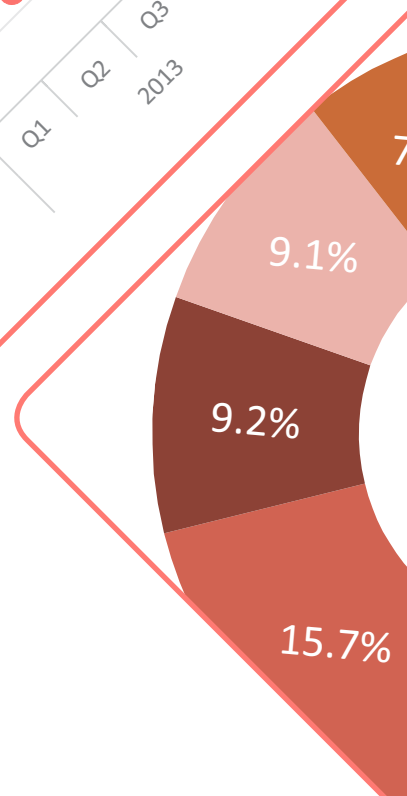




MALDIVES
INLAND REVENUE
AUTHORITY

Quarterly Report

Quarter 1 2014



Acronyms

13Q1	2013, First Quarter
13Q4	2013, Fourth Quarter
14Q1	2014, First Quarter
BEPS	Base Erosion and Profit Shifting
BnPT	Bank Profit Tax
BPT	Business Profit Tax
CSTI	Civil Service Training Institute
EOI	Exchange of Information
GGST	Goods and Services Tax (Non-Tourism Sector)
GST	Goods and Services Tax
IRBM	Inland Revenue Board of Malaysia
MCS	Maldives Customs Service
MED	Ministry of Economic Development
MIRA	Maldives Inland Revenue Authority
MVR	Maldivian Rufiyaa
OECD	Organisation for Economic Co-operation and Development
SAARC	South Asian Association for Regional Cooperation
TGST	Goods and Services Tax (Tourism Sector)
UN ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
USD	United States Dollar
WHT	Withholding Tax

What's inside

1 Revenue Collection

- 1.1 Total Revenue Collection
- 1.2 USD Revenue Collection
- 1.3 Comparison against 13Q1
- 1.4 Comparison against projection for 14Q1
- 1.5 Main Revenue Contributors
 - a. Goods and Services Tax
 - b. Business Profit Tax
 - c. Tourism Land Rent
 - d. Tourism Tax
 - e. Airport Service Charge

2 Registrations

3 Activities during the Quarter

4 Quarter in Pictures

5 Outlook for the Next Quarter

- 5.1 Revenue Projection
- 5.2 Planned Activities

1. Revenue Collection

1.1 Total Revenue Collection

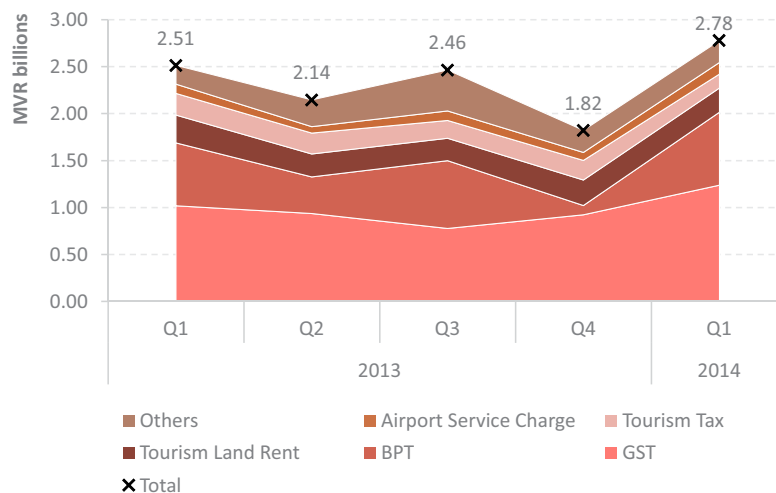
The total revenue collected by MIRA during 14Q1 is MVR 2.78 billion, which indicated a 10.5% growth in collection compared to the corresponding quarter of 2013. The largest impact on this increment was contributed by favourable growth in the collection of the Tourism Sector GST and BPT. Further, the revenue collected in terms of Fines was significantly higher compared to 13Q1, which was due to the collection of fines in arrears through the dues clearance process. Also, there was a significant increase in Land Sales Tax collected during 14Q1.

Comparison against previous quarter revenue (13Q4) showed a 52.5% increase in collections as the deadline for BPT second interim payments is in 14Q1.

GST was the main revenue contributor in 14Q1, contributing 44.5% of the total revenue collected during the quarter; while BPT depicted 27.9% of the total revenue. The revenue collected from GST and BPT showed a growth compared to both 13Q1 and 13Q4. Other main revenue contributors during the quarter were Tourism Land Rent, Tourism Tax and Airport Service Charge contributing 9.3%, 5.3% and 4.4% respectively. Hence, 91.5% of the total revenue collected in 14Q1 was received from this top 5 revenue codes.

In terms of the currency composition of the revenue, 59.0% of the revenue was collected in USD, and 41.0% was collected in MVR.

Figure 1.1 Quarterly Revenue Breakdown



MVR 2.78 bn

Total Revenue collected in 14Q1.

Table 1.1 Total Revenue Contribution, 14Q1 (in MVR)

Description	14Q1	% Share
Airport Service Charge	121,582,982	4.4%
Business Permits ¹	12,613,510	0.5%
Business Profit Tax	776,462,478	27.9%
Fines	53,689,049	1.9%
Goods and Services Tax (Non-Tourism Sector)	351,567,407	12.7%
Goods and Services Tax (Tourism Sector)	885,404,792	31.9%
Land Sales Tax	8,739,197	0.3%
Non-tourism Property Income ²	26,097,594	0.9%
Proceeds from Sale of Assets ³	29,904,920	1.1%
Resident Permit	51,366,060	1.8%
Revenue Stamp	9,475,622	0.3%
Royalties ⁴	28,259,152	1.0%
Tourism Land Rent	259,168,362	9.3%
Tourism Tax	148,339,519	5.3%
Vehicle Fee	13,441,323	0.5%
Vessels Fee	2,193,320	0.1%
Others ⁵	40,000	0.0%
Total	2,778,345,286	100%

¹ **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

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

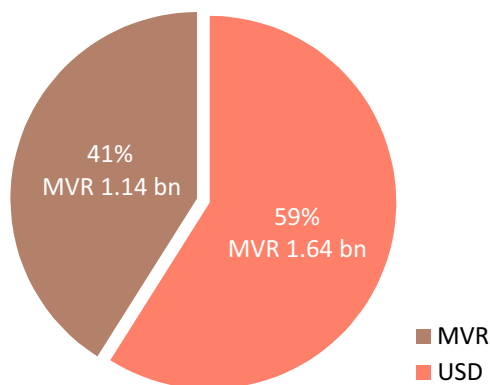
⁵ **Others:** Reimbursement from previous year's budget, Other Fees and Charges

Table 1.2 Total USD Revenue Collection, 14Q1

Description	14Q1	% Share
Goods and Services Tax (Tourism Sector)	57,739,061	54.1%
Tourism Land Rent	16,779,582	15.7%
Business Profit Tax	9,871,092	9.2%
Tourism Tax	9,686,248	9.1%
Airport Service Charge	7,929,482	7.4%
Others	4,803,530	4.5%
Total	106,808,994	100%

* **Others:** Royalties, Foreign Investment Administration Annual Fee, Sale of Government Land and Fines

Figure 1.2 Revenue Currency Composition 14Q1



1.2 USD Revenue Collections

USD 106.8 million received in 14Q1 comprised of 59.0% of the total revenue received during the quarter. Total USD collected in 14Q1 is 7.7% more than 13Q1 and 29.5% more than 13Q4.

More than half of the total revenue collected in USD during the quarter is received from GST. While GST is a major revenue contributor in USD, Tourism Land Rent accounted for 15.7% of the total revenue. BPT, Tourism Tax and Airport Service Charge represented 9.2%, 9.1% and 7.4% of USD collections, respectively.

The increment of the USD denominated revenue was driven by the growth of revenue from

GST. It increased by 24.7% compared to 13Q1. The growth in the USD revenue from Airport Service Charge and BPT also contributed to the overall positive impact. Both the revenues grew by 45.1% and 16.4% respectively. The USD revenue from Fines grew by about 10 folds compared to 13Q1 and 25 folds compared to the 13Q4. Collection of significantly large fines in arrears during dues clearance process is the reason for growth in the USD revenue from Fines. It has to be noted that USD revenue from Tourism Tax and Tourism Land Rent declined during the quarter in review. Further, USD revenue from Royalties and Proceeds from Sale of Assets also declined a bit.

Figure 1.3 Quarterly USD Revenue Collection

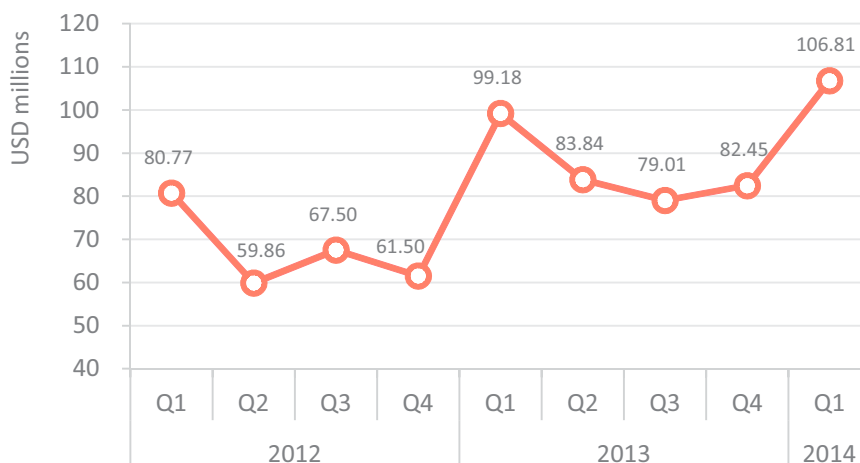


Figure 1.4 USD Revenue Contribution 14Q1

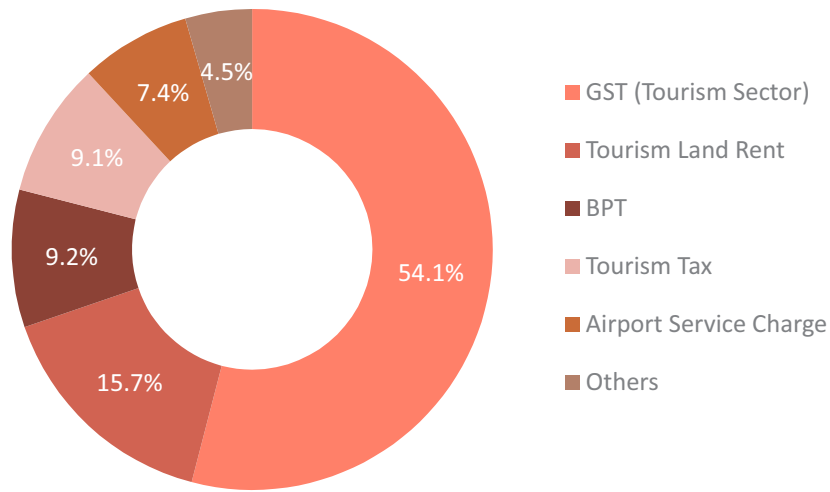
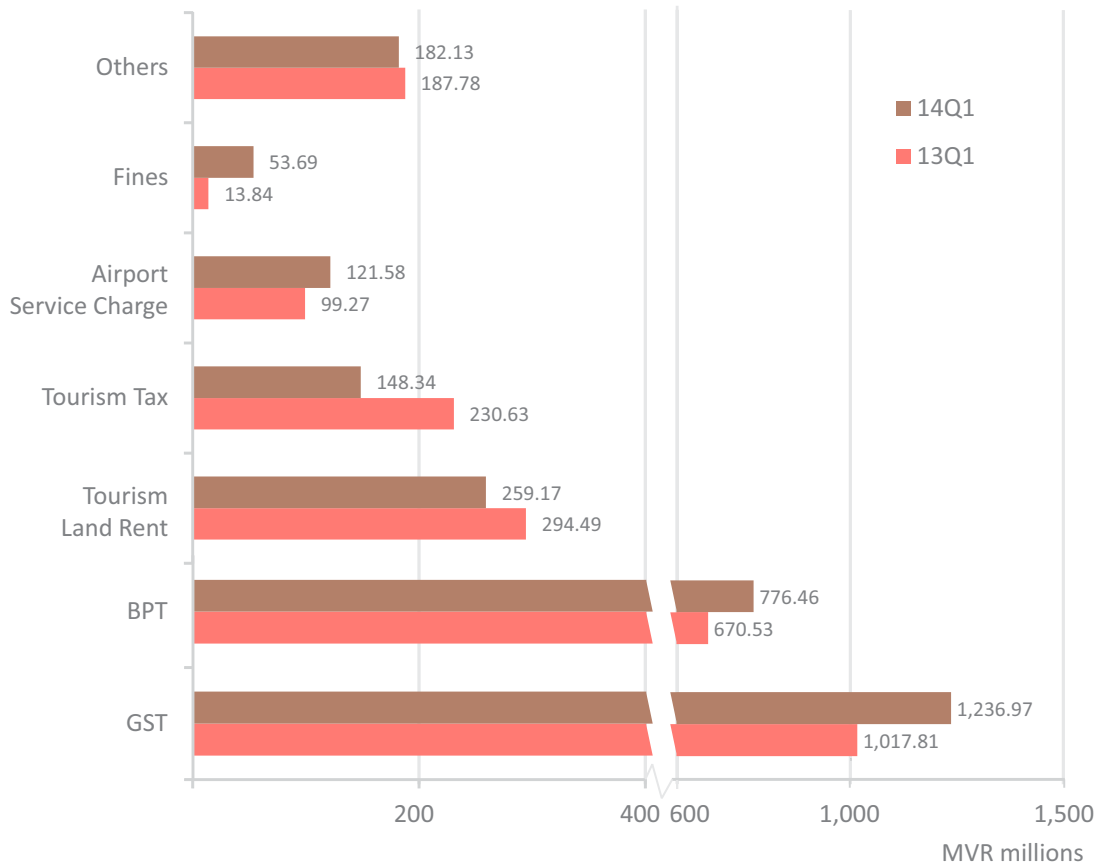


Figure 1.5 Revenue Comparison Quarter 1, 2013-2014



10.5%

Revenue higher by 10.5% compared to the corresponding quarter.

1.3 Comparison against 13Q1

MVR 2.78 billion received in 14Q1 showed a 10.5% growth in revenue compared to MVR 2.51 billion received in 13Q1. The revenue collected in terms of Fines is relatively higher compared to 13Q1, which is due to the impact from fines in arrears collected through dues clearance issued. Also, there is a significant increase in Land Sales Tax due to growth in the sale of land plots in Hulhumale.

All revenue categories generated higher revenue except revenues collected from Business Permits, Proceeds from Sale of Assets, Tourism Land Rent and Tourism Tax. The collection on some revenue codes increased extensively. As such, the collection from Fines and Land Sales Tax increased by almost 4 times that of the col-

lection in 13Q1. Major revenue codes such as GST, BPT and Airport Service Charge also recorded significant increments compared to 13Q1. GST collection grew by 21.5%, BPT by 15.8% and Airport Service Charge by 22.5%. Revenue from Resident Permit also increased by 43.8% in 14Q1 compared to 13Q1. The Proceeds from Sale of Assets fell because of the one-time payments received in 13Q1 as conversion fees of the Picnic Islands to Resorts. As a result, it fell by 56.6% compared to 13Q1. Tourism Tax fell by 35.7% compared to the corresponding quarter as Tourism Tax was not collected for the first 6 weeks of the quarter after it was abolished after December 2013. However, it was reinstated again in February 2014.

Table 1.3 Comparison Against 13Q1

Description	Actual 14Q1	Actual 13Q1	% Growth
Airport Service Charge	121,582,982	99,271,825	22.5%
Business Permits ¹	12,613,510	12,958,202	-2.7%
Business Profit Tax	776,462,478	670,532,952	15.8%
Fines	53,689,049	13,844,064	287.8%
Goods and Services Tax (Non-Tourism Sector)	351,567,407	307,141,578	14.5%
Goods and Services Tax (Tourism Sector)	885,404,792	710,669,622	24.6%
Land Sales Tax	8,739,197	2,252,537	288.0%
Non-tourism Property Income ²	26,097,594	23,834,500	9.5%
Proceeds from Sale of Assets ³	29,904,920	68,695,638	-56.5%
Resident Permit	51,366,060	35,714,930	43.8%
Revenue Stamp	9,475,622	8,659,683	9.4%
Royalties ⁴	28,259,152	22,623,888	24.9%
Tourism Land Rent	259,168,362	294,486,450	-12.0%
Tourism Tax	148,339,519	230,628,622	-35.7%
Vehicle Fee	13,441,323	11,226,930	19.7%
Vessels Fee	2,193,320	1,806,082	21.4%
Others ⁵	40,000	8,011	399.3%
Total	2,778,345,286	2,514,355,513	10.5%

* Refer to Table 1.1 footnotes for details

1.4 Comparison against 14Q1 Projection

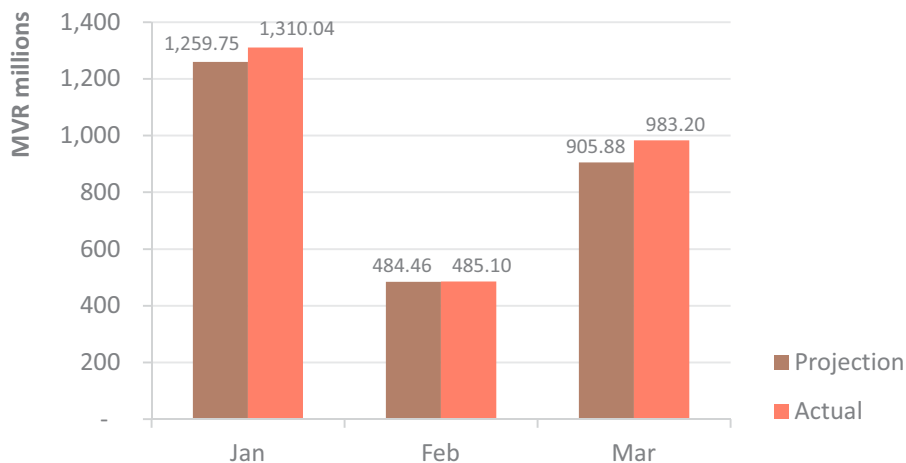
The actual revenue received in 14Q1 is 4.8% higher than the projected revenue of MVR 2.65 billion. The outturn for 14Q1 was higher in all 3 months of the quarter compared to the estimates.

The pattern of variance is similar to the variances compared with the corresponding quarter. The actual revenue received from Tourism Land Rent, Sale of Revenue Stamps and revenue from Business Permits declined while all other revenues were higher than expected.

Fines collected in January 2014 has increased substantially due to the impact from fines in

arrears collected through dues clearance issued, which were not included in the projections. Due to unforeseen growth in the sale of lands during the month of February (80 sales – Hulhumale Lot), the actual revenue received in 14Q1 is significantly higher than expected. Furthermore, the collection from GST was 4.5% favourable than projected. Meanwhile, BPT and Airport Service Charge were 3.4% and 15.8% higher respectively. The period for which the Tourism Tax was not collected during the quarter was considered while making projections for 14Q1, and as a result, the collection from Tourism Tax was 7.3% higher. The collection from Tourism Land Rent fell short by 16.8% in 14Q1 compared to the projections.

Figure 1.6 Comparison Against Projection, 14Q1



24.5%

Total Revenue for the first quarter of 2014 was MVR 2.78 billion. It is 24.5% of the revenue estimated to be collected by the MIRA in 2014.

Table 1.4 Comparison Against Projection - 14Q1

Description	Actual 14Q1	Projection 14Q1	% Variance
Airport Service Charge	121,582,982	105,026,606	15.8%
Business Permits ¹	12,613,510	12,676,964	-0.5%
Business Profit Tax	776,462,478	750,851,031	3.4%
Fines	53,689,049	10,900,484	392.5%
Goods and Services Tax (Non-Tourism Sector)	351,567,407	350,141,399	0.4%
Goods and Services Tax (Tourism Sector)	885,404,792	833,509,716	6.2%
Land Sales Tax	8,739,197	2,945,590	196.7%
Non-tourism Property Income ²	26,097,594	24,279,031	7.5%
Proceeds from Sale of Assets ³	29,904,920	25,601,694	16.8%
Resident Permit	51,366,060	40,820,453	25.8%
Revenue Stamp	9,475,622	9,696,668	-2.3%
Royalties ⁴	28,259,152	20,190,635	40.0%
Tourism Land Rent	259,168,362	311,625,342	-16.8%
Tourism Tax	148,339,519	138,299,669	7.3%
Vehicle Fee	13,441,323	11,679,149	15.1%
Vessels Fee	2,193,320	1,840,991	19.1%
Others ⁵	40,000	-	-
Total	2,778,345,286	2,650,085,424	4.8%

* Refer to Table 1.1 footnotes for details

4.8%

Revenue higher by 4.8% compared to the projections for the quarter.

91.5%

Revenue contributed by the top 5 revenue codes is 91.5%.

1.5 Main Revenue Contributors

a. GST

The GST collection peaks in the first quarter of every year as its pattern is strongly dictated by the trend in the tourism industry. 14Q1 marked the highest ever quarterly GST collection since its inception. In 14Q1, the total GST collection totalled MVR 1.24 billion. It depicted a 21.5% growth in the GST collection compared to 13Q1, the corresponding and peak quarter of 2013. Further, it showed an increment of 34.1% compared to 13Q4, the previous quarter. The collection was also 4.5% favourable compared to the initial estimates.

The share of tourism sector GST in the total GST collection is 71.6%, underlining the influence of

the tourism sector on the total GST collection. The remaining 28.4% of the total GST collection was collected from the Non-tourism Sector.

The tourism sector GST collection increased by 24.6% and 43.8% against 13Q1 and 13Q4 respectively. MVR 885.4 million was collected as tourism sector GST in 14Q1. The main reason for this growth was due to the growing number of tourist arrivals and the peak season of the Maldivian tourism market. Compared against the projections, the tourism sector GST was 6.2% higher.

Non-tourism sector GST was also higher in

Figure 1.7 Quarterly GST Revenue Collection

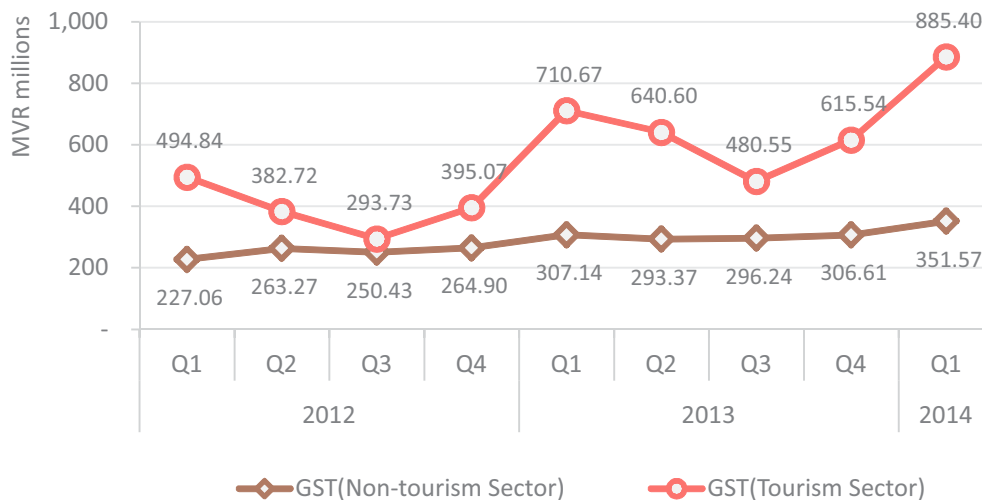


Figure 1.8 Monthly Revenue Collection, Non-Tourism Sector GST, Quarter 1 (2012-2014)

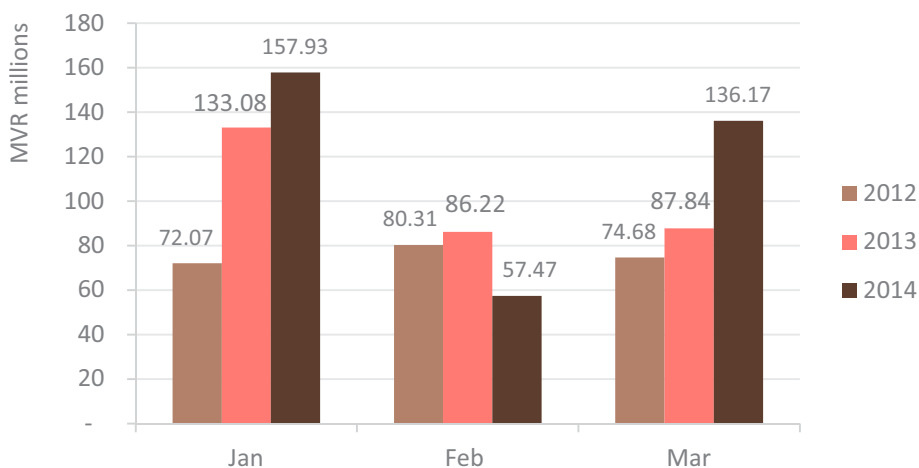
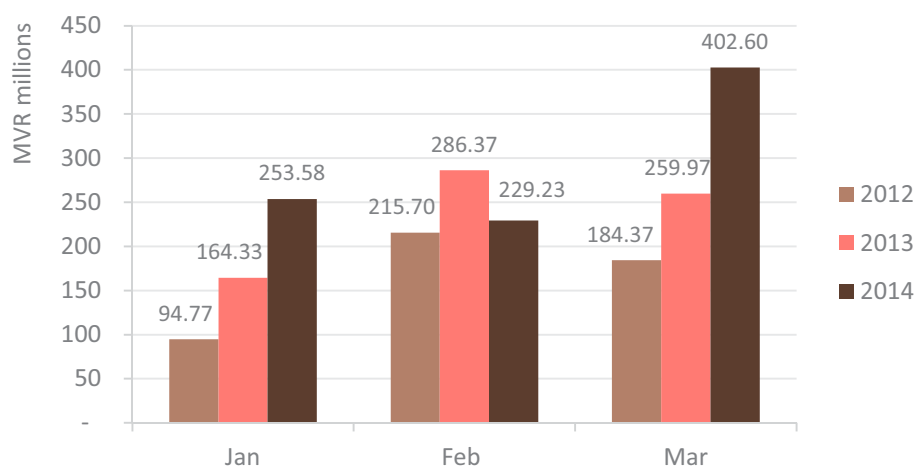


Figure 1.9 Monthly Revenue Collection, Tourism Sector GST, Quarter 1 (2012-2014)



14Q1. There was a 14.5% and 14.7% growth compared against 13Q1 and 13Q4 respectively. The quarterly trend showed a steady growth over the quarters, and there were no cyclical movements in the quarterly non-tourism sector GST collection. Compared to the projection, the collection was more or less the same.

The GST collection in February 2014 was lower compared to previous years' because the

deadline to pay GST (28th February) fell on the weekend and the deadline was extended to the next working day. Therefore, a significant part of GST collection that would otherwise be received in February was collected in March. As a result, the collection for February 2014 was understated, and March 2014 was overstated. Needless to say, it would not make a difference when it is aggregated quarterly.

Table 1.5 Tourism Sector GST Breakdown, 14Q1

Category	Number of Taxpayers	Number of Returns	GST Liability (USD)
Tourist Resort	113	345	49,080,028
Tourist hotel	20	49	604,232
Guest house	110	152	115,269
Tourist vessel	139	270	658,567
Picnic island	10	25	40,104
Diving School*	64	227	722,529
Shop*	79	300	435,732
Spa*	32	126	1,042,489
Water sports facility*	25	100	257,907
Other facility*	71	209	136,374
Travel agency service provider	372	553	942,364
Domestic air transport provider	6	19	3,331,216

* Located on a tourist establishment

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

b. BPT

The total BPT collection for 14Q1 amounted to MVR 750.9 million, depicting a growth of 15.8% compared to the corresponding quarter of the previous year. Compared against the projections, the outturn was 3.4% higher.

The second interim payment for the profits component of the BPT is due in the first quarter of every year. There is always a large outturn as interim payments and hence there is a saw-tooth like pattern in the BPT collection, peaking in every other quarter. The profits com-

ponent of BPT recorded a collection of MVR 670.6 million in 14Q1. It depicted a growth of 13.2% compared to the corresponding quarter of 2013. Compared against the projections, it was 0.6% lower.

WHT is also a component of total BPT. The WHT collection in 14Q1 amounted to MVR 105.9 million. It showed a growth of 35.2% and 29.8% compared to 13Q1 and 13Q4 respectively. Against the projections, the collection grew by a significant 39.4%.

Figure 1.10 Quarterly BPT Collection

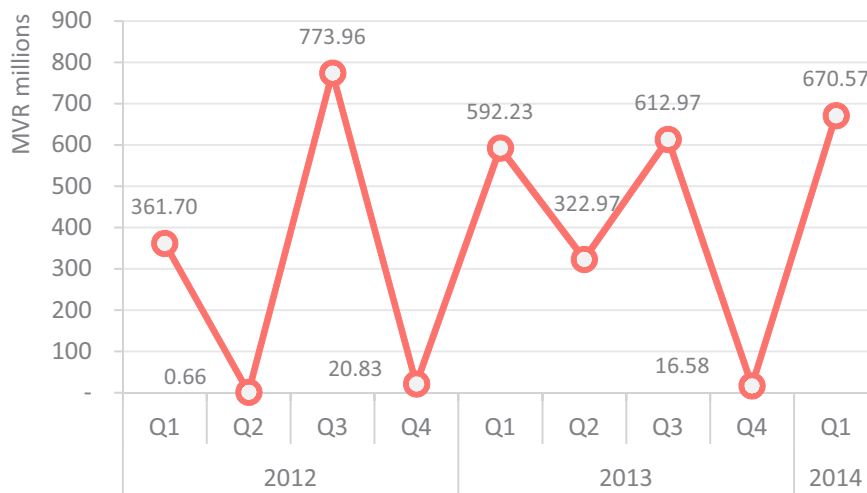
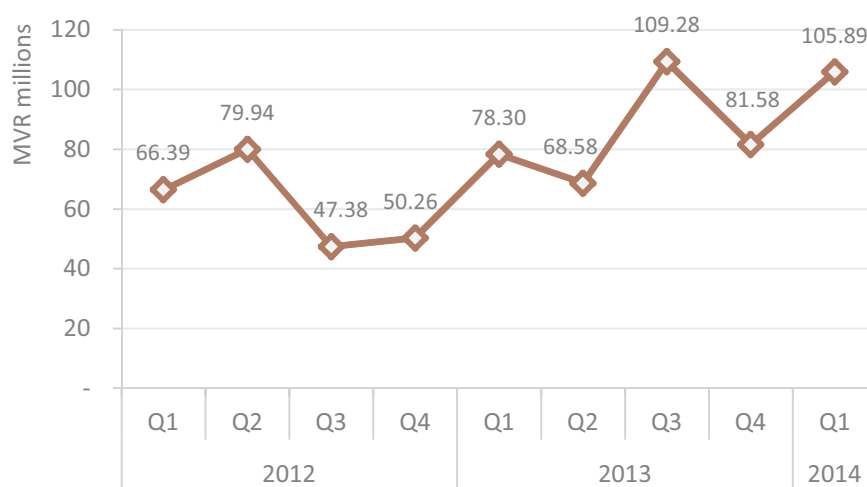


Figure 1.11 Quarterly WHT Collection



c. Tourism Land Rent

Tourism Land Rent represents about 9.3% of the total outturn in 14Q1. The collection from Tourism Land Rent amounted to MVR 259.2 million. It was 12.0% lower than the 13Q1, the corresponding quarter from 2013. It was also 4.1% lower than the previous quarter. Compared to the full amount expected to collect from operating resorts as Tourism Land Rent, 93.2% was collected.

Since the Tourism Land Rent for the following quarter has to be paid by the end of the calendar quarter, most of the revenue relating to Tourism Land Rent is collected in the last month of the quarter. As such, 89.0% of Tourism Land Rent collection for 14Q1 was collected in March.

d. Tourism Tax

At the beginning of the quarter, Tourism Tax was ceased from the end of 2013. However, the Tourism Act was amended and ratified by the President on 6th February 2014 to resume the collection of Tourism Tax until the end of November 2014. Therefore, no Tourism Tax was collected by the resorts for the first 6 weeks of the quarter. As a result, the collection from Tourism Tax was much lower than the usual amount.

Despite that, Tourism Tax accounted for 5.3% of the total revenue for 14Q1 and was among the top revenue generating codes. In 14Q1, MVR 148.3 million was collected as Tourism Tax. It was 35.7% lower than the collection for 13Q1, and it happened so due to the above men-

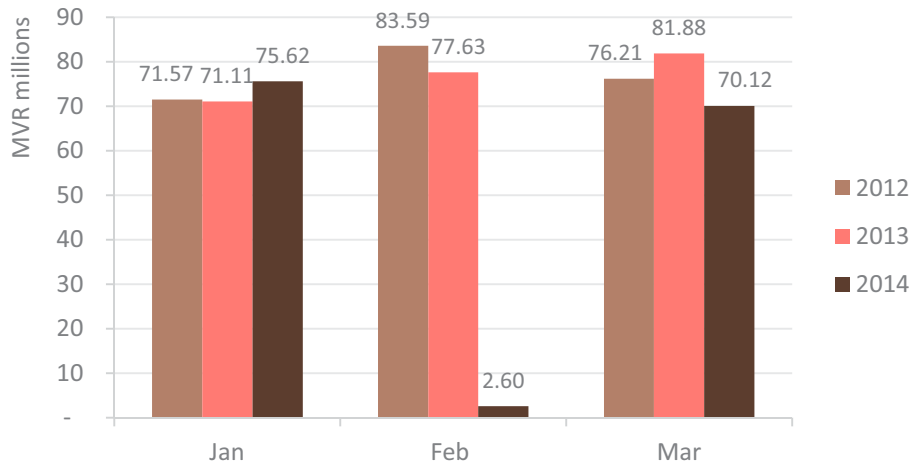
Figure 1.12 Quarterly Tourism Land Rent Collection



Figure 1.13 Quarterly Tourism Tax Collection



Figure 1.14 Monthly Tourism Tax Collection, Quarter 1 (2012-2014)



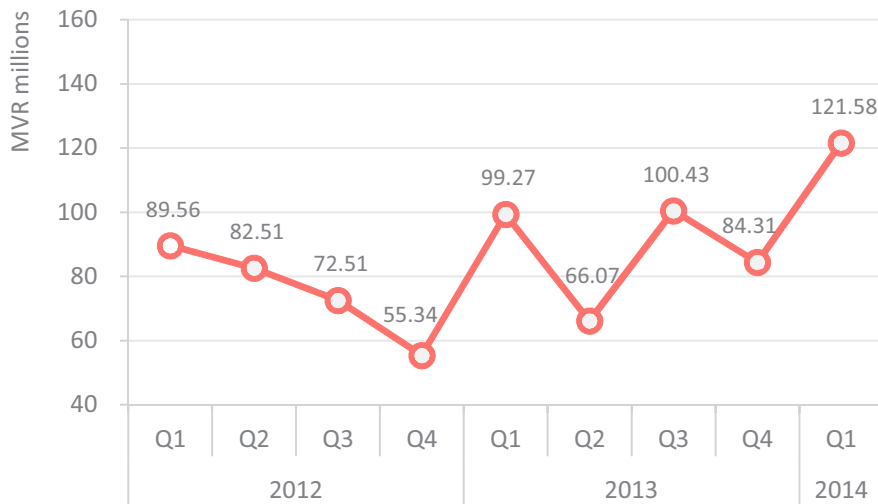
tioned reason. Further, Tourism Tax collected in March 2014 would be lower than the usual as Tourism Tax was not collected for the first 6 days of February.

e. Airport Service Charge

The Airport Service Charge recorded its highest quarterly outturn in 14Q1. In 14Q1, the collec-

tion was MVR 121.6 million. It depicted a 22.5% higher collection compared to 13Q1 and 44.4% higher compared to 13Q4. The favourable effect from higher tourist arrivals was translated to this revenue code too. Consequently, Airport Service Charge accounted for 4.4% of the total revenue collection for 14Q1.

Figure 1.15 Quarterly Airport Service Charge Collection



19,925

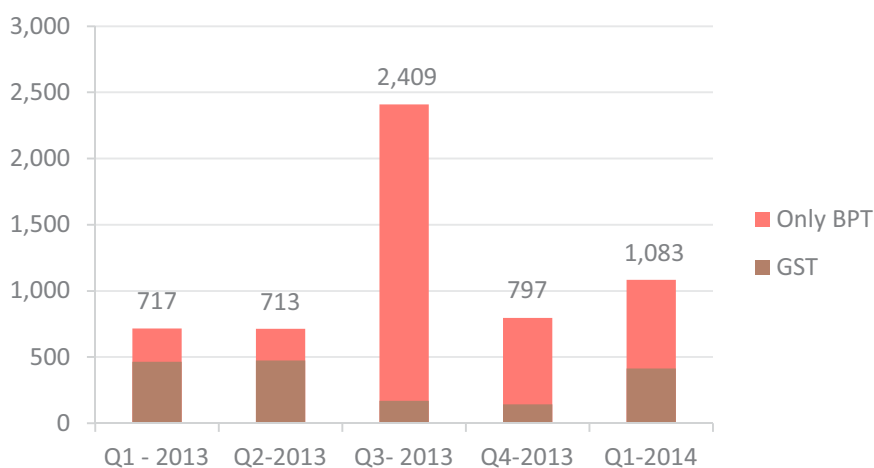
Total Number of taxpayers registered at the end of 14Q1.

2. Registrations

All businesses carried out in the Maldives are required to register in MIRA, except where certain exemptions are fulfilled. The exemptions, were granted for only individuals carrying out business, include if an individual does not make MVR 20,000 per month, and does not employ anyone and does not require a permit to carry out the business. All corporate bodies and all individuals who do not fulfil above criteria are required to register. As such, 1,083 new businesses registered with MIRA during 14Q1, while 26 businesses de-registered. By the end of the quarter, there are 19,925 taxpayers registered with MIRA.

38.1% of the newly registered taxpayers during the quarter were also subject to GST registration. The total number of GST registrations in 14Q1 is 413, out of which 354 registered for non-tourism sector and 59 registered for tourism sector GST. 62 taxpayers deregistered from GST (58 taxpayers from Non-tourism sector GST and 5 taxpayers from the tourism sector GST). It adds up to 6,207 taxpayers from the Non-tourism sector and 1,218 taxpayers from the tourism sector by the end of the quarter. In total, 7,425 taxpayers were registered for GST by the end of 14Q1.

Figure 2.1 Quarterly Registrations



7,425

Number of taxpayers registered for GST by the end of 14Q1.

3. Activities during the Quarter

Organisational Restructuring

New department named, **Large Taxpayer Service Department**, formed effective from 1 January 2014.

Taxpayer Awareness Programs

62 presentations to public, government offices and institutions (694 participants)

13 presentations to schools and educational institutes (1362 participants)

59 media appearances

6 media programs

Audits

Tax Type	No. of Audits Completed	Tax impact MVR
BPT	181	11,734,365
WHT	23	2,101,530
GGST	32	1,630,088
TGST	44	1,067,108
BnPT	1	(525,410)

281 Audits

Total Tax Impact of Audits
MVR 16,007,681

Compliance

73 notices issued to register potential taxpayers

3,199 compliance visits conducted

Tax Debt Collection

Total enforced collections - **MVR 135,521,559**

Amount recovered under:

Action Policy - **MVR 1,626,715** (87 taxpayers)

Account Freezing Policy - **MVR 3,816,626** (26 accounts)

Dues Clearance - **MVR 1,420,285** (727 taxpayers)

Installment Plan granted for **44 taxpayers**

55 taxpayers skip traced during the quarter

Objections

13

objections received

8 GST
2 TGST
3 WHT

24

objections completed

3 GST
5 TGST
4 BPT
12 WHT

Staff

182

staff working at
MIRA at the end of
the quarter

28

staff recruited
during the
quarter

23

staff terminated
during the
quarter

7 Trainings

3 Overseas, 3 Local
69 Staff trained

2 Conferences

6 Staff participated

11 staff

studying ACCA on sponsorship

Trainings/Seminars/Conferences/Study Visits

Overseas:

1. **Taking Advantage of the MAC and Automatic EOI** held in Malaysia from 17-21 February 2014 (2 participants).
2. **High Level Regional Consultation on BEPS** held in Korea, from 20-21 February 2013 (2 participants).
3. **SAARC Seminar on International Taxation and Transfer Pricing** held in Nagpur, India from 4-7 March 2014 (4 participants).
4. **Board Members Visit** to Taiwan from 10-12 March 2014 (7 participants).
5. **Practical Workshop on the Negotiation of Tax Treaties (IRBM-OECD)** held in Malaysia from 10-14 March 2014 (2 participants).

Local:

1. **Seminar on Cyber Security** held on 25 January 2014 (4 participants).
2. **Analysing For Single Window Environment in Maldives** (in cooperation with MED and MCS) conducted by UN ESCAP from 18-20 March 2014 (1 participant).
3. **Office Dhivehi Course** conducted by CSTI from 23-27 March 2014 (30 participants).
4. **Conflict Management Course** conducted by CSTI from 30-31 March 2014 (30 participants).

Legal cases

- 8** cases filed by MIRA
- 7 case filed with the Civil Court
 - 1 case filed with the High Court

- 4** cases filed against MIRA
- 1 case filed with the Civil Court
 - 2 cases filed with the Tax Appeal Tribunal
 - 1 case filed with the Supreme Court

- 1** judgement passed in favor of MIRA
- 2** cases dismissed
- 1** case withdrawn

Tax Rulings Issued

1. G17: Eleventh amendment to the Goods and Services Tax Regulation

Legislative Changes

Changes to the GST Act on 6 February 2014

- Increasing the scope of the GST to the telecom sector from 1 May 2014
- Imposition of GST on the sale of immovable property from 1 May 2014
- Change in the GST rate in the Tourism Sector from 1 November 2014

MIRA **issued a tax ruling** to change the regulation to reflect the changes in the Act and had **Consultations with telecommunication providers** carried out to draft the changes to the regulations and implement the change in the GST.

Changes to the Maldives Tourism Act on 6 February 2014

- **Reinstate the Tourism Tax** which was originally abolished on 31 December 2013. It was reinstated from 6 February 2014 and will continue until 30 November 2014.

MIRA **issued a circular** to all tourist establishments highlighting the changes.

- **Continuation of the Lease Period Extension Fee:** Resorts that have entered into agreements pursuant to the second amendment to the Maldives Tourism Act to extend the lease period of resorts are provided with the opportunity to settle the fee in quarterly installments within 24 months.

4. Quarter in Pictures



Senior officials from the Department of Zakat and Income Tax, Saudi Arabia visited MIRA on a study tour

MIRA staff participated in the "Buddy Walk" arranged by the "Beautiful Eyes" to mark the world autism day.



The senior management was informed on the anti-corruption measures by the Anti-Corruption Commission of the Maldives.

Information sessions were held to inform the telecom providers about the upcoming telecom sector GST.



The board of directors of MIRA visited the Taxation Administration of Taiwan on a study tour.



MIRA staff travelled to atolls to audit, check compliance and provide information during 14Q1.



Set-up of temporary additional counters to provide services on GST and BPT deadlines in January 2014.



During the atoll trips, MIRA staff visited the shops in atolls to check for compliance and to audit.



An online show named "1415" was commenced in 14Q1 to bring information about tax matters.



5. Outlook

5.1 Revenue Projection

The revenue projected for 14Q2 is MVR 2.75 billion. Usually there is a second quarter slump in the revenue collection. However, consequent to the new revenue measures passed by the Majlis in February 2014, the effect of this slump will be minimized. Revenue is expected to stream in from a number of new revenue sources. Firstly, the scope of GST will be increased to include the telecom sector and sale of immovable properties from 1st May 2014. Secondly, Lease Period Extension Fee will be received from 14Q2 onwards. Therefore, there are additional revenues that will stream in from 14Q2. In addition, part of the Bank Profit Tax will also be collected in 14Q2, judged based on historical trend of payment collection in previous years. Consequently, 24.2% of the total expected revenue collection for the year will be collected in 14Q2.

Majority of the revenue that will be collected in 14Q2 is GST. It is expected that 36.5% of the

revenue will represent GST. Lease Period Extension will also represent almost one-fifth of the revenue collection. Tourism Land Rent and BPT is expected to account for 11.3% and 11.4% respectively.

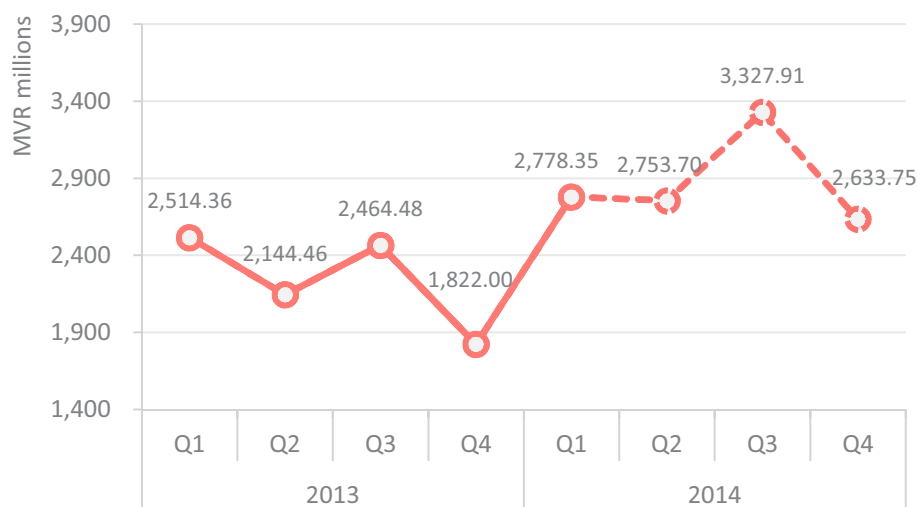
MIRA expects to collect MVR 11.4 billion in 2014, including the new revenue measures passed by the parliament.

5.2 Planned Activities

There are important legislative changes which will be implemented in 14Q2, and hence the MIRA will work extensively to implement these legislative changes. Activities in this regard include informing the public on the changes and preparing the stakeholders to deal with the change. Further, regulatory amendments that are required will be brought and monitored by the MIRA during the quarter.

Further, the atoll trips will be continued in 14Q2 by various teams of MIRA in several atolls. The

Figure 1.6 Quarterly Revenue Projection 2014



audit teams, compliance check teams and public awareness teams will travel to the atolls and carry out the functions of MIRA in the atolls.

A strategic planning exercise is scheduled to take place in 14Q2, in order to strengthen the corporate management of MIRA and establish an efficient tax administration system. A consultant with the assistance from IMF will visit the Maldives and assist MIRA in this regard.

Furthermore, the technical assistance on the Customer Relations Management system will be initiated in 14Q2. Further, technical assistance from ADB will be obtained in to strengthen the audit function and management information system of the MIRA during 14Q2.

In addition, all core functions of the MIRA will be carried out as before.

MIRAconnect
ANYTIME, ANYWHERE



MALDIVES
INLAND REVENUE
AUTHORITY

-  T-Building, Ameenee Magu, Male'
-  1415
-  (960) 332 2261
-  (960) 331 6577
-  planning@mira.gov.mv
-  www.mira.gov.mv

