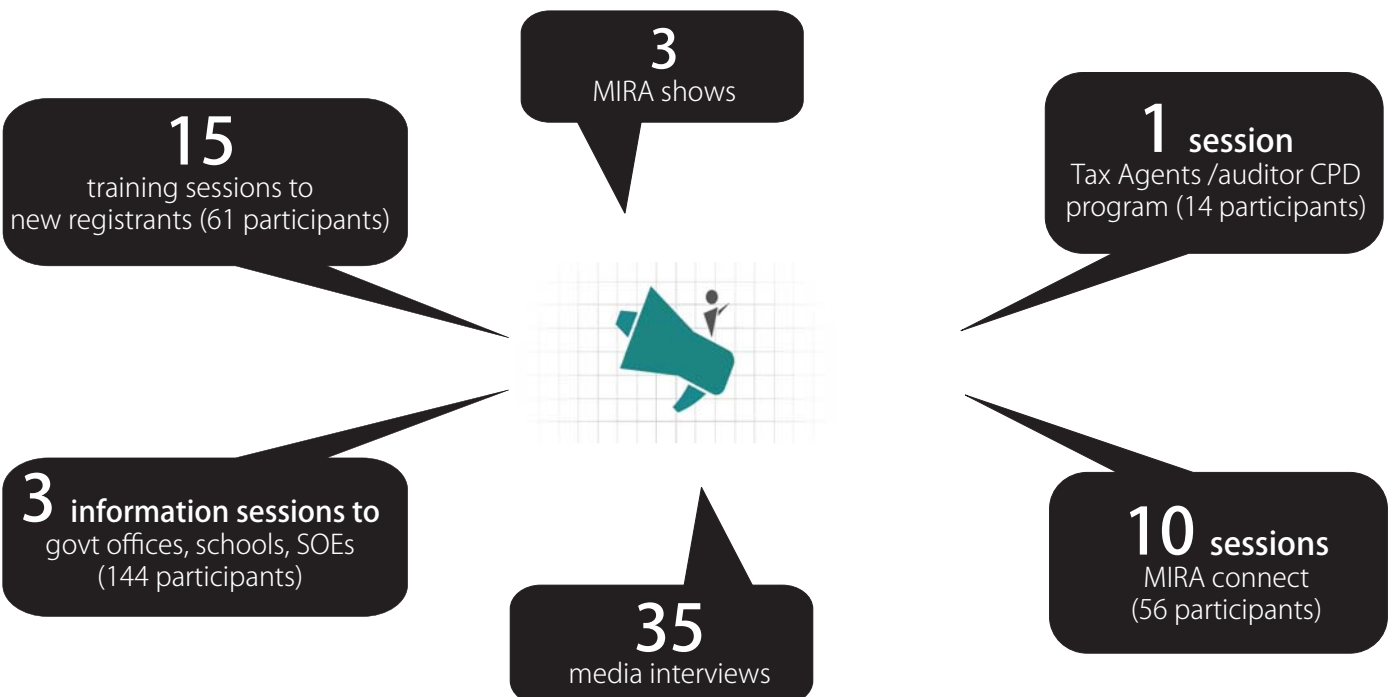
B. ACTIVITIES DURING THE QUARTER

TAX RULINGS ISSUED

- G41 Twentieth amendment to the Goods and Services Tax Regulation
- B59 Date of effect of certain provisions of the Tax Ruling TR-2017/B56
- B60 Thirteenth amendment to the Business Profit Tax Regulation
- B61 Fourteenth amendment to the Business Profit Tax Regulation
- A12 Amending Tax Returns
- A12 Mandatory online filing of General Sector GST return



TAXPAYER AWARENESS PROGRAMS



COMPLIANCE

- ✓ **1,580** compliance visits
- ✓ **42** non-compliance notices issued

AUDITS AND INVESTIGATIONS

9

Investigation audits completed
 additional tax assessed:
 MVR 3,832,622

2

Criminal Investigations completed

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	235	13,229,128
TGST	41	7,348,259
BPT	103	34,335,936
WHT	36	13,515,051
Green Tax	32	2,545,393
Bank Profit Tax	3	394,198
Remittance Tax	7	110,897
Total	457	71,478,862

457
AUDITS

MVR 71.48 million
additional tax assessed

REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Business Registrants	30,463	847	30	31,280
TGST	1,676	153	8	1,821
GGST	9,750	310	31	10,029
Green Tax	948	79	5	1,022
Remittance Tax	14	1	2	13
Bank Profit Tax	7	0	0	7
Airport Service Charge	38	1	0	39

ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 377,888,578

Amount recovered under:

Action Policy MVR 1,484,473

Bank Account Freezing Policy MVR 21,192,917 (182 taxpayers)

Dues Clearance MVR 93,301,757

Dunning MVR 202,032,691

Court Cases MVR 18,192,642

Reminder calls/emails MVR 41,684,099

Final notices issued to 3,241 non-filers and 1,460 non-payers

Installment plans granted to 60 taxpayers in 17Q2

OBJECTIONS

15 objections received



17 objections completed



LEGAL ACTIONS



- **12** cases filed by MIRA
12 with Civil Court
- **3** cases filed against MIRA
- **12** judgements passed in favour of MIRA
- **2** judgements passed against MIRA
2 judgements passed against MIRA by TAT

HUMAN RESOURCE MANAGEMENT

**11**

staff recruited during the quarter

20

staff terminated during the quarter

280

staff working at MIRA at the end of the quarter

TRAININGS AND CONFERENCES

3

overseas conferences/seminars

7 participants

18

trainings/local seminars

196 staff trained**10**

staff studying for ACCA on scholarship

7

overseas training held

14 participants

LENIENCY GRANTED TO MICRO-BUSINESSES

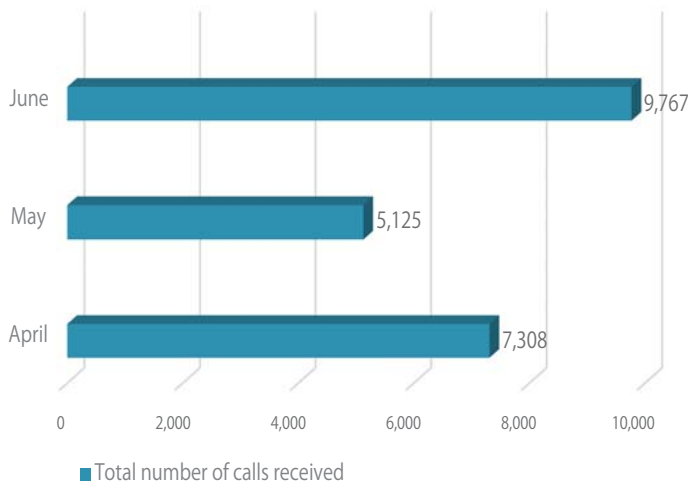
Special Fine Amnesty granted to micro-taxpayers

- Amnesty was granted to micro-taxpayers with an annual turnover less than MVR 10 million
- The applicable fine under the amnesty were GST and BPT related fines, non-compliance and files related to non-registration.
- Taxpayers were to submit MIRA 910 form before 30 June 2017



CUSTOMER SERVICE FEEDBACK

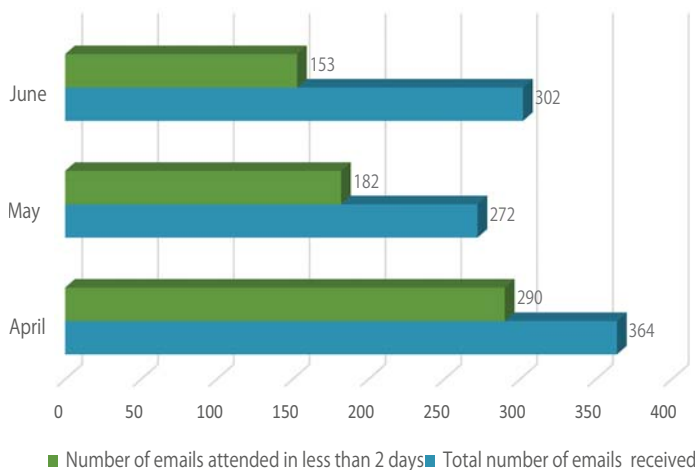
1415 CALL CENTRE SERVICE



In 17Q2, a total of 22,200 calls were received to the MIRA’s 1415 hotline, out of which 100% were attended.

Most queries were received on the month of June 2017 since deadlines of GST, BPT, Green Tax and Bank profit tax fell in June 2017. However, those deadlines were extended to July 2017, as the government declared the days preceding the Eid Al-Fir’ as public holidays.

1415 EMAIL QUERIES



In the second quarter of 2017, 938 emails were received as 1415 email queries .

Out of the 364 emails received in April, 80% of those emails were responded/ attended in less than 2 days.

In the month of May, 67% of the emails were attended in less than two days, while 51% of the emails were responded within 2 days of the receipt in June 2017.

C. QUARTER IN PICTURES

MIRA participated in Villa International High School's fair - VIHS-Industrial Links 2017



Apr 27

Introduction of Special Amnesty to waive off fines of small businesses

Apr 13



Commencement of Airport Development Fee



May 1

Extra Counters arranged for major deadline

Apr 30



DTA Agreement Negotiation between MIRA and Malaysia



May 15-18

ADB conducted a workshop on Audit and Tax Treaties

May 7-11



Donation event organized by MIRA staff to the patients at IGMH

Jun 15



D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 17Q2 (MVR)

Description	17Q2	% Share
TAX REVENUES	2,647,318,569	81.3%
Airport Service Charge	186,078,275	5.7%
Bank Profit Tax	478,034,687	14.7%
BPT	66,930,011	2.1%
Green Tax	162,339,851	5.0%
GGST	543,390,199	16.7%
TGST	951,345,969	29.2%
Land Sales Tax	61,379,158	1.9%
Remittance Tax	32,859,321	1.0%
Revenue Stamp	11,962,865	0.4%
WHT	152,998,233	4.7%
NON-TAX REVENUES	607,675,638	18.7%
Airport Development Fee Charge	41,988,396	1.3%
Business Permits ¹	7,586,982	0.2%
Construction Period Extension Fee	20,707,500	0.6%
Corporate Social Responsibility Fee	-	0.0%
Fines	46,349,793	1.4%
Land Acquisition and Conversion Fee	78,355,661	2.4%
Lease Period Extension Fee	-	0.0%
Non-tourism Property Income ²	32,871,698	1.0%
Ownership Transfer Tax	76,650	0.0%
Proceeds from Sale of Assets ³	6,713,251	0.2%
Resident Permit	59,633,050	1.8%
Royalties ⁴	17,931,516	0.6%
Tourism Administration Fee	3,060,000	0.1%
Tourism Land Rent	266,662,574	8.2%
Vehicle Fee	19,070,274	0.6%
Vessels Fee	5,934,552	0.2%
Others ⁵	733,739	0.0%
Total	3,254,994,207	100%
<i>Zakat Al-Mal</i>	<i>16,295,380</i>	<i>-</i>
<i>Donation/Sadaqah</i>	<i>6,870</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, 17Q2 (USD)

Description	17Q2	% Share
TGST	61,922,264	54.4%
Tourism Land Rent	17,387,472	15.3%
Airport Service Charge	12,141,508	10.7%
Green Tax	10,577,738	9.3%
Land Acquisition and Conversion Fee	5,099,477	4.5%
Others	6,709,093	5.9%
Total	113,837,551	100%

* Others: Airport Development Fee, Business Permits, Construction Period Extension Fee, Corporate Social Responsibility Fee,, Royalties, Foreign Investment Administration Annual Fee, Tourism Administration Fee, Ownership Transfer Tax, Vessel Fee, Other fees and Charges and Fines

Table 3 Comparison Against 16Q2 (MVR)

Description	Actual 17Q2	Actual 16Q2	% Growth
TAX REVENUES	2,647,318,569	2,839,832,584	-6.8%
Airport Service Charge	186,078,275	146,689,904	26.9%
Bank Profit Tax	478,034,687	396,200,566	20.7%
BPT	66,930,011	398,739,893	-83.2%
Green Tax	162,339,851	157,551,033	3.0%
GGST	543,390,199	583,458,033	-6.9%
TGST	951,345,969	1,016,054,905	-6.4%
Land Sales Tax	61,379,158	4,813,333	1175.2%
Remittance Tax	32,859,321	-	
Revenue Stamp	11,962,865	10,215,678	17.1%
Tourism Tax	-	29,265	-100.0%
WHT	152,998,233	126,079,974	21.4%
NON-TAX REVENUES	565,687,241	711,054,240	-20.4%
Airport Development Fee	41,988,396	-	
Business Permits ¹	7,586,982	5,628,814	34.8%
Construction Period Extension Fee	20,707,500	-	
Corporate Social Responsibility Fee	-	-	
Fines	46,349,793	56,172,303	-17.5%
Land Acquisition and Conversion Fee	78,355,661	189,160,479	-58.6%
Lease Period Extension Fee	-	-	
Non-tourism Property Income ²	32,871,698	32,077,979	2.5%
Ownership Transfer Tax	76,650	-	
Proceeds from Sale of Assets ³	6,713,251	2,975,908	125.6%
Resident Permit	59,633,050	65,714,940	-9.3%
Royalties ⁴	17,931,516	18,898,289	-5.1%
Tourism Administration Fee	3,060,000	-	
Tourism Land Rent	266,662,574	315,412,958	-15.5%
Vehicle Fee	19,070,274	19,401,104	-1.7%
Vessels Fee	5,934,552	5,358,664	10.7%
Others ⁵	733,739	252,804	190.2%
Total	3,254,994,207	3,550,886,825	-8.3%

* Refer to Table 1 footnotes for details

Table 4 Comparison Against Projection (MVR)

Description	Actual 17Q2	Projection 17Q2	% Variance
TAX REVENUES	2,647,318,569	2,729,518,674	-3.0%
Airport Service Charge	186,078,275	146,730,700	26.8%
Bank Profit Tax	478,034,687	84,226,507	467.6%
BPT	66,930,011	430,855,431	-84.5%
Green Tax	162,339,851	172,972,803	-6.1%
GGST	543,390,199	634,499,827	-14.4%
TGST	951,345,969	1,101,039,680	-13.6%
Land Sales Tax	61,379,158	5,387,152	1039.4%
Remittance Tax	32,859,321	20,651,433	59.1%
Revenue Stamp	11,962,865	10,421,087	14.8%
WHT	152,998,233	122,734,054	24.7%
NON-TAX REVENUES	607,675,638	686,356,628	-11.5%
Airport Development Fee	41,988,396	43,518,259	
Business Permits ¹	7,586,982	6,170,161	23.0%
Construction Period Extension Fee	20,707,500	-	
Corporate Social Responsibility Fee	-	-	
Fines	46,349,793	43,040,813	7.7%
Land Acquisition and Conversion Fee	78,355,661	7,829,041	900.8%
Lease Period Extension Fee	-	-	
Non-tourism Property Income ²	32,871,698	35,740,514	-8.0%
Ownership Transfer Tax	76,650	-	
Proceeds from Sale of Assets ³	6,713,251	2,277,253	194.8%
Resident Permit	59,633,050	66,878,490	-10.8%
Royalties ⁴	17,931,516	19,669,503	-8.8%
Tourism Administration Fee	3,060,000	-	
Tourism Land Rent	266,662,574	437,594,766	-39.1%
Vehicle Fee	19,070,274	18,095,613	5.4%
Vessels Fee	5,934,552	5,542,215	7.1%
Others ⁵	733,739	-	
Total	3,254,994,207	3,415,875,302	-4.7%

Table 5 Multi-year Summary (MVR in millions)

Description	Actual 14Q2	Actual 15Q2	Actual 16Q2	Actual 17Q2
TAX REVENUES	2,186.1	2,299.0	2,839.8	2,647.3
Airport Service Charge	105.3	122.5	146.7	186.1
Bank Profit Tax	95.8	94.2	396.2	478.0
BPT	502.7	395.3	398.7	66.9
Green Tax	-	-	157.6	162.3
GGST	381.7	478.5	583.5	543.4
TGST	735.9	1,092.1	1,016.1	951.3
Land Sales Tax	3.9	4.4	4.8	61.4
Remittance Tax	-	-	-	32.9
Revenue Stamp	8.5	9.6	10.2	12.0
Tourism Tax	235.3	0.1	0.0	-
WHT	117.2	102.3	126.1	153.0
NON-TAX REVENUES	712.5	837.5	711.1	607.7
Airport Development Fee	-	-	-	42.0
Business Permits ¹	4.9	3.5	5.6	7.6
Construction Period Extension Fee	-	-	-	20.7
Corporate Social Responsibility Fee	-	-	-	-
Fines	14.2	93.7	56.2	46.3
Land Acquisition and Conversion Fee	28.2	48.5	189.2	78.4
Lease Period Extension Fee	272.5	256.7	-	-
Non-tourism Property Income ²	26.5	26.6	32.1	32.9
Ownership Transfer Tax	-	-	-	0.1
Proceeds from Sale of Assets ³	1.0	1.3	3.0	6.7
Resident Permit	55.0	62.3	65.7	59.6
Royalties ⁴	19.9	20.2	18.9	17.9
Tourism Administration Fee	-	-	-	3.1
Tourism Land Rent	277.3	308.8	315.4	266.7
Vehicle Fee	11.3	14.4	19.4	19.1
Vessels Fee	1.6	1.5	5.4	5.9
Others ⁵	-	-	0.3	0.7
Total	2,898.6	3,136.6	3,550.9	3,255.0

