



MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT

2020-Q2 April
May
June

ABBREVIATIONS

18Q1	2018, First Quarter
18Q2	2018, Second Quarter
18Q3	2018, Third Quarter
18Q4	2018, Forth Quarter
19Q1	2019, First Quarter
19Q2	2019, Second Quarter
19Q3	2019, Third Quarter
19Q4	2019, Fourth Quarter
20Q1	2020, First Quarter
20Q2	2020, Second Quarter
ASC	Airport Service Charge
ADF	Airport Development Fee
ATF	Airport Taxes and Fees
BPT	Business Profit Tax
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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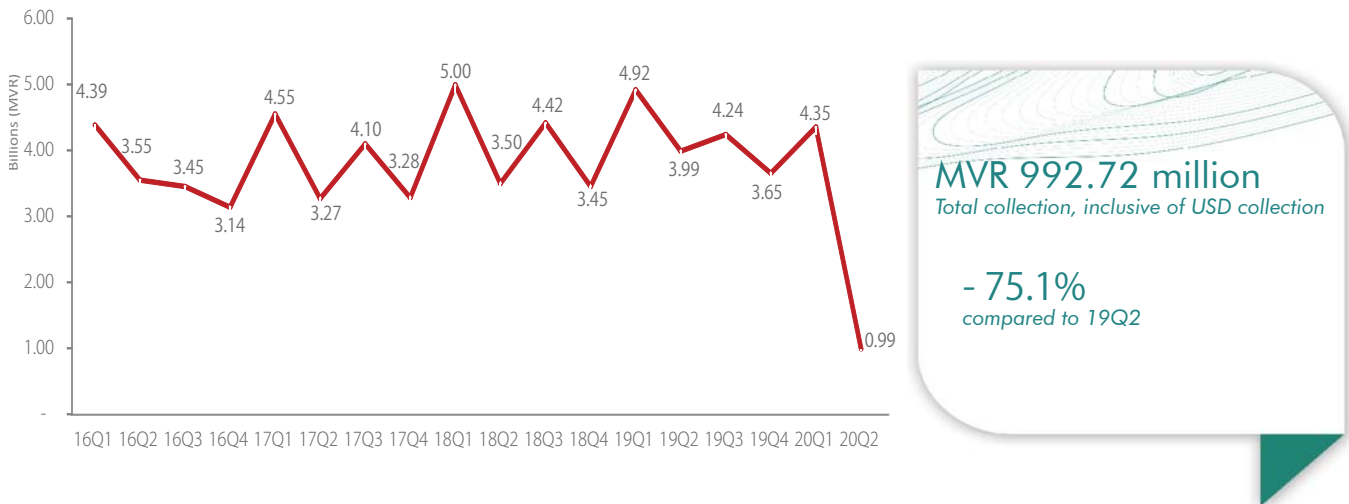


A. REVENUE COLLECTION

I. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



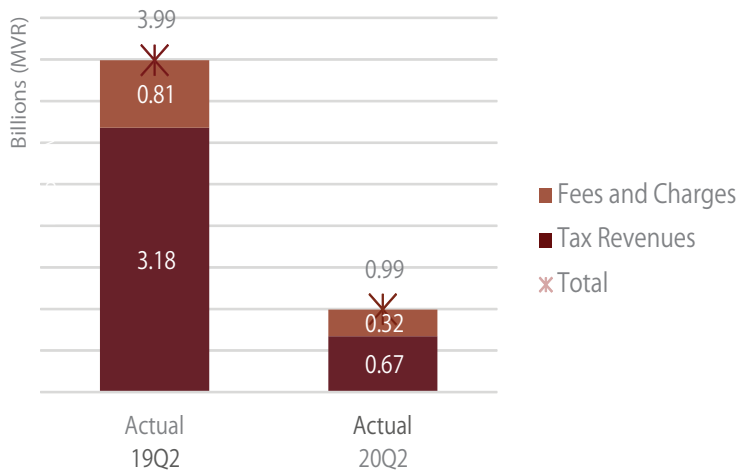
Quarterly Revenue of 20Q2 sums to 992.72 million. Due to the lockdown of borders as a preventive measure against Covid-19, tax and non-tax deadlines were extended till MIRA reopened in 20Q3. Compared to the corresponding quarter of 2019, a steep decline of 75.1% in quarterly revenue was observed for this quarter.

The decline in revenue is mostly due to the decline in TGST, Green Tax, Tourism Land Rent, Airport Service Charge and Airport Development Fee. Due to the border closure, tourist arrivals were halted and tourism related revenues decreased significantly. Additionally in order to facilitate taxpayers in the tourism sector, Ministry of Tourism granted deadline extension for Tourism Land Rent payment.

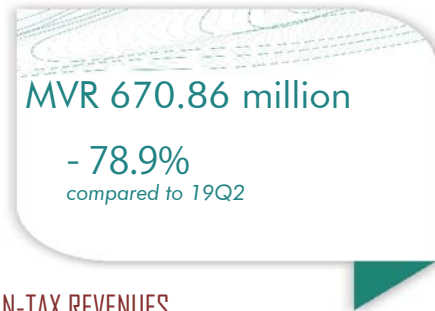


1.2

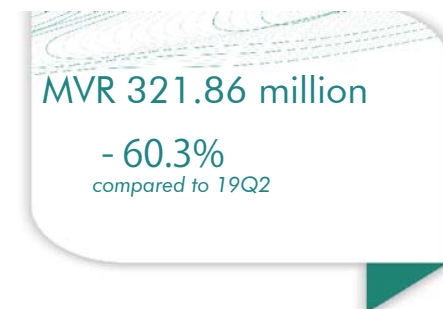
REVENUE COMPOSITION OF 20Q2



TAX REVENUES



NON-TAX REVENUES



TAX REVENUES

All of the tax revenue in 20Q2 declined steeply compared to 19Q2, due to the consequences of Covid-19 pandemic. Tourist arrivals were halted since borders were closed in late March and also deadline for submission of return and payment has been extended until MIRA opens.

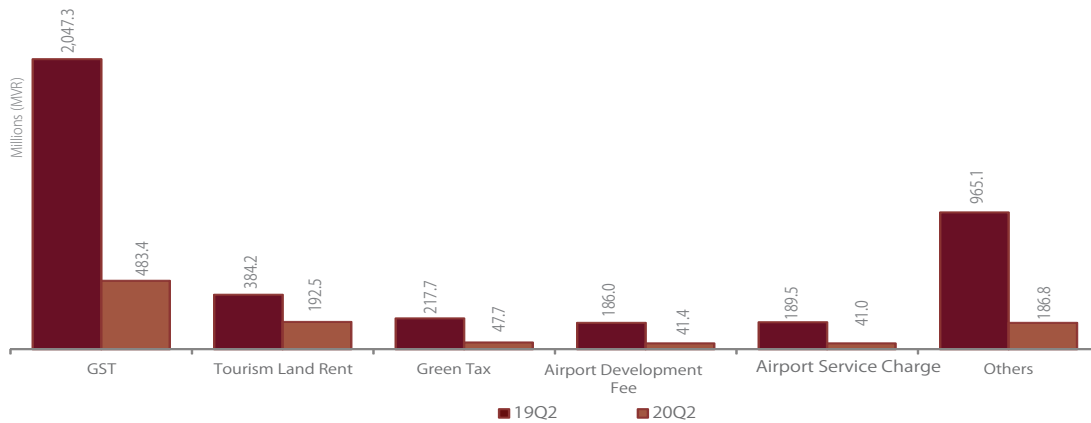
NON-TAX REVENUES

A decrement of MVR 488.04 million was observed for non-tax revenues when compared to the corresponding quarter of 2019.

This decrement is mainly due to the steep decline in collection of Tourism Land Rent which has been deferred under measures taken in relation to Covid-19 pandemic.



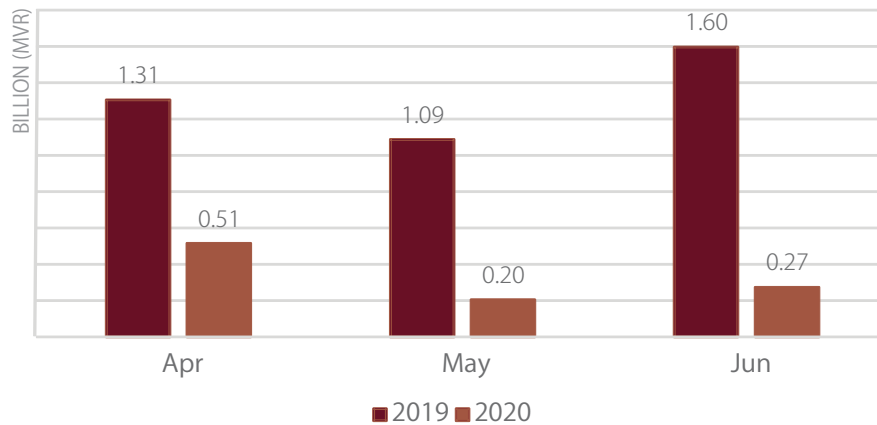
1.3 TOP FIVE REVENUE CONTRIBUTORS OF 20Q1



Revenue	Compared to 19Q2	Share of 20Q2
GST	-76.4%	48.7%
TOURISM LAND RENT	-49.9%	19.4%
GREEN TAX	-78.1%	4.8%
AIRPORT DEVELOPMENT FEE	-77.7%	4.2%
AIRPORT SERVICE CHARGE	-78.3%	4.1%

Top 5 revenue contributors for the quarter mutually accounted for 81.2% of the total revenue.

1.4 COMPARISON AGAINST 19Q2



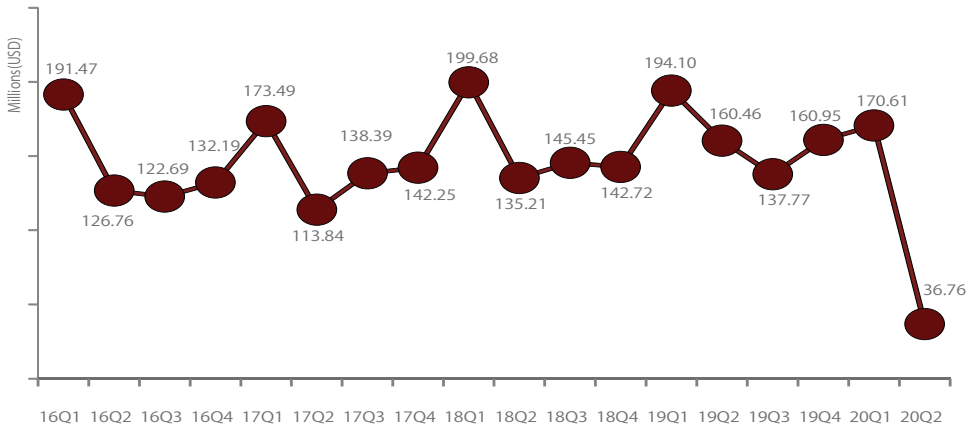
Months	Compared to 2019
April	-60.6%
May	-81.2%
June	-82.9%



2. USD REVENUE COLLECTION

2.1

USD COLLECTION



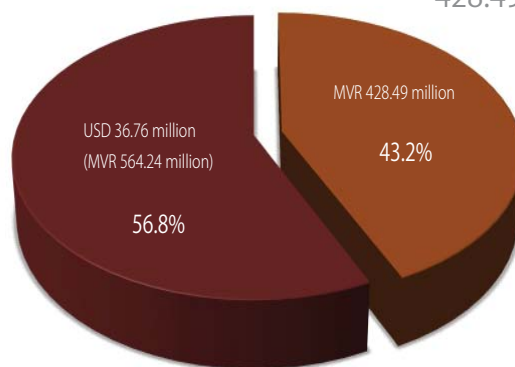
USD 36.76 million
 - 77.1%
 compared to 19Q2

The decrement of USD collection is mainly due to the significant decline in Tourism Land Rent, TGST, Green Tax, Airport Development Fee and Airport Service Charge in 20Q2 compared to 19Q2.

Due to the lockdown initiated by the government as a preventive measure against Covid-19, tourism related taxes and fees declined significantly. In addition, in order to facilitate the taxpayers Tourism Land Rent was deferred, further contributing to this decline.

2.2

CURRENCY COMPOSITION



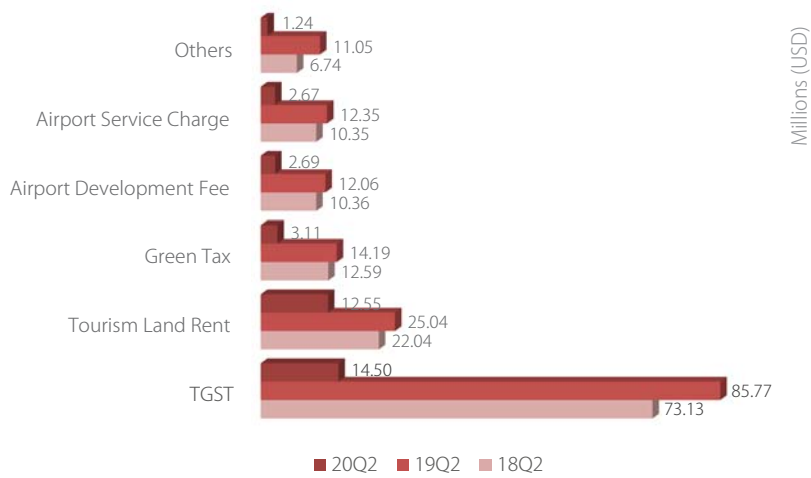
Revenue received in MVR accounts for 43.2% of the revenue, which is MVR 428.49 million.

56.8% of the revenue was received in USD (USD 36.76 million), which is equivalent to MVR 564.24 million.



2.3

USD REVENUE GROWTH

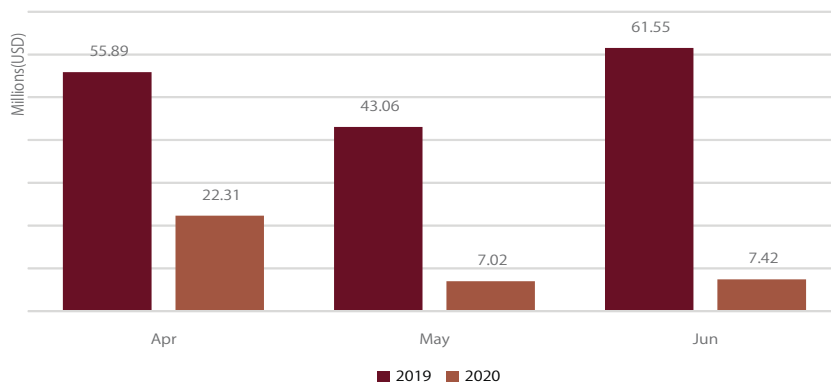


Revenue	Compared to 19Q2	Share of 20Q2
TGST	-83.1%	39.5%
TOURISM LAND RENT	-49.9%	34.1%
GREEN TAX	-78.1%	8.4%
AIRPORT DEVELOPMENT FEE	-77.7%	7.3%
AIRPORT SERVICE CHARGE	-78.4%	7.3%

The top five USD revenue contributors mutually account for 96.6% of the total USD revenue.

2.4

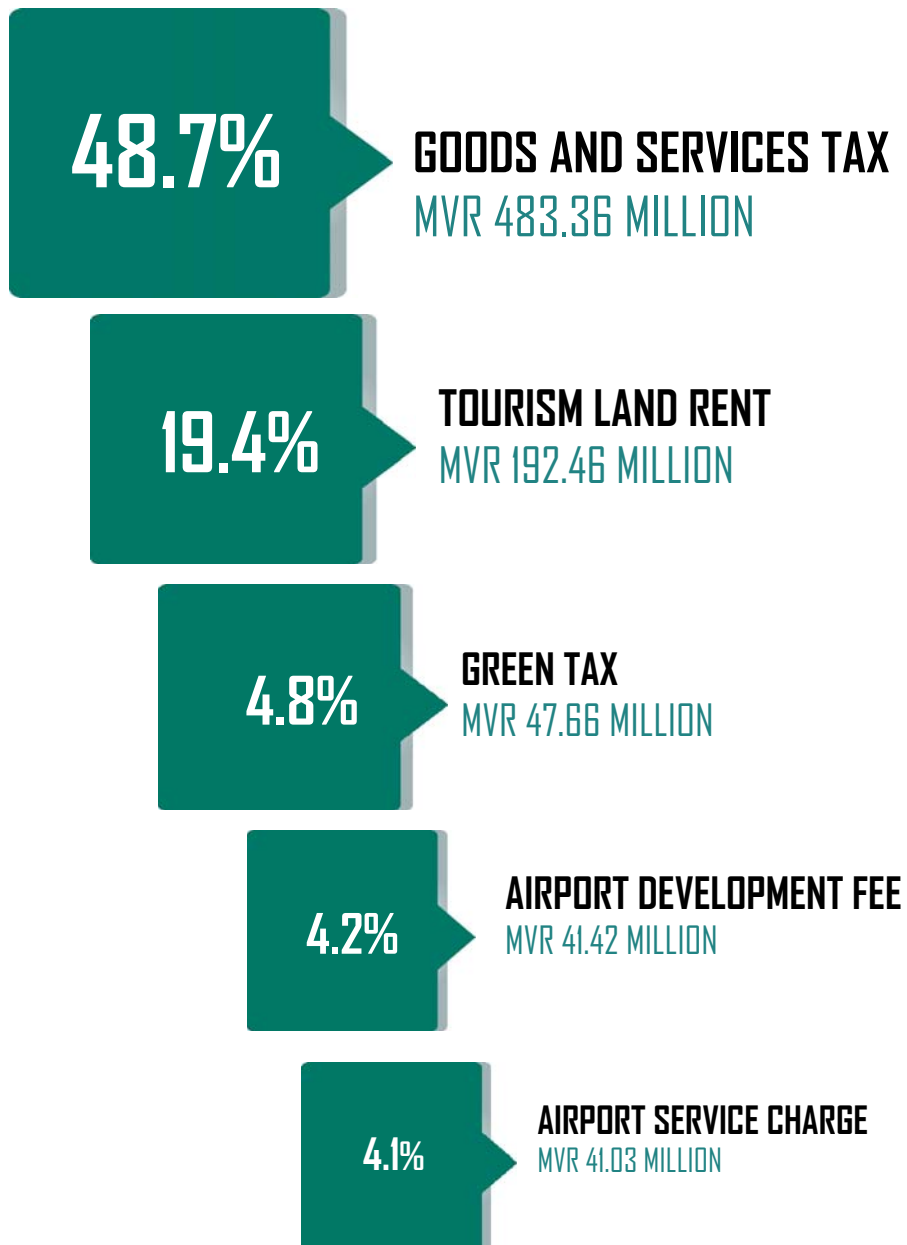
COMPARISON AGAINST 19Q2: MONTHLY



Months	Compared to 2019
April	-60.1%
May	-83.7%
June	-87.9%



TOP REVENUE CONTRIBUTORS



3.1

TOTAL GST COLLECTION

MVR 483.36 million
 - 76.4%
 compared to 19Q2

46.1% of the GST collection relates to tourism sector, while the remaining 53.9% relates to the GST from general sector in 20Q2.

3.2

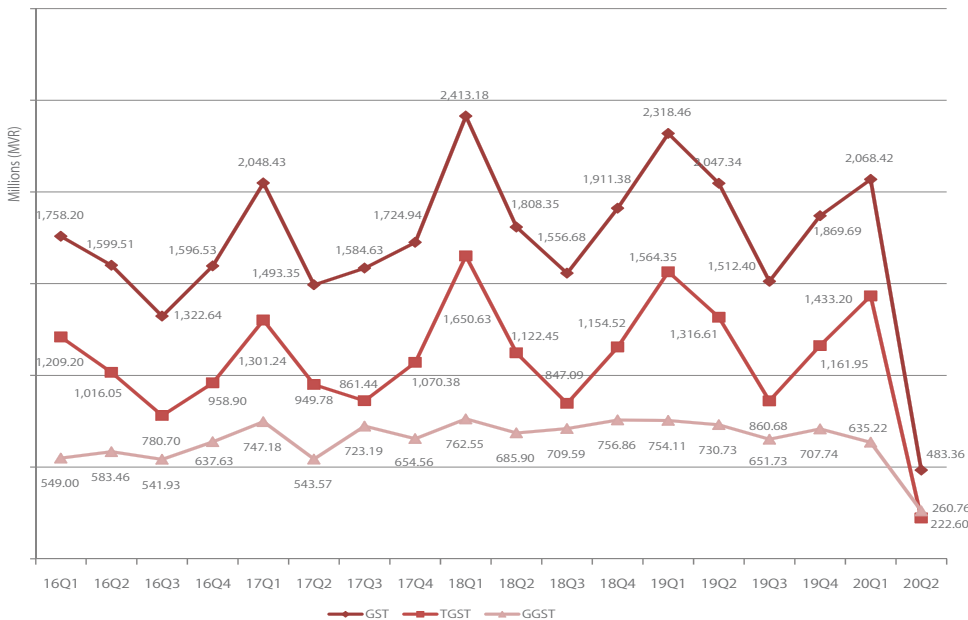
TGST COLLECTION

MVR 222.6 million
 - 83.1%
 compared to 19Q2

3.3

GGST COLLECTION

MVR 260.76 million
 - 64.3%
 compared to 19Q2



3.2

TGST COLLECTION

Since Borders of Maldives was closed as a preventive measure against Covid-19, revenue from TGST fell drastically by 83.1% compared to 19Q2.

3.3

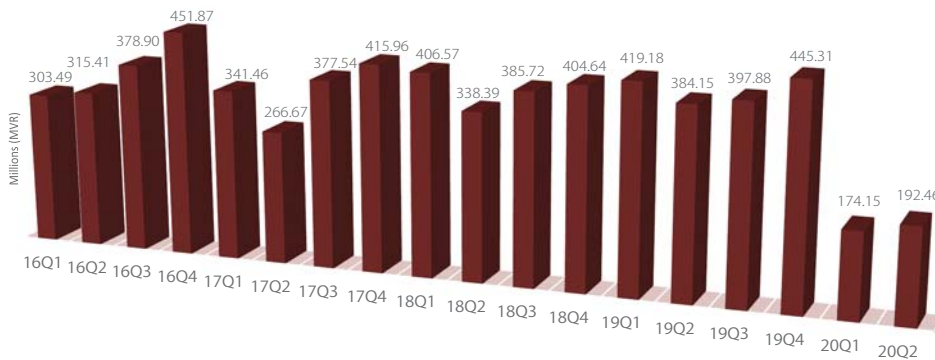
GGST COLLECTION

Compared to 19Q2, GGST revenue for 20Q2 fell by 64.3% since deadline for the submission of GST return and payment were extended until MIRA re-opens.



3.4

Tourism Land Rent

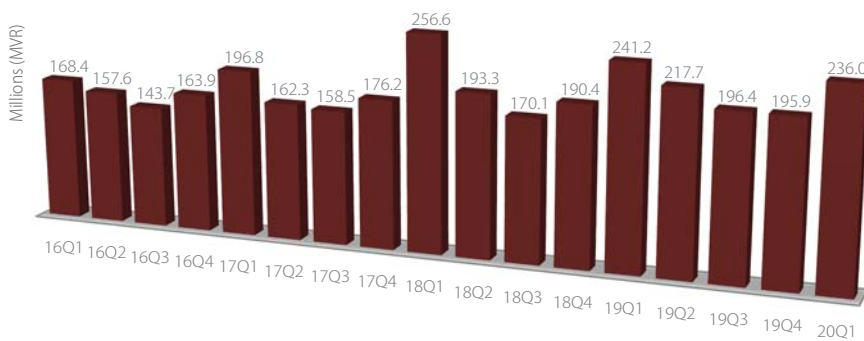


MVR 192.46 million
-49.9%
 compared to 19Q2

Tourism Land Rent deadlines have been deferred to 2021, to facilitate the taxpayers in the tourism sector as the sector has been adversely affected by the Covid-19 pandemic.

3.5

Green Tax



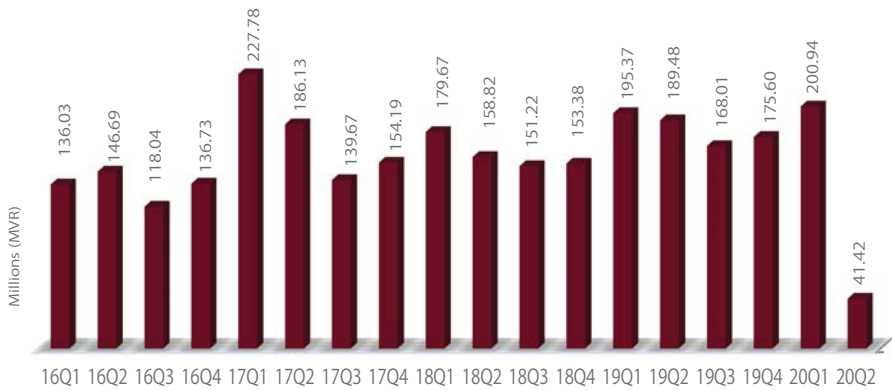
MVR 47.66 million
- 78.1%
 compared to 19Q2

Quarterly revenue collection from Green Tax for 20Q2 is MVR 47.66 million. Border closure and payment deadlines being extended until MIRA reopens after the lockdown collectively led to the decrement in Green Tax revenue.



3.6

Airport Development Fee

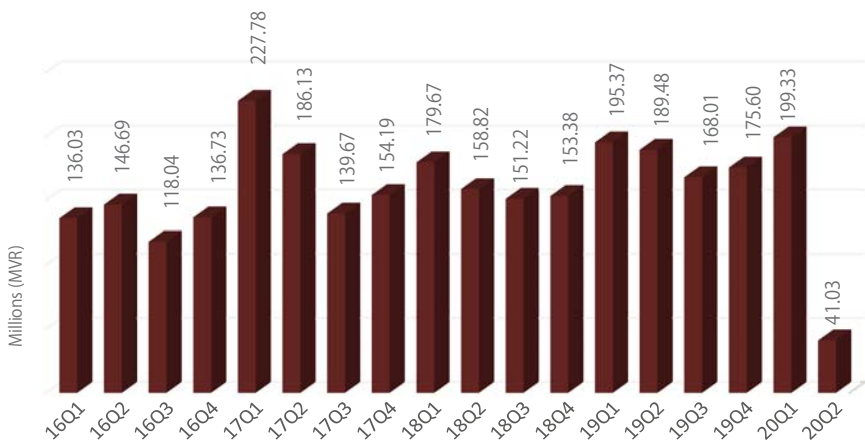


MVR 41.42 million
 -77.7%
 compared to 19Q2

Revenue from Airport Development Fee sums to MVR 41.42 million. In comparison to 19Q2, ADF declined significantly due to closure of border by the government as a preventive measure against Covid-19 pandemic

3.7

Airport Service Charge



MVR 41.03 million
 -78.3%
 compared to 19Q2

MVR 41.03 was collected as Airport Development Fee in 20Q2. This sharp decline in revenue is due to the significant decrement in departures due to the closure of border.



B. ACTIVITIES DURING THE QUARTER



LAWS AND REGULATIONS

- 2020/R-25** The Special Regulation on Income Tax Regulation.
- 2020/R-43** Transfer Pricing Regulation.
- 2020/R-49** 26th amendment to the Goods and Services Tax Regulation
- 2020/R-56** First amendment to the Income Tax Regulation.



TAXPAYER AWARENESS PROGRAMS

7 Income Tax information sessions to taxpayers and Public (76 participants)

1 information session to new registrants (22 participants)

4 MIRAcconnect sessions (16 participants)

1 General Information session Govt. offices and SOEs (22 participants)

6 Media Interviews

AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	20	894,696
TGST	8	7,206,197
BPT	12	22,778,509
Green Tax	1	-
ATF	2	468,259
Total	43	31,347,661

43
AUDITS

MVR 31.35 million
ADDITIONAL TAX ASSESSED



ENFORCED COLLECTION

TOTAL ENFORCED COLLECTION MVR 0.00



Installment plans granted to 23 taxpayers in 20Q2

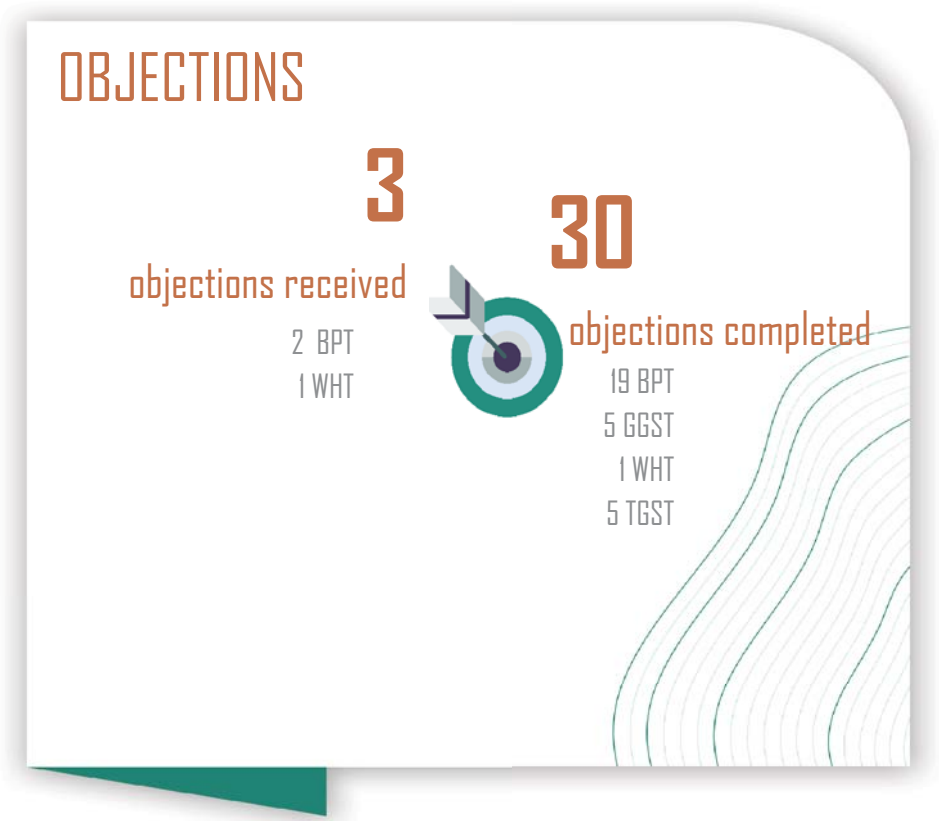
Arrears as at 20th June 2020

Category	Principle amount	Fines	Total
Tax Dues	1,992,994,810	2,338,623,415	4,331,618,225
Non-Tax Dues	3,688,643,452	13,574,919,407	17,263,562,860
Total	5,681,638,262.	15,913,542,822	21,595,181,085



REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Income Tax	31,738	6,423	0	38,161
TGST	2,086	5	13	2,078
GGST	12,342	51	37	12,356
Green Tax	1,168	1	6	1,163
Airport Service Charge	45	-	-	45
Bank Profit Tax	8	-	-	8



LEGAL ACTIONS



- 1 judgement passed in favour of MIRA
- 0 cases filed by MIRA
- 0 case filed against MIRA
- 0 judgements passed against MIRA

HR MANAGEMENT



301

staff working at MIRA
at the end of the quarter

1

staff recruited during the quarter

3

staff terminated/ released during the quarter

TRAININGS AND CONFERENCES



Overseas (online)

1

Trainings
3 participants

Staff Development Programs

1

Induction program
9 participants

D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 20Q2 and Comparison Against 19Q2 (MVR)

Description	20Q2	19Q2	Growth	% Share
TAX REVENUES	670,862,506	3,179,308,849	-78.9%	67.6%
Airport Service Charge	41,032,116	189,480,519	-78.3%	4.1%
Bank Profit Tax	7,944,756	177,616,160	-95.5%	0.8%
BPT	16,686,867	346,915,822	-95.2%	1.7%
Green Tax	47,659,644	217,727,732	-78.1%	4.8%
GGST	260,762,296	730,763,904	-64.3%	26.3%
TGST	222,595,152	1,316,594,827	-83.1%	22.4%
Land Sales Tax	-	2,510,199	-100.0%	0.0%
Remittance Tax	-	27,197,242	-100.0%	0.0%
Revenue Stamp	196,417	4,364,340	-95.5%	0.0%
WHT	73,985,259	166,138,105	-55.5%	7.5%
NON-TAX REVENUES	321,862,455	809,899,464	-60.3%	32.4%
Airport Development Fee Charge	41,424,580	186,007,835	-77.7%	4.2%
Business Permits ¹	5,039,761	9,243,808	-45.5%	0.5%
Construction Period Extension Fee	-	6,141,000	-100.0%	0.0%
Corporate Social Responsibility Fee	3,129,720	-	-	0.3%
Fines	10,714,743	42,814,989	-75.0%	1.1%
Land Acquisition and Conversion Fee	715,702	4,415,100	-83.8%	0.1%
Lease Period Extension Fee	-	-	-	0.0%
Non-tourism Property Income ²	5,975,081	30,807,622	-80.6%	0.6%
Ownership Transfer Tax	-	76,800	-100.0%	0.0%
Proceeds from Sale of Assets ³	249,278	2,730,480	-90.9%	0.0%
Resident Permit	36,546,750	70,689,410	-48.3%	3.7%
Royalties ⁴	2,585,643	20,905,800	-87.6%	0.3%
Tourism Administration Fee	-	-	-	0.0%
Tourism Land Rent	192,460,811	384,152,688	-49.9%	19.4%
Vehicle Fee	12,039,420	27,340,880	-56.0%	1.2%
Vessels Fee	1,525,580	6,001,860	-74.6%	0.2%
Zakat Al-Mal	9,346,719	17,564,639	-46.6%	0.9%
Others ⁵	108,668	1,006,553	-91.2%	0.0%
Total	992,724,961	3,989,208,313	-75.1%	100%

¹ **Business Permits:** Company Annual Fee, Restaurant, Café, Canteen Fee, Flat Maintenance Fee, Partnership Fees, Import Trade Fee, Co-operative Society Fees, Sole Trader Registration Fee, Trade Registry Fee, Foreign Investment Administration Annual Fee, Company Registration Fee, Foreign Business Fee, Dive School Registration Fee, Guest House Registration Fee, Other Registrations & License, Motor Vehicle and Vessel, Bank Mortgage Registration Fee, Sale of Tender Documents, Sale of Pass

² **Non-tourism Property Income:** Uninhabited Islands Rent, Government Buildings Rent, Commercial Land Rent, Rent from land for Industry, Longterm Agricultural leased islands rent, Rent from Floating Jetty, Uninhabited Islands Administration Fee

³ **Proceeds from Sale of Assets:** Sale of items at auction, Sale of Government Buildings, Sale of Government Lands

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

⁵ **Others:** Other Registration and License fees, Reimbursement from previous year's budget, Sadaqa/Donation, Loan repayment & National student loan



Table 2 Total USD Revenue Contribution, 20Q2 (USD)

Description	20Q2	% Share
TGST	14,502,941	39.5%
Tourism Land Rent	12,549,422	34.1%
Green Tax	3,106,001	8.4%
Airport Development Fee	2,686,641	7.3%
Airport Service Charge	2,672,501	7.3%
Others	1,242,747	3.4%
Total	36,760,252	100%

*Others: Tourism Land Rent, Lease Period Extension Fee, Fines, Corporate Social Responsibility Fee, Business Permits, Land Acquisition and Conversion Fee, Vessel Fee, Royalties, Zakat-Al-Mal

Table 3 Multi-year Summary (MVR in millions)

Description	Actual 17Q2	Actual 18Q2	Actual 19Q2	Actual 20Q2
TAX REVENUES	2,646.0	2,716.0	3,179.3	670.9
Airport Service Charge	186.1	158.8	189.5	41.0
Bank Profit Tax	478.1	213.7	177.6	7.9
BPT	66.9	140.2	346.9	16.7
Green Tax	162.3	193.3	217.7	47.7
GGST	543.6	685.9	730.8	260.8
TGST	949.8	1,122.4	1,316.6	222.6
Land Sales Tax	61.4	8.9	2.5	-
Remittance Tax	32.9	28.3	27.2	-
Revenue Stamp	12.0	11.6	4.4	0.2
Tourism Tax	-	0.0	-	-
WHT	153.0	152.9	166.1	74.0
NON-TAX REVENUES	623.8	780.6	809.9	321.9
Airport Development Fee	42.0	159.6	186.0	41.4
Business Permits ¹	7.4	9.9	9.2	5.0
Construction Period Extension Fee	20.7	17.3	6.1	-
Corporate Social Responsibility Fee	-	-	-	3.1
Fines	46.3	51.6	42.8	10.7
Land Acquisition and Conversion Fee	78.4	24.7	4.4	0.7
Lease Period Extension Fee	-	-	-	-
Non-tourism Property Income ²	32.9	30.4	30.8	6.0
Ownership Transfer Tax	0.1	0.1	0.1	-
Proceeds from Sale of Assets ³	6.7	9.6	2.7	0.2
Resident Permit	59.6	66.5	70.7	36.5
Royalties ⁴	17.9	17.0	20.9	2.6
Tourism Administration Fee	3.1	7.7	-	-
Tourism Land Rent	266.7	338.4	384.2	192.5
Vehicle Fee	19.1	22.8	27.3	12.0
Vessels Fee	5.9	5.5	6.0	1.5
Zakat Al-mal	16.3	17.5	17.6	9.3
Others ⁵	0.7	2.1	1.0	0.1
Total	3,269.9	3,496.7	3,989.2	992.7

¹ **Business Permits:** Company Annual Fee, Restaurant, Café, Canteen Fee, Flat Maintenance Fee, Partnership Fees, Import Trade Fee, Co-operative Society Fees, Sole Trader Registration Fee, Trade Registry Fee, Foreign Investment Administration Annual Fee, Company Registration Fee, Foreign Business Fee, Dive School Registration Fee, Guest House Registration Fee, Other Registrations & License, Motor Vehicle and Vessel, Bank Mortgage Registration Fee, Sale of Tender Documents, Sale of Pass

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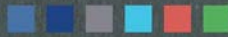


Table 5 Reported Sales from Tourism Categories (USD)

Description	20Q2	19Q2	Growth
Tourist Resort	8,609,982.14	820,991,687.41	-99%
Tourist Guest house	575,333.06	6,230,707.00	-91%
Tourist Hotel	326,224.16	17,550,980.45	-98%
Domestic Air Transport	172,446.40	61,093,684.65	-100%
Tourist Vessel	135,239.74	8,559,172.38	-98%
Spa	119,805.00	3,244,894.67	-96%
Foreign Tourist Vessel's Agent	93,897.41	507,148.88	-81%
Diving School	51,631.39	12,874,019.87	-100%
Shops	39,219.78	2,279,600.15	-98%
Other Facility	17,235.47	2,377,783.39	-99%
Water Sports Facility	-	3,877,744.70	-100%
Tour Operator	(472,396.88)	58,069,424.16	-101%
	9,668,618	997,656,848	-99%

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