



MALDIVES
INLAND REVENUE
AUTHORITY



Q2

QUARTERLY REPORT

Q2 / 2019



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ABBREVIATIONS

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
18Q2	2018, Second Quarter
18Q3	2018, Third Quarter
18Q4	2018, Forth Quarter
19Q1	2019, First Quarter
19Q2	2019, Second Quarter
19Q3	2019, Third 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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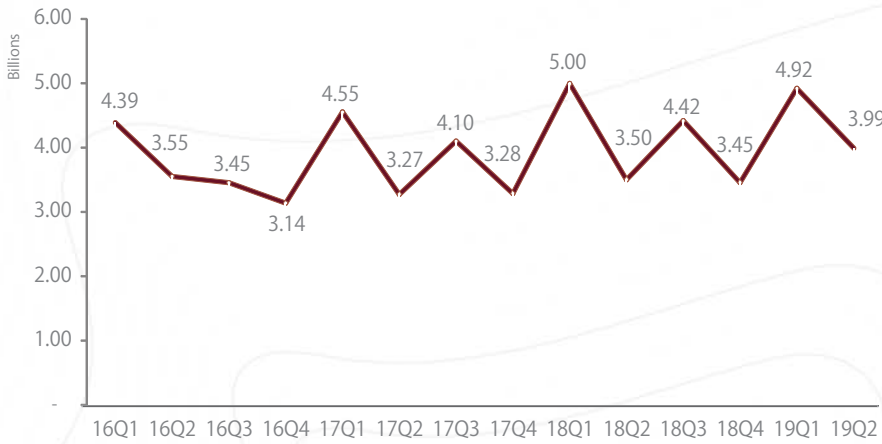


A. REVENUE COLLECTION

I. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



MVR 3.99 billion
Total collection, inclusive of USD collection

+14.1%
compared to 18Q2

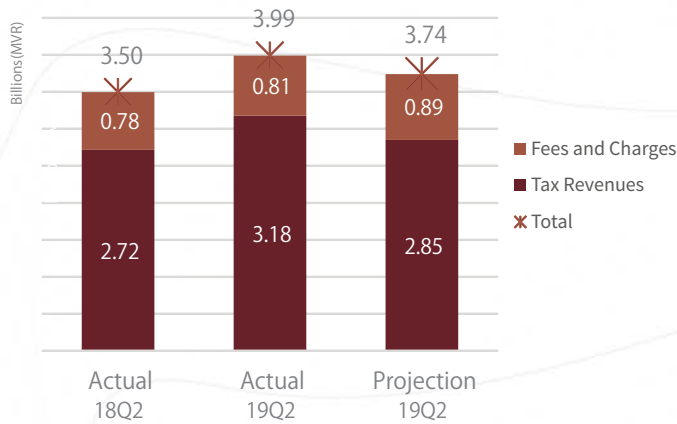
+6.7%
compared to projection for the quarter

The quarterly revenue collection sums up to MVR 3.99 billion in 19Q2. Quarterly revenue increased compared to the revenue collected in the corresponding quarter of 2018 and projection for 19Q2 by 14.1% and 6.7%, respectively.

Compared to 18Q2, increment in revenue was observed for BPT (profit component), TGST, Green Tax and Tourism Land Rent. Also, revenue collection from Airport Development Fee and Airport Service charge increased this quarter, which resulted in this increment compared 18Q2.

Quarterly revenue exceeded the forecasted revenue due to increment in BPT, TGST and Airport Service Charge, compare to its projected revenue.

1.2
REVENUE COMPOSITION OF 19Q2



TAX REVENUES

MVR 3.18 billion
 +17.1%
 compared to 18Q2
 +11.6%
 compared to projection for the quarter

NON-TAX REVENUES

MVR 809.9 million
 +3.7%
 compared to 18Q2
 -9.0%
 compared to projection for the quarter

TAX REVENUES

Out of the tax revenues, collection of BPT, GGST, TGST, Green Tax and Airport Service Charge increased compared to 18Q2. As some banks paid Bank Profit Tax ahead of the deadline in 18Q2, the Bank Profit Tax collected in 19Q2 has decreased, along with Remittance Tax, in comparison to the corresponding quarter of 2018.

Compared to 18Q2, TGST and Green Tax collection increased as tourist arrivals increased by 24% in this quarter. Additionally, due to BPT deadline falling on a public holiday in 2018, it was extended to July while there was no extension this year. This also contributed to the higher BPT collection in 19Q2.

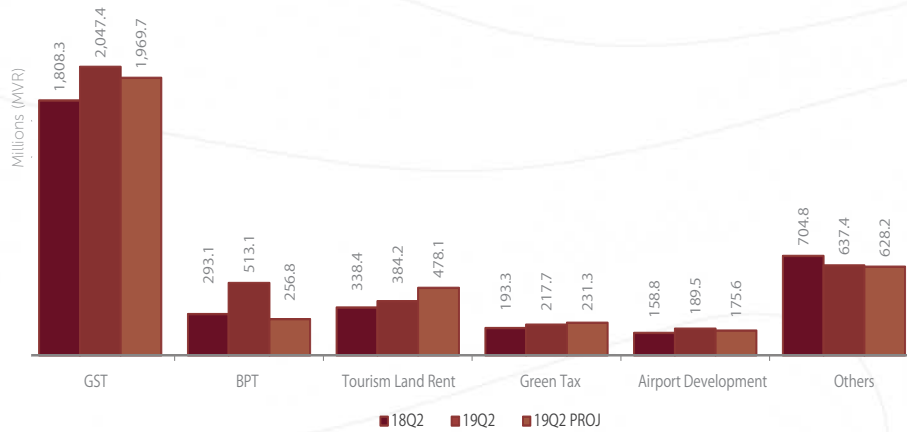
In comparison to the forecasted revenue, tax revenues increased due to increment observed for BPT, TGST and Airport Service Charge.

NON-TAX REVENUES

An increment of MVR 29.25 million was observed for non-tax revenues when compared to 18Q2, whereas the quarterly collection declined in comparison to the forecasted revenue by MVR 79.96 million.

Decrement against projection was due to the non-payment by some taxpayers, and late payment by others in 19Q2.

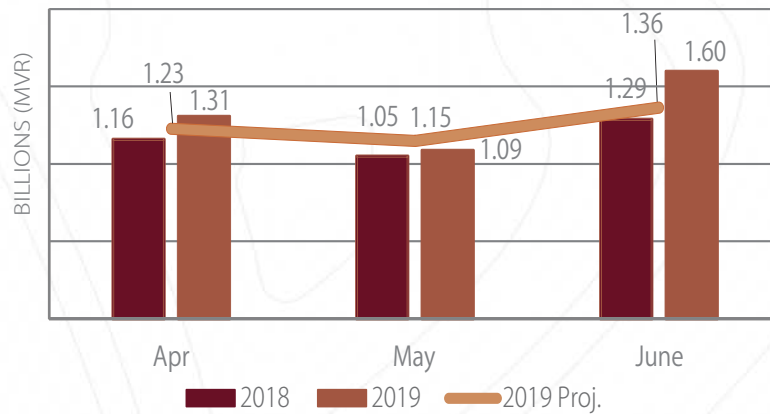
1.3
TOP FIVE REVENUE CONTRIBUTORS OF 19Q2



Revenue	Compared to 18Q2	Compared to Projection	Share of 19Q2
GST	+13.2%	+3.9%	51.3%
BPT	+75.1%	+99.8%	12.9%
TOURISM LAND RENT	+13.5%	-19.6%	9.6%
GREEN TAX	+12.6%	-5.9%	5.5%
AIRPORT SERVICE CHARGE	+19.3%	+7.9%	4.7%

Top 5 revenue contributors for the quarter mutually accounted for 84% of the total revenue.

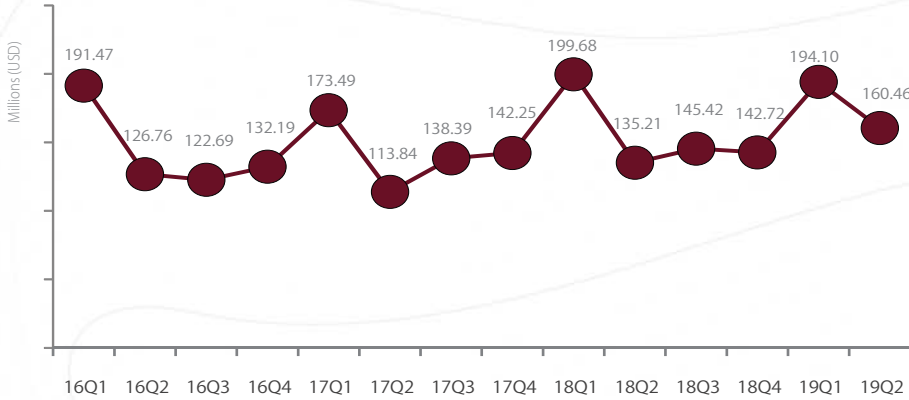
1.4
COMPARISON AGAINST 18Q2 AND PROJECTION: MONTHLY



Months	Compared to 2018	Compared to Projection
April	+12.6%	+6.3%
May	+3.6%	-5.3%
June	+24.0%	+17.1%

2. USD REVENUE COLLECTION

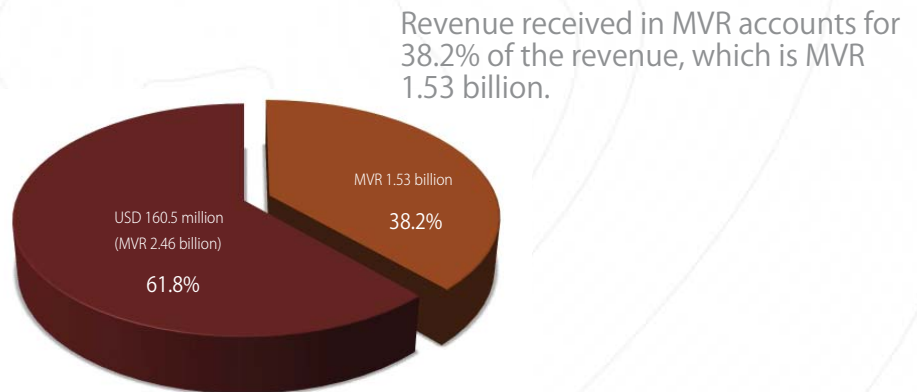
2.1 USD COLLECTION



USD 160.5 million
+18.7%
 compared to 18Q2

The increment in USD collection in 19Q2 in comparison to 18Q2 was due the increment in TGST, Green Tax and Tourism Land Rent. This can be attributed to the increase in tourist arrivals during this quarter by 24%, and increase in number of operating tourist resorts in comparison to 18Q2. Furthermore, the receipts from Airport Service Charge and Airport Development Fee has also contributed to the increment in USD revenue against the corresponding quarter.

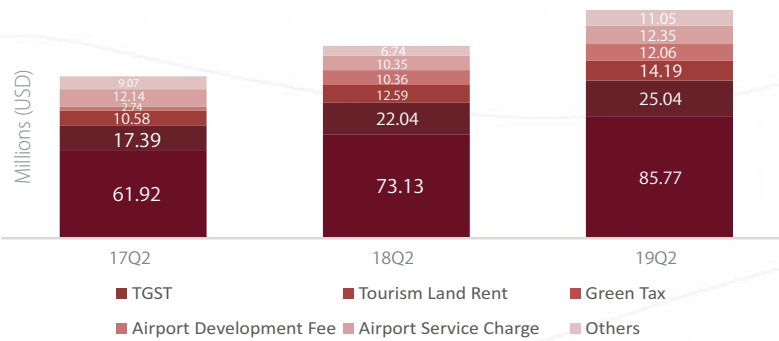
2.2 CURRENCY COMPOSITION



Revenue received in MVR accounts for 38.2% of the revenue, which is MVR 1.53 billion.

61.8% of the revenue was received in USD (USD 160.5 million), which is equivalent to MVR 2.46 billion.

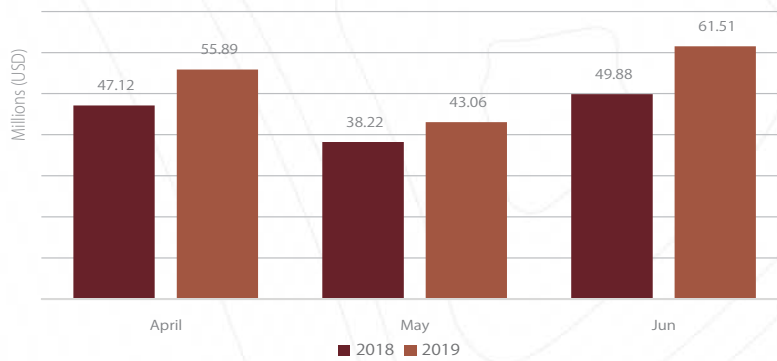
2.3 USD REVENUE GROWTH



Revenue	Compared to 18Q2	Share of 19Q2
TGST	+17.3%	53.5%
TOURISM LAND RENT	+13.6%	15.6%
GREEN TAX	+12.6%	8.8%
AIRPORT SERVICE CHARGE	+19.3%	7.7%
AIRPORT DEVELOPMENT FEE	+16.5%	7.5%

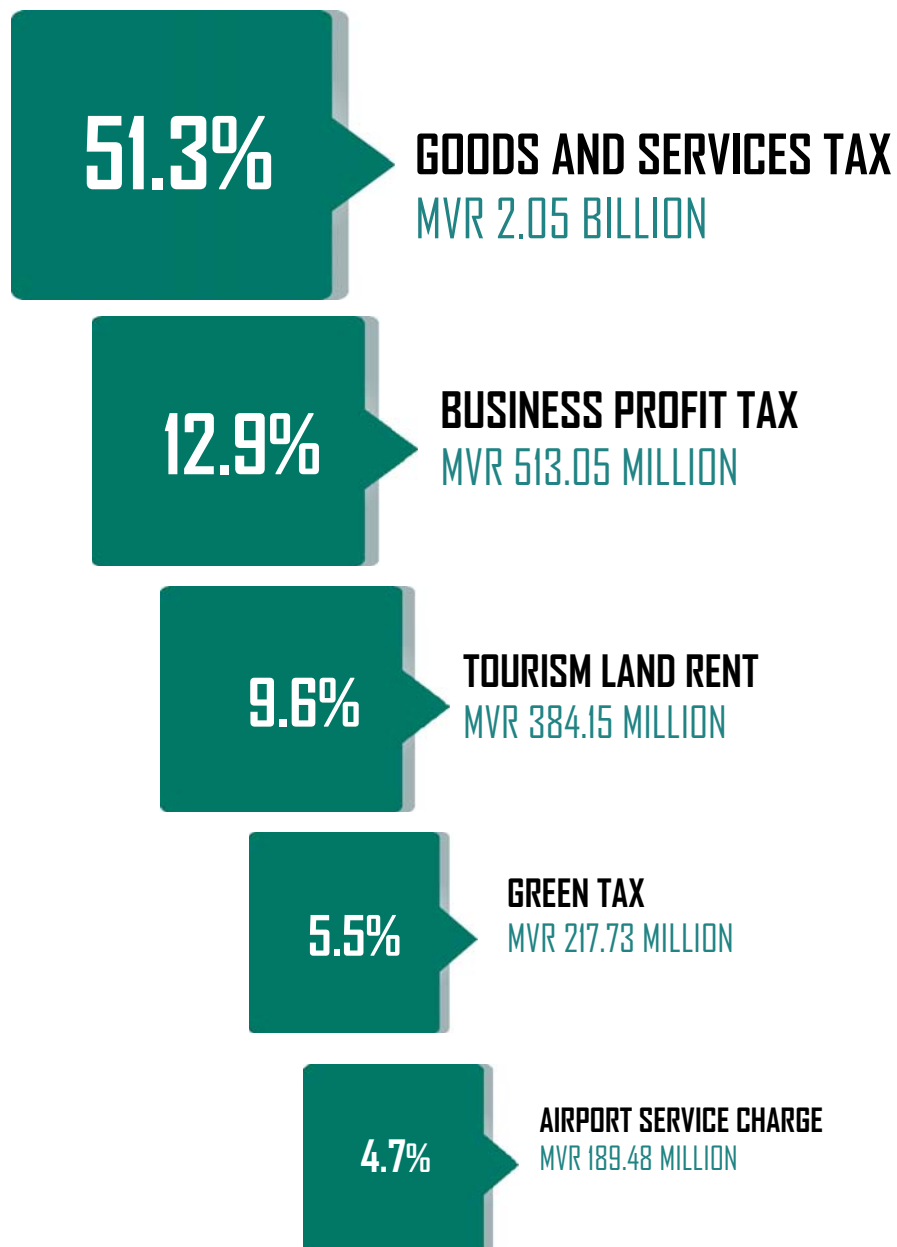
The top five USD contributors mutually account for 93.1% of the total USD revenue.

2.4 COMPARISON AGAINST 18Q2: MONTHLY



Months	Compared to 2018
April	+18.6%
May	+12.7%
June	+23.3%

TOP REVENUE CONTRIBUTORS

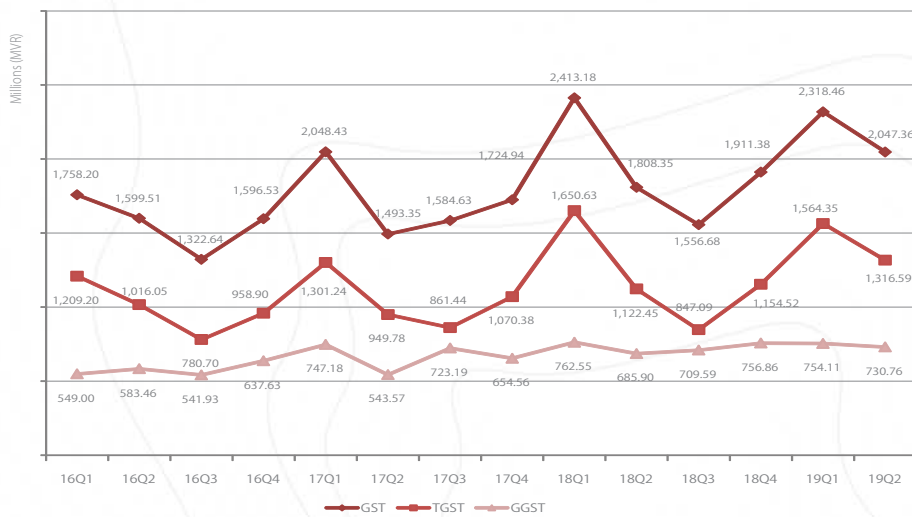


3.1

TOTAL GST COLLECTION

MVR 2.05 billion
 +13.2%
 compared to 18Q2
 +3.9%
 compared to projection for the quarter

64.3% of the GST collection in 19Q2 relates to tourism sector, while the remaining 35.7% relates to the GST from general sector.



3.2

TGST COLLECTION

MVR 1.32 billion
 +17.3%
 compared to 18Q2
 +5.4%
 compared to projection for the quarter

3.3

GGST COLLECTION

MVR 730.76 million
 +6.5%
 compared to 18Q2
 +1.4%
 compared to projection for the quarter

3.2

TGST COLLECTION

In comparison to 18Q2, TGST collection increased as tourist arrival increased by 24% and because most of taxpayers paid by the deadline.

3.3

GGST COLLECTION

GGST revenue shows an upward trend over the quarters. The quarterly collection increased by 6.5% and 1.4% compared to 18Q2 and projection, respectively.

3.4 TOTAL BPT COLLECTION

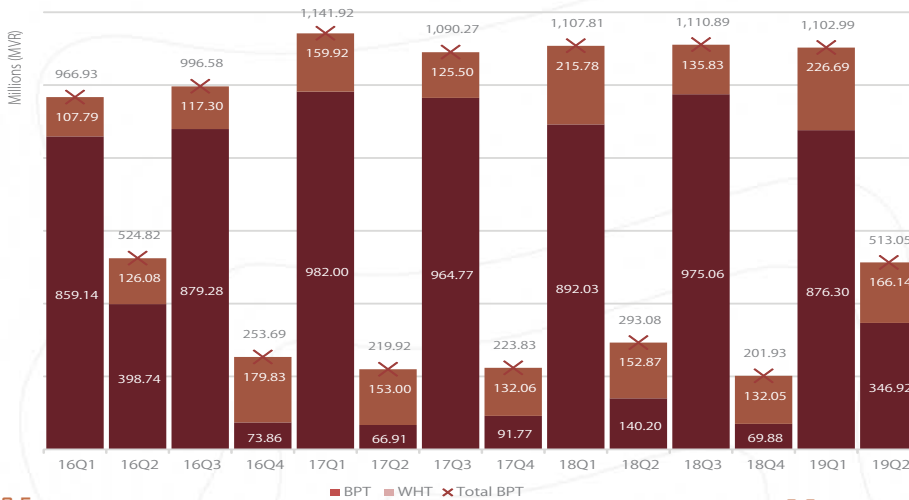
MVR 513.05 million

+75.1%
compared to 18Q2

+99.8%
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 19Q2, 67.6% of the BPT revenue relates to the profit component of while the remaining 32.4% relates to Withholding Tax revenue.



3.5 BPT PROFIT COMPONENT COLLECTION

MVR 346.92 million

+147.4%
compared to 18Q2

+291.6%
compared to projection for the quarter

3.6 WHT COLLECTION

MVR 166.14 million

+ 8.7%
compared to 18Q2

- 1.2%
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).

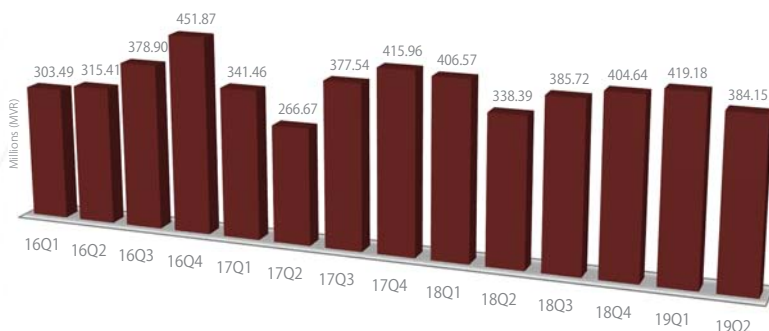
Deadline of the BPT final payment for tax year 2018 fell to 19Q2. However, in 18Q2 the deadline for BPT final payment was extended to 18Q3 as the deadline fell on a holiday, and this led to the significant increase in BPT collection in 19Q2 over 18Q2.

In addition, as most of the taxpayers paid by the deadline, the BPT collection increased compared to projection.

Withholding Tax receipts in 19Q2 increased in comparison to 18Q2. WHT receipts from information and communication sector, tourism sector and transportation sector were higher compared to 19Q2, leading to this favourable outcome.

However, as many taxpayers filed but did not pay during the quarter, a decrement was observed in comparison to the projection figure.

3.7 TOURISM LAND RENT COLLECTION



MVR 384.15 million

+13.5%
compared to 18Q2

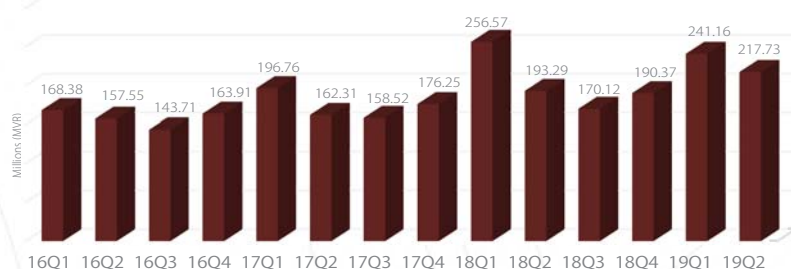
- 19.6%
compared to projection for the quarter

The deadline of Tourism Land Rent for the third quarter of 2019 fell to 19Q2. In contrast to 18Q2, there are more taxpayers in the tax net and as a result of this, Tourism Land Rent collection outdid the corresponding quarter.

However, due to non-payment of Tourism Land Rent by some of the taxpayers with developing establishments, Tourism Land Rent revenue fell significantly compared to projection.

Furthermore, pursuant to the latest amendments brought to the Tourism Act, taxpayers with developing tourist establishments can defer the Tourism Land Rent payment by opting to extend construction period; after paying Construction Period Extension Fee along with the administration fees. This also contributed towards the decrement in receipts compared to the projection.

3.8 GREEN TAX



MVR 217.73 million

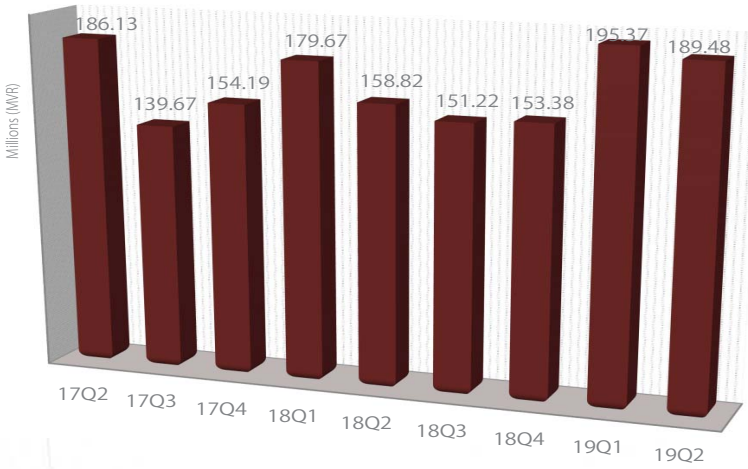
+12.6%
compared to 18Q2

- 5.9%
compared to projection for the quarter

Revenue from Green Tax for 19Q2 totaled to MVR 217.73 million. In 19Q2, tourist arrivals increased by 24% over 18Q2 and dues from previous periods were received in this quarter, which resulted in this increment. However, due to failure of payment by deadline by some of the taxpayers, Green Tax revenue fell compared to projection.

3.9

AIRPORT SERVICE CHARGE



MVR 189.48 million

+19.3%
compared to 18Q2

+7.9%
compared to projection for the quarter

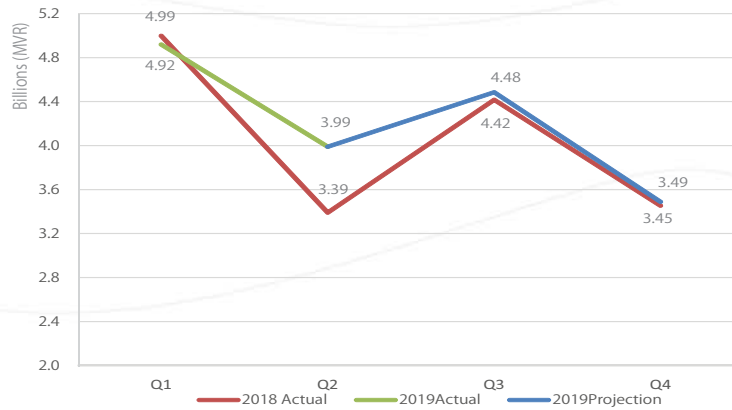
Quarterly revenue collection from Airport Service Charge for 19Q2 is MVR 189.5 million. This is an increment of 19.3% compared to the collection of 18Q2.

Increment in departures led to this favourable outcome compared to 18Q2 and the forecasted revenue.

4. OUTLOOK

4.1

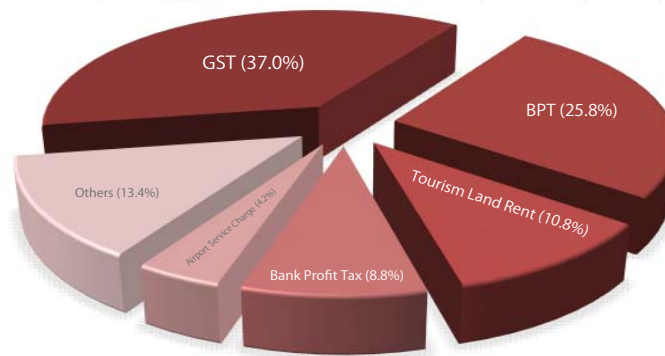
REVENUE OUTLOOK FOR 19Q3



MVR 4.49 billion is projected to be received in the third quarter of 2019, which is an increment of 1.5% compared to 18Q3.

4.2

19Q3 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 19Q3 followed by BPT, as the first Interim payment deadline for 2019 falls in 19Q3. Similarly, Tourism Land Rent deadline for the fourth quarter 2019 falls in 19Q3, and is expected to be the third highest revenue contributor. Furthermore, Bank Profit Tax is expected to be the fourth highest contributor as deadline for Bank Profit Tax 2018 falls in 19Q3. With the prospect of more tourist arrivals, Green Tax is expected to be the fifth highest revenue contributor.

B. ACTIVITIES DURING THE QUARTER



TAXPAYER AWARENESS PROGRAMS

8 MIRAcconnect
training sessions
(16 Participants)

12 training sessions
to new registrants
(38 participants)

3 information sessions
to govt offices and SOEs
(54 participants)

4 Advertisement Videos

4 session
CPD programs
(51 participants)

19 media interviews



COMPLIANCE

1,809 compliance visits

191 non-compliance notices issued

AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	60	30,896,149
TGST	20	7,428,354
WHT	8	66,980,897
BPT	45	144,166,280
Green Tax	7	51,164
ATF	8	3,331,182
RMT	3	1,144,322
Total	151	253,998,348

151
AUDITS

MVR 254 million
ADDITIONAL TAX ASSESSED



ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 238,255,252

Amount recovered under:

Dunning **MVR 131,640,994**

Reminder calls/emails **MVR 68,801,521**

Dues Clearance **MVR 35,279,577**

Bank Account Freezing Policy **MVR 1,728,157**

MIRA arrears **MVR 648,237**

Through Legal action **MVR 156,765**

Final notices issued to **2,908** non-filers and **2,233** non-payers

Installment plans granted to **98** taxpayers in 19Q2



REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Business Registrants	35,657	999	85	36,571
GGST	11,473	203	232	11,444
TGST	1,857	46	12	1,891
Green Tax	935	58	8	985
Remittance Tax	26	-	-	26
Airport Service Charge	43	-	-	43
Bank Profit Tax	8	-	-	8

OBJECTIONS

18

objections received

5 GGST
5 TGST
7 BPT
1 ATF



5

objections completed

2 GGST
1 TGST
2 BPT

LEGAL ACTIONS



 1 cases filed by MIRA with Civil Court

 25 judgements passed in favour of MIRA

 4 case filed against MIRA

 4 judgements passed against MIRA

HR MANAGEMENT



296

staff working at MIRA
at the end of the quarter

24

staff recruited during the quarter

3

staff terminated/ released during the quarter

TRAININGS AND CONFERENCES



Overseas

4 Conferences/Seminars
9 participants

7 Trainings
15 participants

Staff Development Programs

4 Trainings
20 participants

Induction Programs

2 Trainings
43 Participants

C. QUARTER IN PICTURES

Apr 2

MIRA celebrated World Autism Awareness Day



Apr 8

International Financial Reporting Standards(IFRS) training conducted for MIRA staff



May 22

MIRA cricket team won the MILD Ramazan Cricket Carnival



Jun 17

Annual Report 2018 was published on website



Jun 20

Kicking off 'Alivaaru' tax awareness campaign



Jun 29

MIRA staff cleaned Vilingili under 'Heyvalla Saafukurama' program



D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 19Q2 and Comparison Against 18Q2 (MVR)

Description	19Q2	18Q2	Growth	% Share
TAX REVENUES	3,179,308,849	2,716,049,546	17.1%	79.7%
Airport Service Charge	189,480,519	158,824,377	19.3%	4.7%
Bank Profit Tax	177,616,160	213,684,943	-16.9%	4.5%
BPT	346,915,822	140,202,242	147.4%	8.7%
Green Tax	217,727,732	193,288,521	12.6%	5.5%
GGST	730,763,904	685,898,753	6.5%	18.3%
TGST	1,316,594,827	1,122,449,931	17.3%	33.0%
Land Sales Tax	2,510,199	8,894,285	-71.8%	0.1%
Remittance Tax	27,197,242	28,341,060	-4.0%	0.7%
Revenue Stamp	4,364,340	11,587,478	-62.3%	0.1%
WHT	166,138,105	152,874,394	8.7%	4.2%
NON-TAX REVENUES	809,899,464	780,646,128	3.7%	20.3%
Airport Development Fee Charge	186,007,835	159,596,507	16.5%	4.7%
Business Permits ¹	9,243,808	9,860,989	-6.3%	0.2%
Construction Period Extension Fee	6,141,000	17,271,300	-64.4%	0.2%
Corporate Social Responsibility Fee	-	-	-	0.0%
Fines	42,814,989	51,631,300	-17.1%	1.1%
Land Acquisition and Conversion Fee	4,415,100	24,731,361	-82.1%	0.1%
Lease Period Extension Fee	-	-	-	0.0%
Non-tourism Property Income ²	30,807,622	30,352,396	1.5%	0.8%
Ownership Transfer Tax	76,800	76,750	0.1%	0.0%
Proceeds from Sale of Assets ³	2,730,480	9,628,696	-71.6%	0.1%
Resident Permit	70,689,410	66,520,000	6.3%	1.8%
Royalties ⁴	20,905,800	17,030,861	22.8%	0.5%
Tourism Administration Fee	-	7,677,000	-100.0%	0.0%
Tourism Land Rent	384,152,688	338,394,765	13.5%	9.6%
Vehicle Fee	27,340,880	22,773,334	20.1%	0.7%
Vessels Fee	6,001,860	5,455,997	10.0%	0.2%
Zakat Al-Mal	17,564,639	17,518,431	0.3%	0.4%
Others ⁵	1,006,553	2,126,443	-52.7%	0.0%
Total	3,989,208,313	3,496,695,674	14.1%	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, 19Q2(USD)

Description	19Q2	% Share
TGST	85,770,552	53.5%
Tourism Land Rent	25,039,446	15.6%
Green Tax	14,185,350	8.8%
Airport Service Charge	12,353,468	7.7%
Airport Development Fee	12,064,001	7.5%
Others	11,048,078	6.9%
Total	160,460,895	100%

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

Table 3 Comparison Against Projection (MVR)

Description	Actual 19Q2	Projection 19Q2	% Variance
TAX REVENUES	3,179,308,849	2,849,934,528	11.6%
Airport Service Charge	189,480,519	175,639,798	7.9%
Bank Profit Tax	177,616,160	170,373,000	4.3%
BPT	346,915,822	88,594,528	291.6%
Green Tax	217,727,732	231,344,254	-5.9%
GGST	730,763,904	720,923,832	1.4%
TGST	1,316,594,827	1,248,744,174	5.4%
Land Sales Tax	2,510,199	6,788,503	-63.0%
Remittance Tax	27,197,242	27,282,684	-0.3%
Revenue Stamp	4,364,340	12,010,736	-63.7%
WHT	166,138,105	168,233,018	-1.2%
NON-TAX REVENUES	809,899,464	889,866,457	-9.0%
Airport Development Fee	186,007,835	175,639,798	5.9%
Business Permits ¹	9,243,808	8,312,876	11.2%
Construction Period Extension Fee	6,141,000	19,020,375	-67.7%
Corporate Social Responsibility Fee	-	-	-
Fines	42,814,989	37,775,498	13.3%
Land Acquisition and Conversion Fee	4,415,100	8,287,573	-46.7%
Lease Period Extension Fee	-	-	-
Non-tourism Property Income ²	30,807,622	33,624,330	-8.4%
Ownership Transfer Tax	76,800	76,700	0.1%
Proceeds from Sale of Assets ³	2,730,480	8,579,522	-68.2%
Resident Permit	70,689,410	66,230,089	6.7%
Royalties ⁴	20,905,800	17,855,165	17.1%
Tourism Administration Fee	-	7,685,000	-100.0%
Tourism Land Rent	384,152,688	478,089,177	-19.6%
Vehicle Fee	27,340,880	22,982,183	19.0%
Vessels Fee	6,001,860	5,708,171	5.1%
Zakat Al-mal	17,564,639	-	-
Others ⁵	1,006,553	-	-
Total	3,989,208,313	3,739,800,984	6.7%

¹ Refer to Table 1 footnotes for details

Table 4 Multi-year Summary (MVR in millions)

Description	Actual 16Q2	Actual 17Q2	Actual 18Q2	Actual 19Q2
TAX REVENUES	2,839.8	2,646.0	2,716.0	3,179.3
Airport Service Charge	146.7	186.1	158.8	189.5
Bank Profit Tax	396.2	478.1	213.7	177.6
BPT	398.7	66.9	140.2	346.9
Green Tax	157.6	162.3	193.3	217.7
GGST	583.5	543.6	685.9	730.8
TGST	1,016.1	949.8	1,122.4	1,316.6
Land Sales Tax	4.8	61.4	8.9	2.5
Remittance Tax	-	32.9	28.3	27.2
Revenue Stamp	10.2	12.0	11.6	4.4
Tourism Tax	0.0	-	0.0	-
WHT	126.1	153.0	152.9	166.1
NON-TAX REVENUES	718.0	581.8	621.0	809.9
Airport Development Fee	-	-	159.6	186.0
Business Permits ¹	5.6	7.4	9.9	9.2
Construction Period Extension Fee	-	20.7	17.3	6.1
Corporate Social Responsibility Fee	-	-	-	-
Fines	56.2	46.3	51.6	42.8
Land Acquisition and Conversion Fee	189.2	78.4	24.7	4.4
Lease Period Extension Fee	-	-	-	-
Non-tourism Property Income ²	32.1	32.9	30.4	30.8
Ownership Transfer Tax	-	0.1	0.1	0.1
Proceeds from Sale of Assets ³	3.0	6.7	9.6	2.7
Resident Permit	65.7	59.6	66.5	70.7
Royalties ⁴	18.9	17.9	17.0	20.9
Tourism Administration Fee	-	3.1	7.7	-
Tourism Land Rent	315.4	266.7	338.4	384.2
Vehicle Fee	19.4	19.1	22.8	27.3
Vessels Fee	5.4	5.9	5.5	6.0
Zakat Al-mal	7.0	16.3	17.5	17.6
Others ⁵	0.3	0.7	2.1	1.0
Total	3,557.9	3,269.9	3,496.7	3,989.2

Table 5 Reported Sales from Tourism Categories (USD)

Description	19Q2	18Q2	Growth
Tourist resort	820,991,687	723,469,301	13%
Domestic air transport	61,093,685	51,344,958	19%
Tour operator	58,069,424	48,334,241	20%
Tourist hotel	17,550,980	14,410,362	22%
Diving School	12,874,020	10,541,461	22%
Tourist vessel	8,559,172	9,038,091	-5%
Tourist guest house	6,230,707	3,621,233	72%
Water sports facility	3,877,745	3,259,046	19%
Spa	3,244,895	3,137,619	3%
Other Facility	2,377,783	2,359,967	1%
Shops	2,279,600	2,227,094	2%
Foreign tourist vessel's agent	507,149	1,518,462	-67%
	997,656,848	873,261,836	14%



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