



MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT

2020-Q4 October
November
December

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
20Q3	2020, Third Quarter
20Q4	2020, Fourth 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
NWT	Non-Resident Withholding Tax
EWT	Employee Withholding Tax



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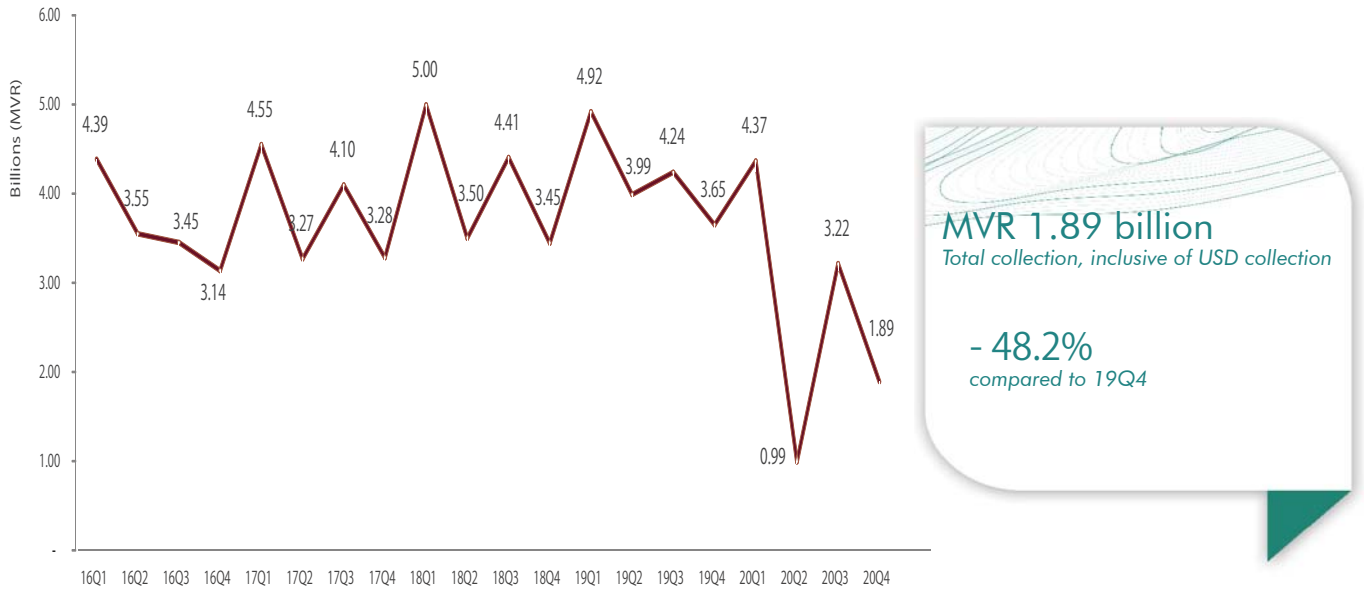


A. REVENUE COLLECTION

I. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



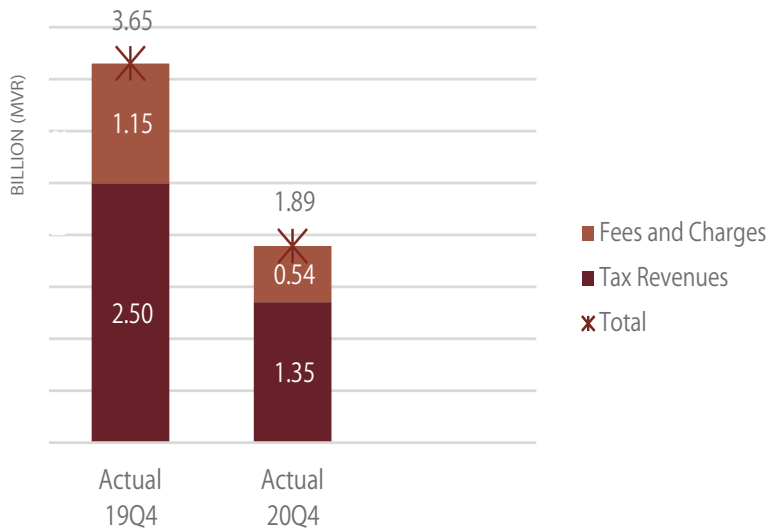
Quarterly revenue of 20Q4 total to MVR 1.89 billion, aggregating the total revenue of 2020 to MVR 10.47 billion. Due to the Covid-19 pandemic, and given the significance of the tourism industry on the economy, the downturn in economic activity in the tourism sector led to the decrement in taxes and fees. The Quarterly revenue of 20Q4 declined by 48.2% compared to the corresponding quarter of 2019.

The decline in revenue is mostly due to the steep decline in TGST, GGST, Airport Service Charge, Airport Development Fee and Green Tax. Although the border was reopened in 20Q3, Tourist Arrivals were lower by 83.2% when compared to the corresponding period of 2019, which led to the decrement in the above-mentioned taxes and fees.

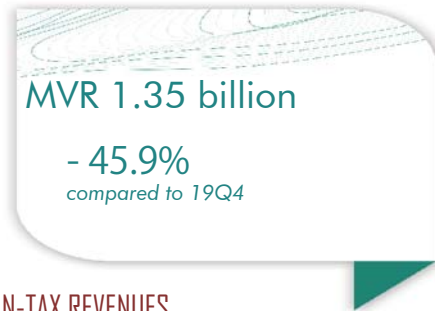


1.2

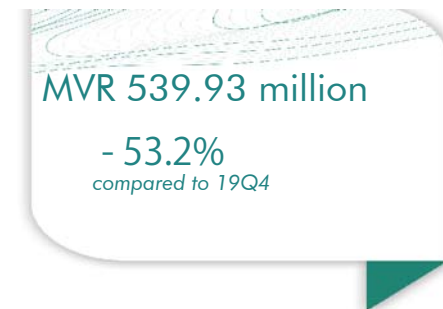
REVENUE COMPOSITION OF 20Q4



TAX REVENUES



NON-TAX REVENUES



TAX REVENUES

Tax revenues totaled to MVR 1.35 billion in 20Q4. This is a decline of 45.9% compared to 19Q4. Tourist arrivals declined by 83.2% compared to the corresponding period of 2019, even though the border was re-opened during mid-July 2020. As a result, TGST, Airport Service Charge, Green Tax and Withholding Tax collection dwindled compared to 19Q4.

Under the new Income Tax Act, Corporate Income Tax, Employee Withholding Tax, Personal Income Tax and Transport Operator Income were collected in 20Q4.

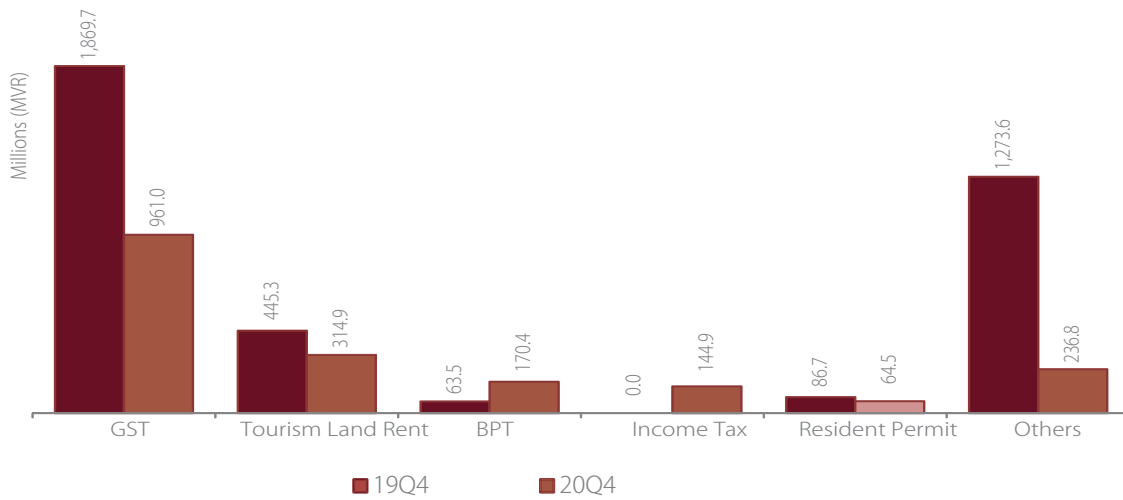
NON-TAX REVENUES

A decrement of MVR 613.54 million was observed for 20Q4 when compared to the corresponding quarter of 2019.

In 19Q4, few taxpayers opted to extend their Lease period for 99 years by paying Lease Period Extension Fee in 19Q4, while no payments were received in 20Q4 for this revenue code, which lead to this variance compared to 19Q4. Additionally, Tourism Land Rent declined by 29.3%, as few resorts withheld the rent payment of 21Q1.



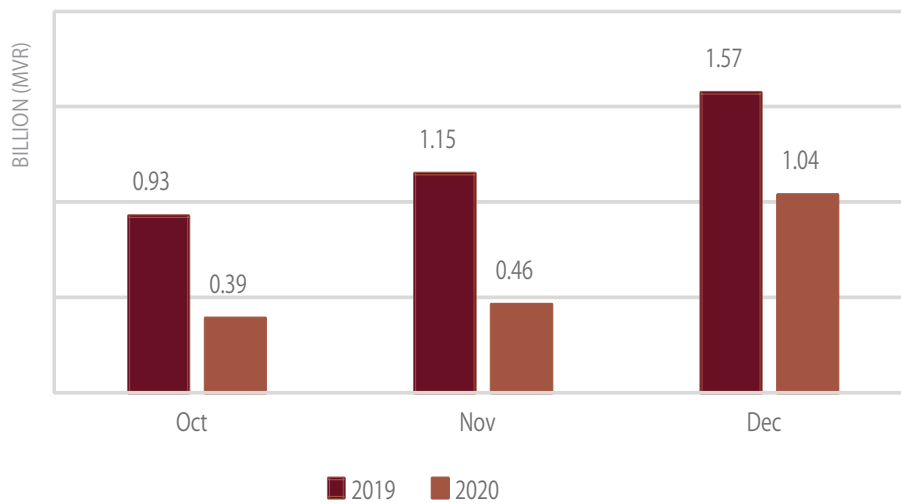
1.3
TOP FIVE REVENUE CONTRIBUTORS OF 20Q4



Revenue	Compared to 19Q4	Share of 20Q4
GST	-48.6%	50.8%
TOURISM LAND RENT	-29.3%	16.6%
BPT	168.5%	9.0%
INCOME TAX	-	7.7%
RESIDENT PERMIT	-25.6%	3.4%

Top 5 revenue contributors for the quarter mutually accounted for 87.5% of the total revenue.

1.4
COMPARISON AGAINST 19Q4



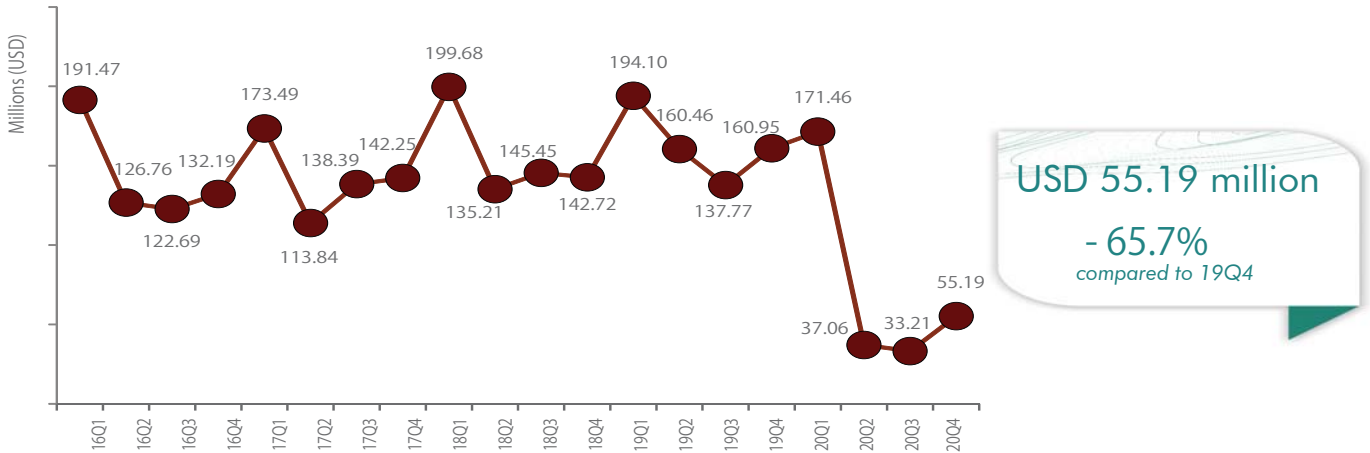
Months	Compared to 2019
October	-57.8%
November	-59.8%
December	-34.0%



2. USD REVENUE COLLECTION

2.1

USD COLLECTION

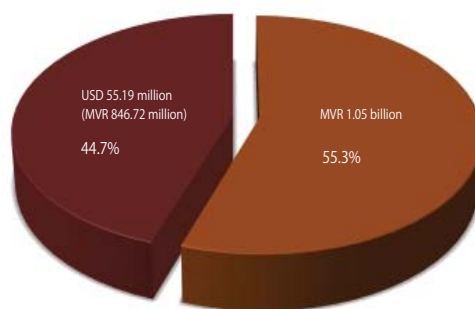


USD collection in 20Q4 sums to USD 55.19 million, which is a steep decline of 65.7% compared to 19Q4. In 19Q4, few taxpayers opted to pay Lease Period Extension Fee to extend their lease period for 99 years, whereas no taxpayers chose to extend their lease period in 20Q4, thus the decrement in USD revenue. The decrease in tourist arrivals, resulting in decline in economic activity and tax collection from tourism sector, also led to the decline in collection of major taxes such as GST and Green Tax.

2.2

CURRENCY COMPOSITION

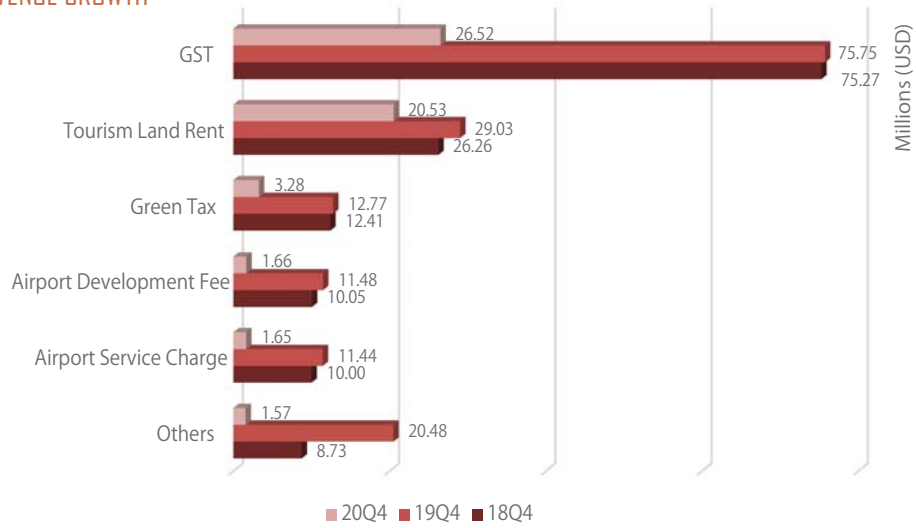
Revenue received in MVR accounts for 55.3% of the revenue, which is MVR 1.05 Billion.



44.7% of the revenue was received in USD (USD 55.19 million), which is equivalent to MVR 846.72 million.

2.3

USD REVENUE GROWTH

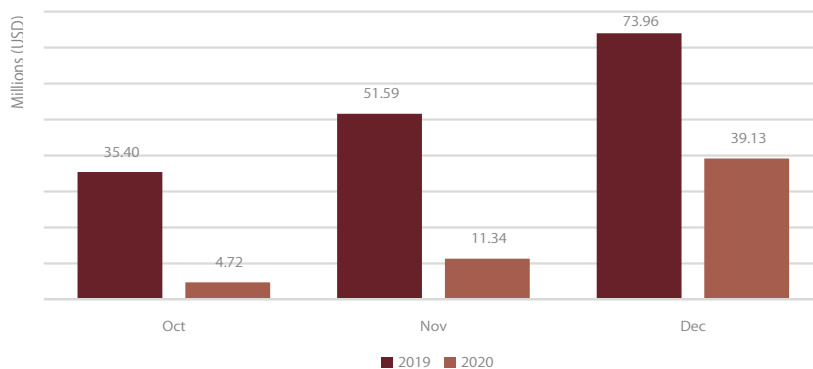


Revenue	Compared to 19Q4	Share of 20Q4
GST	-65.0%	48.1%
TOURISM LAND RENT	-29.3%	37.2%
GREEN TAX	-74.3%	5.9%
AIRPORT DEVELOPMENT FEE	-85.6%	3.0%
AIRPORT SERVICE CHARGE	-85.6%	3.0%

The top five USD revenue contributors mutually account for 97.2% of the total USD revenue.

2.4

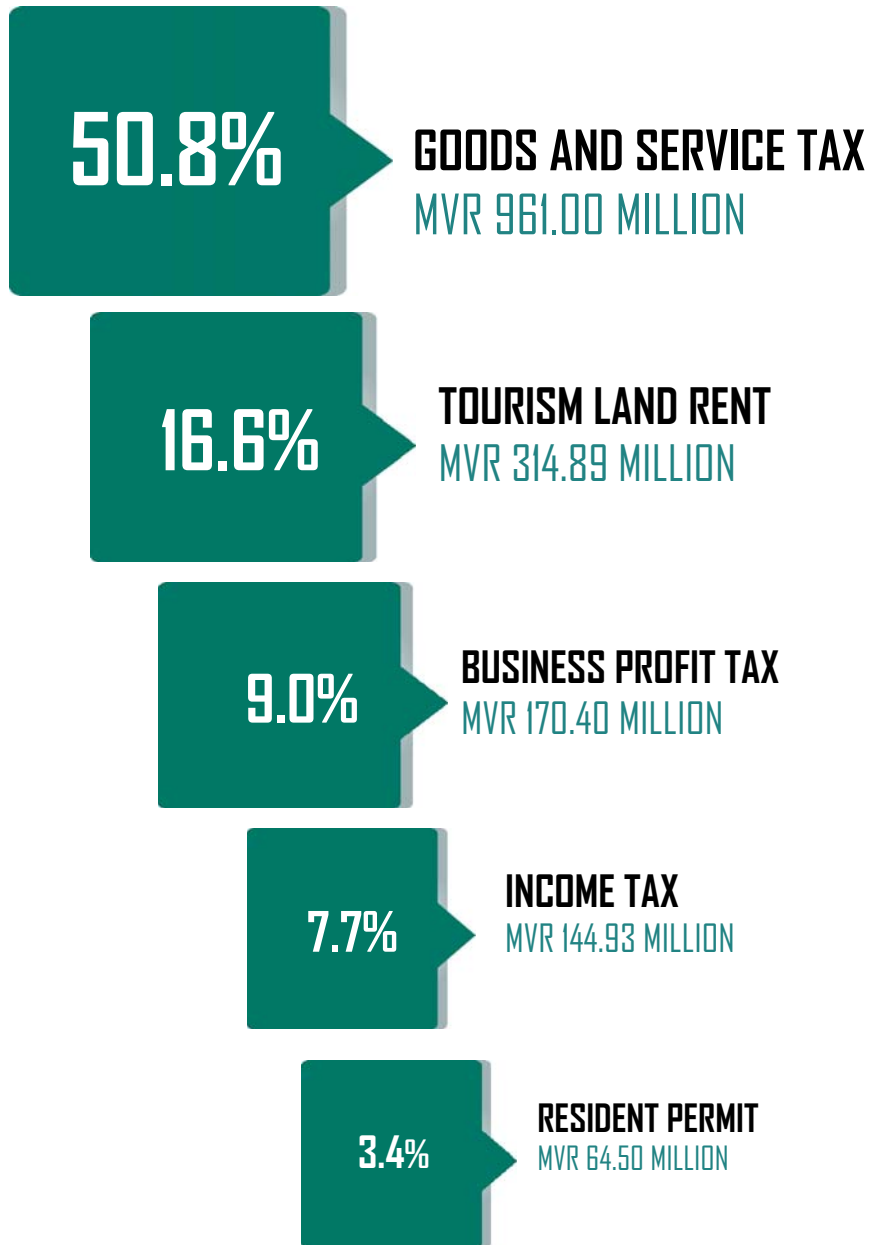
COMPARISON AGAINST 19Q4: MONTHLY



Months	Compared to 2019
October	-86.7%
November	-78.0%
December	-47.1%

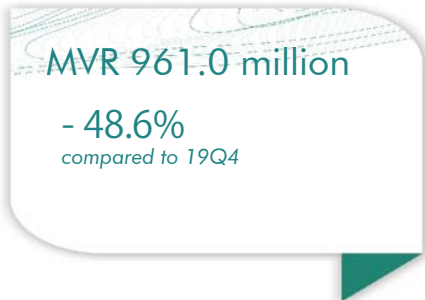


TOP REVENUE CONTRIBUTORS

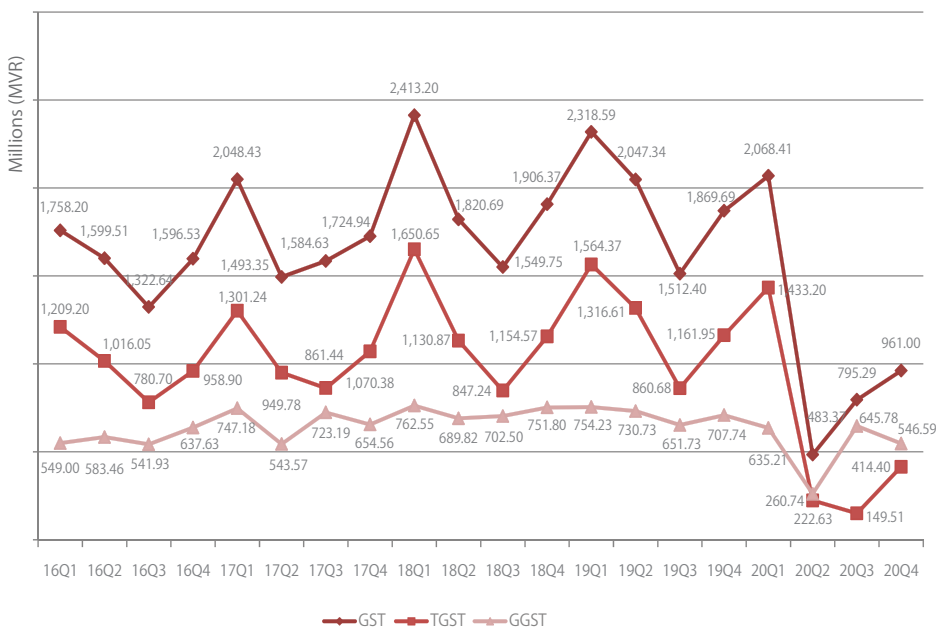


3.1

TOTAL GST COLLECTION

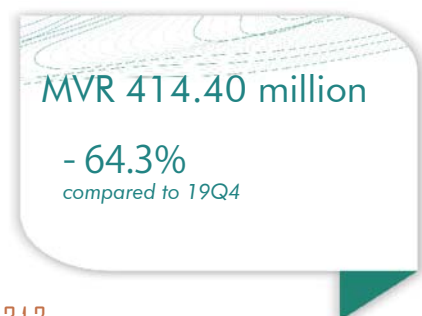


43.1% of the GST collection relates to tourism sector, while the remaining 56.9% relates to the GST from general sector in 20Q4. A steep decline was seen in GST revenue throughout 20Q2 to 20Q4 compared to the corresponding quarters of 2019, due to the on-going Covid-19 pandemic. GST collection from tourism sector decreased due to the impact of the pandemic, and since the supply to the tourism sector declined significantly, GST from Trade sector (one of the general sectors) has also declined in 2020.



3.1.1

TGST COLLECTION



3.1.2

GGST COLLECTION



3.1.1

TGST COLLECTION

Maldives borders were re-opened for tourists on 15 July 2020. However, tourist arrivals in 20Q4 were 83.2% lower than the corresponding period of 2019, leading to a 64.3% decline in collection.

3.1.2

GGST COLLECTION

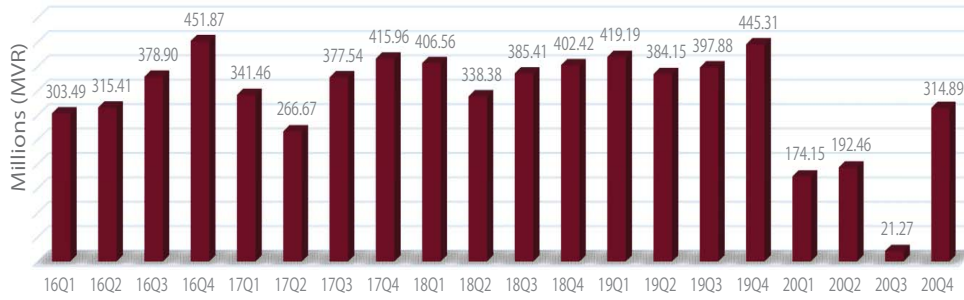
Compared to 19Q4, GGST revenue for 20Q2 declined by 22.8%. Revenue reported in other sectors (excluding tourism sector) has declined, especially the wholesale and retail sector due to the overall decline in economic activity, and also due to the decrease in demand for goods in tourism sector.



3.2

TOURISM LAND RENT

MVR 314.89 million
 - 29.3%
 compared to 19Q4

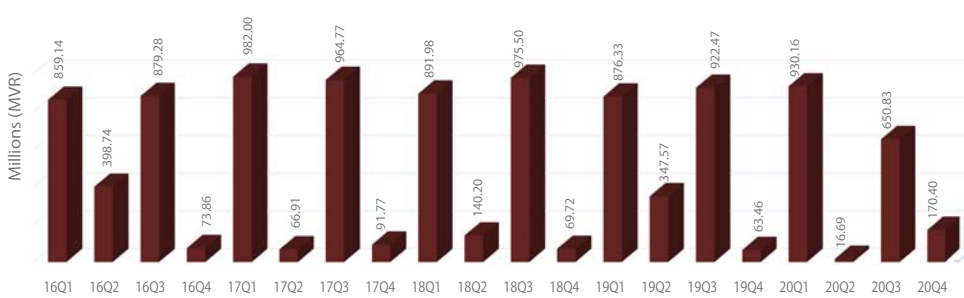


Tourism land rent deadlines for the 2nd and 3rd quarters of 2020 were deferred to 2021. This was to facilitate taxpayers in the tourism sector as the sector has been adversely affected by the Covid-19 pandemic. Deadline of the Tourism Land Rent for the first quarter of 2021 fell to December 2020. However, few taxpayers did not pay the rent by deadline, which also contributed to the decrement against 19Q4.

3.3

BUSINESS PROFIT TAX

MVR 170.40 million
 + 168.5%
 compared to 19Q4



The fluctuations in the total BPT revenue over the quarters is dictated by the BPT deadlines (Interim and final payment deadlines).

No deadlines fell within the last quarter of 2020. Due to the collection of dues from past deadlines, an increment of MVR 106.94 million observed for 20Q4, when compared with the BPT revenue collected in 19Q4.

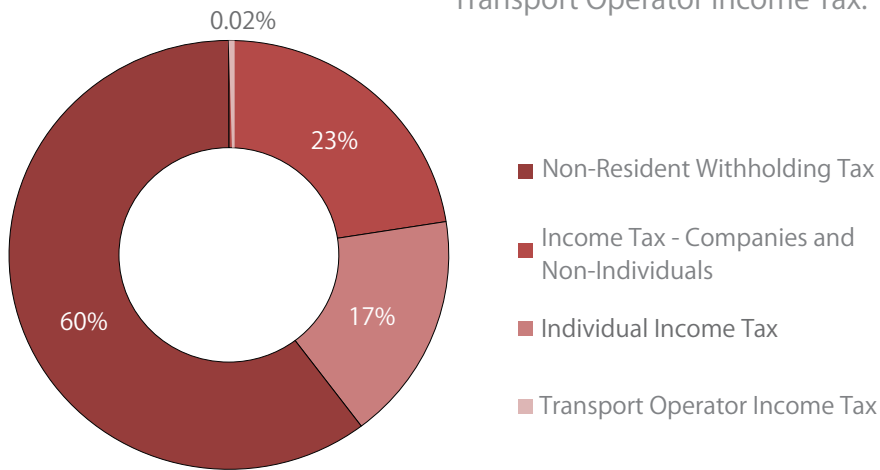


3.4

TOTAL INCOME TAX COLLECTION

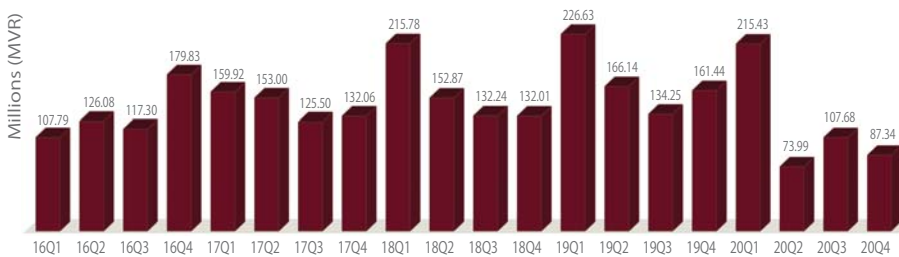
MVR 144.93 million

Income Tax consists of Bank Income Tax, Income Tax from Companies and Non-individuals, Individual Income Tax (includes Personal Income tax by Individuals and Employee Withholding Tax), Transport Operator Income and Non-Resident Withholding Tax. The highest income tax contributor in 20Q4 is Non-Resident Withholding Tax, followed by Income Tax from Companies and Non-Individuals, Individual Income Tax and Transport Operator Income Tax.



3.4.1

NON-RESIDENT WITHHOLDING TAX



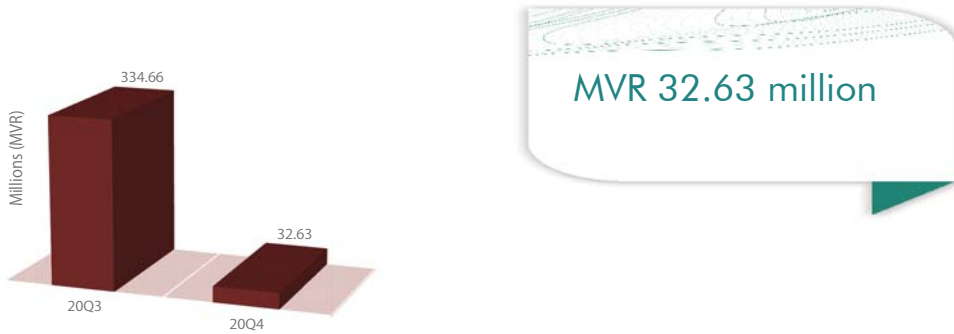
MVR 87.34 million
- 45.9% compared to 19Q4

Non-Resident Withholding tax receipts declined in 20Q4 by 45.9%, compared to 19Q4. Withholding Tax receipts from Tourism Sector and Transportation sector declined significantly lower when compared to 19Q4, resulting in the fall in collection.



3.4.2

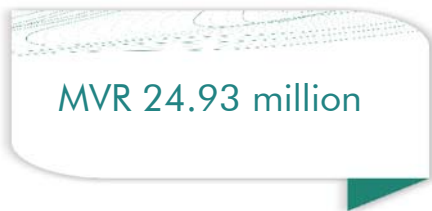
INCOME TAX - COMPANIES AND NON-INDIVIDUALS



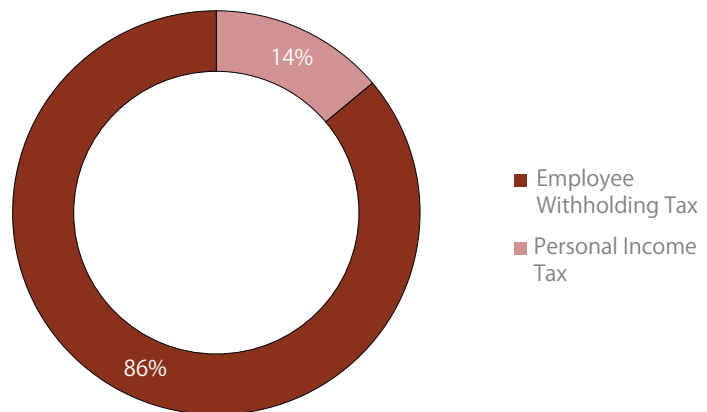
Collection of Income Tax from companies and non-individuals sums up to MVR 32.63 million in 20Q4. Only late payments from the last deadline (First interim payment for tax year 2020) were received in 20Q4.

3.4.3

INDIVIDUAL INCOME TAX



Total Individual Income Tax consist of revenue received from Personal Income Tax and Employee Withholding Tax.



3.4.3.1

EMPLOYEE WITHHOLDING TAX



Remuneration received by employees is subject to Employee Withholding Tax since April 2020, under income brackets and rates specified in the Income Tax Act. 86% of the Individual Income Tax collection is attributed to Employee Withholding Tax, which sums to MVR 21.47 Million.

3.4.3.2

PERSONAL INCOME TAX



MVR 3.47 million

In 20Q4, 14% of Individual Income Tax relates to Personal income Tax, which sums to MVR 3.47 Million. Personal Income Tax payments received in 20Q4 is the dues received from the First Interim Payment for 2020 made by individuals/Sole proprietorships, under the Income Tax Act.

3.4.4

TRANSPORT OPERATOR INCOME TAX

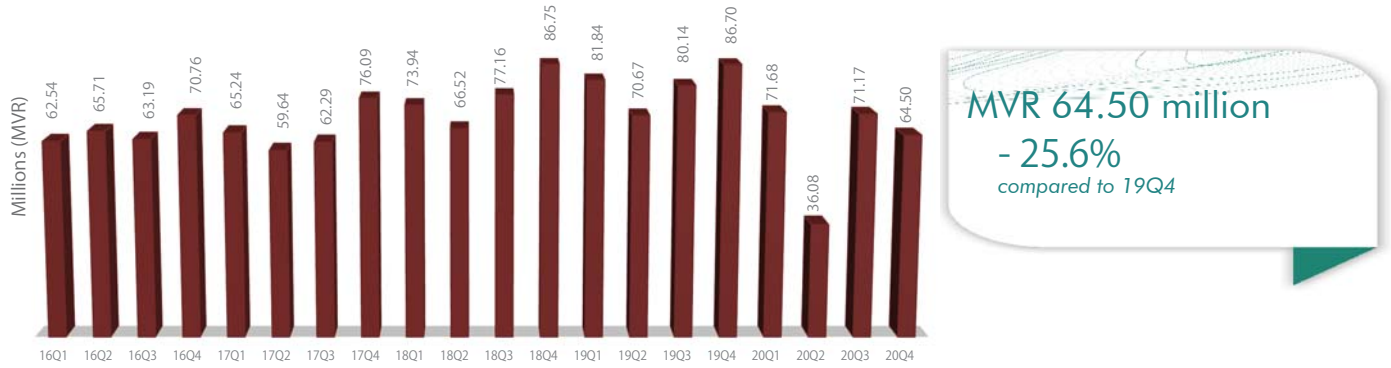


MVR 0.03 million

Pursuant to the Income Tax Act, income derived from the Maldives, by non-resident transport operators are subject to income tax. 2% of the gross amount of income in a tax year is to be paid in a tax year.

3.5

RESIDENT PERMIT



Revenue from Residents Permit amounts to MVR 64.50 Million. Due to decrease in number of expatriates, the collection of 20Q4 is 25.6% lower than 19Q4.

B. ACTIVITIES DURING THE QUARTER



LAWS AND REGULATIONS

27/20 Third amendment to the Tax Administration Act
2020/R-119 Twenty Eighth amendment to the Goods and Services Tag Regulation
2020/R-108 Criminal Procedures Regulation - MIRA
2020/R-104 Twenty Seventh amendment to the Goods and Services Tag Regulation



TAXPAYER AWARENESS PROGRAMS

28 Income Tax information sessions to taxpayers and public (281 participants)

12 information session to new registrants (65 participants)

7 MIRAconnect sessions (24 participants)

10 Media Interviews



AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
Bank Income Tax	3	91,548,693
BPT	25	16,716,035
GST	18	37,500,091
TGST	1	11,025
WHT	5	460,251
Total	52	146,236,096

1 Investigation audit completed.
Additional Tax Assessed:
MVR 2.47 million

1 Criminal investigation completed

52
AUDITS
MVR 146.24 million
ADDITIONAL TAX ASSESSED



ENFORCED COLLECTION

TOTAL ENFORCED COLLECTION MVR 400,731,887



Amount recovered under:

Dunning MVR 294,191,260

Reminder calls/emails MVR 85,437,623

Dues Clearance MVR 21,047,629

Legal Action MVR 55,376

Final notices issued to 5,357 non-filers and 6,508 non-payers

Installment plans granted to 256 taxpayers in 20Q4

Arrears as at 31st December 2020

Category	Principal amount	Fines	Total
Tax Dues	1,778,009,938	2,560,099,734	4,338,109,672
Non-Tax Dues	3,654,389,814	13,665,675,880	17,320,065,694
Total	5,432,399,752	16,225,775,613	21,658,175,366

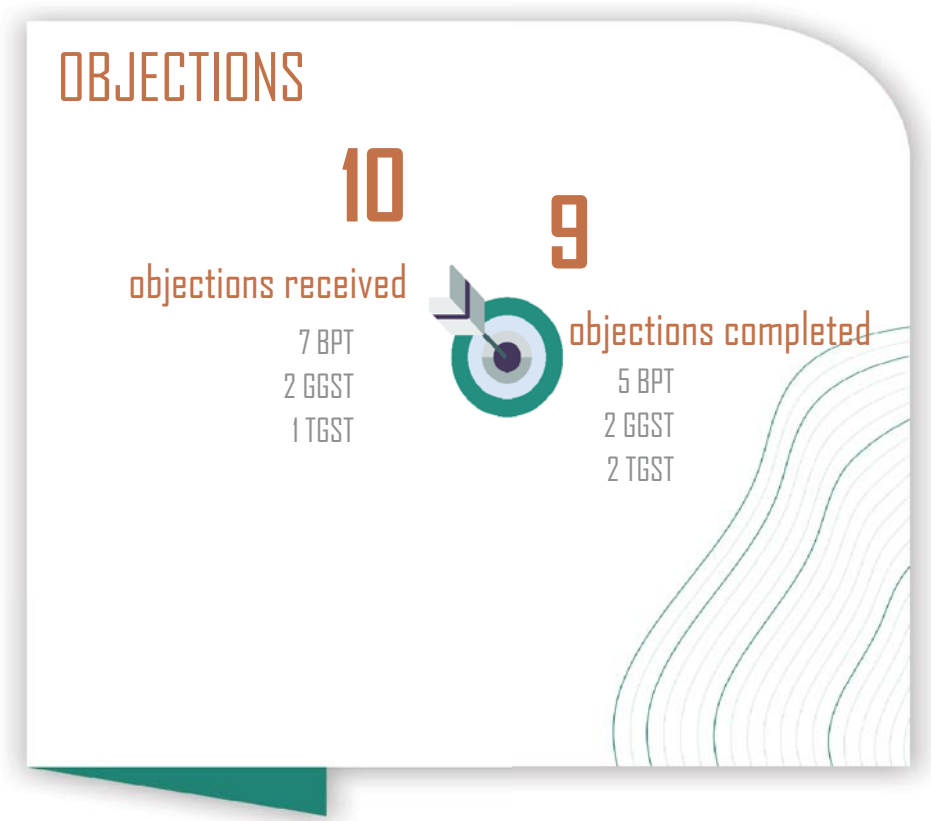
Total fine relief granted during 20Q4

No. of relief given cases	Total (MVR)
2,328	50,783,817







REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Income Tax	40,443	702	-	41,145
TGST	2,767	14	2	2,779
GGST	12,694	105	17	12,782
Green Tax	1,606	12	1	1,617
Airport Service Charge	51	-	-	51
Bank Income Tax	8	-	-	8



LEGAL ACTIONS



-  **17** judgement passed in favour of MIRA
-  **9** cases filed by MIRA
-  **12** case filed against MIRA
-  **19** judgements passed against MIRA

HR MANAGEMENT



297

staff working at MIRA
at the end of the quarter

4

staff recruited during the quarter

7

staff terminated/ released during the quarter

TRAININGS AND CONFERENCES



Overseas (online)

8

Trainings

42 participants

4

Seminars and
Conferences

14 participants

C. Snapshots of the Quarter



2 November - 30 November 2020

- A remote mission was completed with IMF on refund process and risk.



25 November - 26 November 2020

- Technical workshop with OECD's Inclusive Framework on MAP, MLI and other developments in BEPS.

D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 20Q4 and Comparison Against 19Q4 (MVR)

Description	20Q4	19Q4	Growth	% Share
TAX REVENUES	1,352,626,741	2,498,626,194	-45.9%	71.5%
Airport Service Charge	25,246,020	175,603,645	-85.6%	1.3%
BPT	170,397,984	63,461,168	168.5%	9.0%
Bank Income Tax	-	201,070	-100.0%	0.0%
Income Tax-Companies and Non-individuals	32,629,491	-	-	1.7%
Individual Income Tax	24,934,949	-	-	1.3%
Transport Operator Income Tax	28,180	-	-	0.0%
Non-Resident Withholding Tax	87,341,508	161,436,537	-45.9%	4.6%
Green Tax	50,218,964	195,871,063	-74.4%	2.7%
GGST	546,594,999	707,741,994	-22.8%	28.9%
TGST	414,403,146	1,161,946,121	-64.3%	21.9%
Land Sales Tax	-	6,874,223	-100.0%	0.0%
Remittance Tax	-	24,129,829	-100.0%	0.0%
Revenue Stamp	831,501	1,360,543	-38.9%	0.0%
NON-TAX REVENUES	539,933,659	1,153,471,065	-53.2%	28.5%
Airport Development Fee Charge	25,555,073	177,043,028	-85.6%	1.4%
Business Permits ¹	13,656,306	9,822,425	39.0%	0.7%
Construction Period Extension Fee	-	-	-	0.0%
Corporate Social Responsibility Fee	4,940,685	21,831,975	-77.4%	0.3%
Fines	40,312,381	43,713,989	-7.8%	2.1%
Land Acquisition and Conversion Fee	-	24,187,345	-100.0%	0.0%
Lease Period Extension Fee	-	230,300,000	-100.0%	0.0%
Non-tourism Property Income ²	14,100,652	34,549,725	-59.2%	0.7%
Ownership Transfer Tax	-	4,756,500	-100.0%	0.0%
Proceeds from Sale of Assets ³	2,908,480	3,097,332	-6.1%	0.2%
Resident Permit	64,500,450	86,704,560	-25.6%	3.4%
Royalties ⁴	3,255,502	19,301,663	-83.1%	0.2%
Tourism Administration Fee	-	3,069,000	-100.0%	0.0%
Tourism Land Rent	314,893,986	445,308,088	-29.3%	16.6%
Vehicle Fee	31,520,281	25,611,986	23.1%	1.7%
Vessels Fee	8,075,154	6,783,644	19.0%	0.4%
Zakat Al-Mal	16,076,726	17,085,668	-5.9%	0.8%
Others ⁵	137,983	304,137	-54.6%	0.0%
Total	1,892,560,401	3,652,097,259	-48.2%	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, 20Q4 (USD)

Description	20Q4	% Share
GST	26,522,511	48.1%
Tourism Land Rent	20,527,119	37.2%
Green Tax	3,275,049	5.9%
Airport Development Fee	1,657,268	3.0%
Airport Service Charge	1,645,318	3.0%
Others	1,565,139	2.8%
Total	55,192,404	100.0%

* Others: BPT, Corporate Social Responsibility Fee, Business Permits, Fines, Vessel Fee, Income Tax, Non-tourism Property Income, Royalties

Table 3 Multi-year Summary (MVR in millions)

Description	Actual 17Q4	Actual 18Q4	Actual 19Q4	Actual 20Q4
TAX REVENUES	2,322.6	2,500.8	2,498.6	1,352.6
Airport Service Charge	154.2	153.7	175.6	25.2
BPT	91.8	69.7	63.5	170.4
Bank Income Tax	-	0.9	0.2	-
Income Tax-Companies and Non-individuals	-	-	-	32.6
Individual Income Tax	-	-	-	24.9
Transport Operator Income Tax	-	-	-	0.03
Non-Resident Withholding Tax	132.1	132.0	161.4	87.3
Green Tax	176.2	190.4	195.9	50.2
GGST	654.6	751.8	707.7	546.6
TGST	1,070.4	1,154.6	1,161.9	414.4
Land Sales Tax	9.0	12.2	6.9	-
Remittance Tax	24.2	22.4	24.1	-
Revenue Stamp	10.2	13.1	1.4	0.8
Tourism Tax	-	-	-	-
NON-TAX REVENUES	980.0	944.6	1,153.5	539.9
Airport Development Fee	151.6	154.7	177.0	25.6
Business Permits ¹	11.4	10.7	9.8	13.7
Construction Period Extension Fee	17.5	35.4	-	-
Corporate Social Responsibility Fee	-	-	21.8	4.9
Fines	57.8	74.3	43.7	40.3
Land Acquisition and Conversion Fee	17.4	51.1	24.2	-
Lease Period Extension Fee	112.6	-	230.3	-
Non-tourism Property Income ²	35.4	39.4	34.5	14.1
Ownership Transfer Tax	1.6	-	4.8	-
Proceeds from Sale of Assets ³	9.6	10.4	3.1	2.9
Resident Permit	76.1	86.8	86.7	64.5
Royalties ⁴	22.3	18.7	19.3	3.3
Tourism Administration Fee	-	6.1	3.1	-
Tourism Land Rent	416.0	402.4	445.3	314.9
Vehicle Fee	20.8	22.8	25.6	31.5
Vessels Fee	7.4	5.5	6.8	8.1
Zakat Al-mal	19.0	25.1	17.1	16.1
Others ⁵	3.4	1.2	0.3	0.1
Total	3,302.5	3,445.4	3,652.1	1,892.6

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

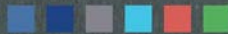


Table 5 Reported Sales from Tourism Categories (USD)

Description	20Q4	19Q4	Growth
Tourist Resort	273,347,196	785,234,482	-65%
Tour Operator	14,200,146	63,124,453	-78%
Domestic Air Transport	22,472,419	68,840,380	-67%
Tourist Hotel	3,561,628	16,462,201	-78%
Diving School	3,620,216	10,996,192	-67%
Tourist Guest House	1,590,618	7,211,190	-78%
Tourist Establishments Under Construction	3,048,663	14,467,868	-79%
Tourist Vessel	4,296,972	8,540,195	-50%
Water Sports Facility	1,098,771	3,332,883	-67%
Other Facilities	359,523	2,326,680	-85%
Spa	670,216	3,014,845	-78%
Shop	534,897	1,978,676	-73%
Foreign Tourist Vessel	752,775	111,175	577%
	329,554,039	985,641,221	-67%

QUARTERLY REPORT

2020-Q4 October
November
December



MALDIVES
INLAND REVENUE
AUTHORITY
