



MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT

2020-Q3 July
August
September

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
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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C. DETAILED REVENUE FIGURES

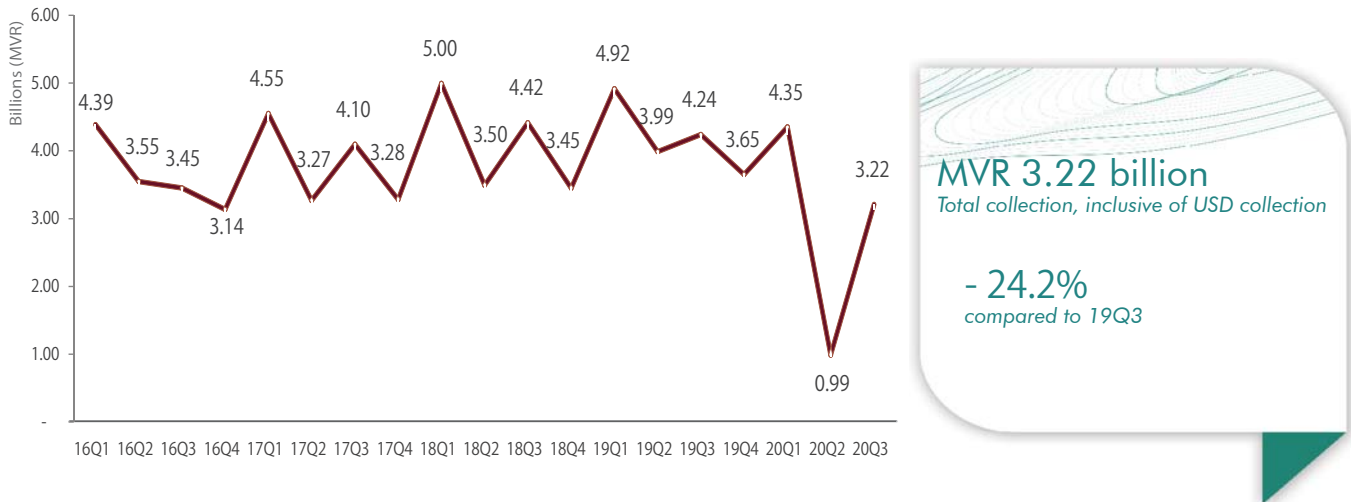


A. REVENUE COLLECTION

I. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION

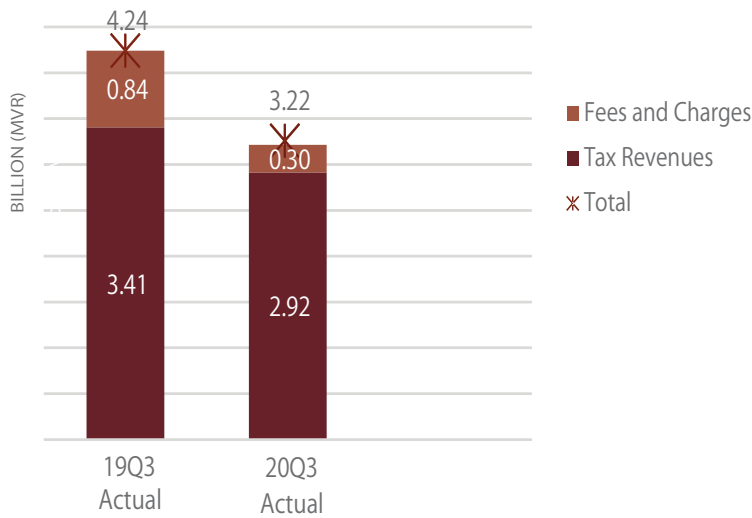


Quarterly revenue of 20Q3 sums to MVR 3.22 billion. Due to on-going Covid-19 pandemic, and the resulting decline in the economy, the quarterly revenue declined by 24.2% compared to the corresponding quarter of 2019.

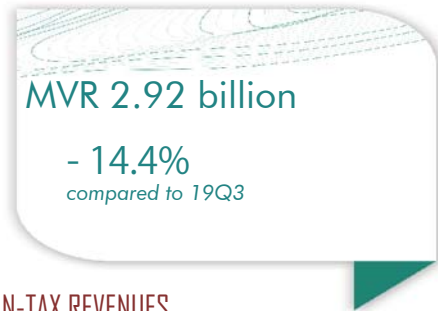
The decline in revenue is mostly due to the steep decline in TGST, Green Tax, Tourism Land Rent, Airport Service Charge and Airport Development Fee. Although borders were opened, tourist arrivals were considerably low, due to which tourism related revenues declined. In addition, to facilitate businesses in the tourism sector, government extended the deadlines for payment of Tourism Land Rent for Q3 and Q4, to 2021. Despite the fact that several major deadlines from 20Q2 were deferred into 20Q3, the collection for this quarter was still lower than that of the corresponding quarter of 2019.

1.2

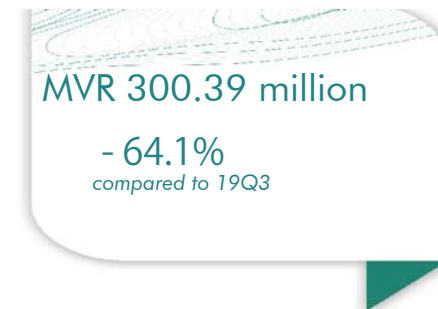
REVENUE COMPOSITION OF 20Q3



TAX REVENUES



NON-TAX REVENUES



TAX REVENUES

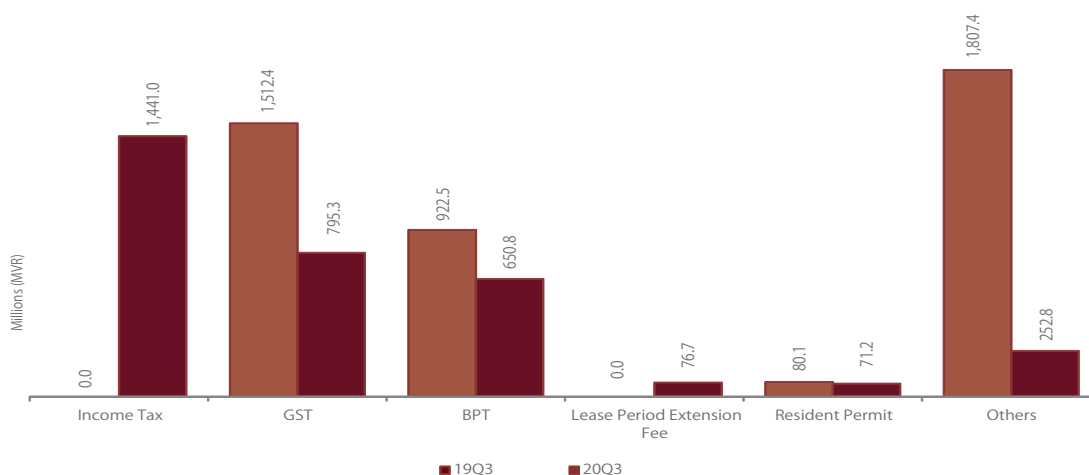
Tax revenues totaled to MVR 2.9 billion in 20Q3. Tax revenue in 20Q3 declined by 14.4% compared to 19Q3, due to the consequences of Covid-19 pandemic. Tourist arrivals were low despite borders opened during mid-July, leading to lower tourism-related revenue, and the general decline in economic performance also contributed to this.

NON-TAX REVENUES

A decrement of MVR 536.1 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 Airport Development Fee and Tourism Land Rent. Airport Development Fee collection is much lower than the norm due to lesser tourist arrivals and the Tourism Land Rent for Q3 and Q4 were extended to June 2021.

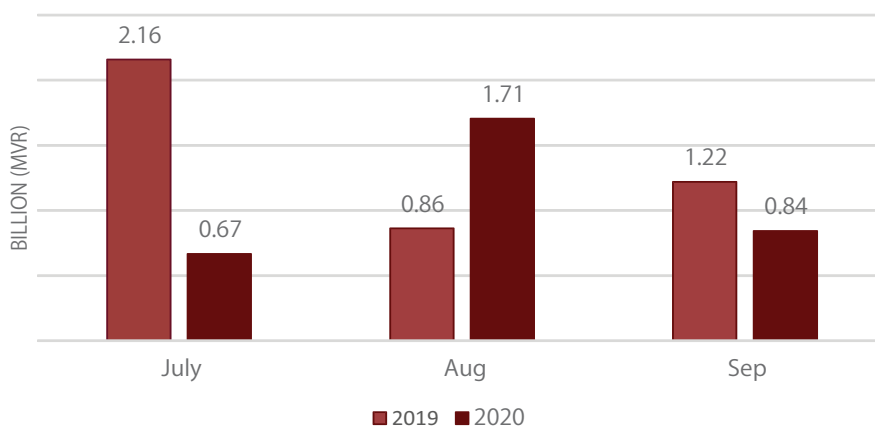
1.3 TOP FIVE REVENUE CONTRIBUTORS OF 20Q3



Revenue	Compared to 19Q3	Share of 20Q3
INCOME TAX	-	44.8%
GST	-47.4%	24.7%
BPT	-29.4%	20.2%
LEASE PERIOD EXTENSION FEE	-	2.4%
RESIDENT PERMIT	-11.2	2.2%

Top 5 revenue contributors for the quarter mutually accounted for 94.4% of the total revenue.

1.4 COMPARISON AGAINST 19Q3

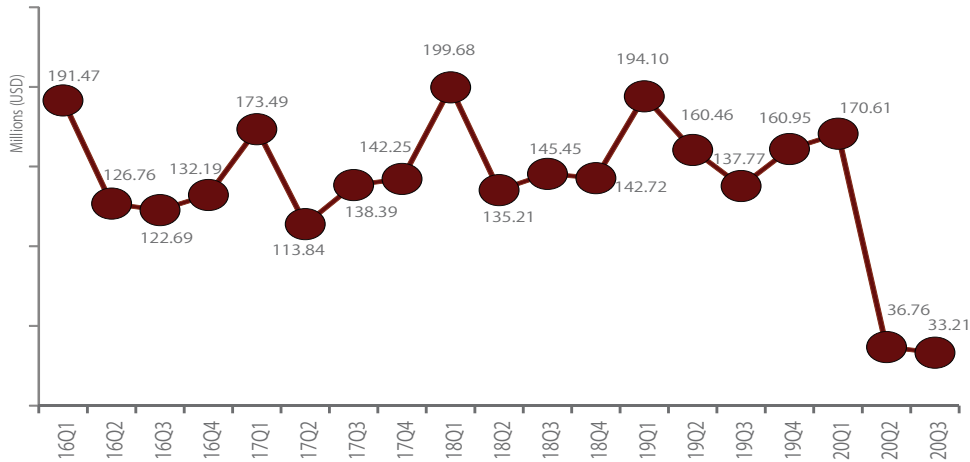


Months	Compared to 2019
July	-69.2%
August	+98.0%
September	-30.9%

2. USD REVENUE COLLECTION

2.1

USD COLLECTION



USD 33.21 million
 - 75.9%
 compared to 19Q3

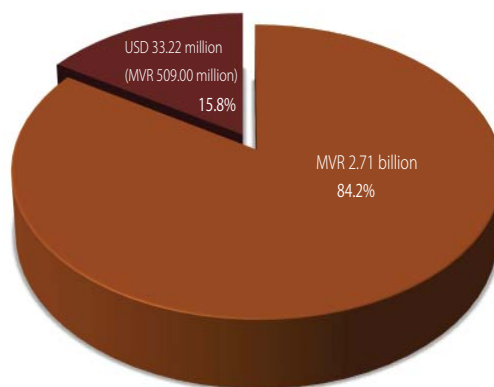
USD collection in 20Q3 is 75.9% lower than 19Q3. The decrement of USD collection is mainly due to the significant decline in Tourism Land Rent, TGST, Green Tax, Airport Development Fee and Airport Service Charge.

The low number of tourist arrivals and the deferment of the Tourism Land Rent deadlines led to the significant decline in tourism-related USD revenue.

2.2

CURRENCY COMPOSITION

Revenue received in MVR accounts for 84.2% of the revenue, which is MVR 2.71 billion.

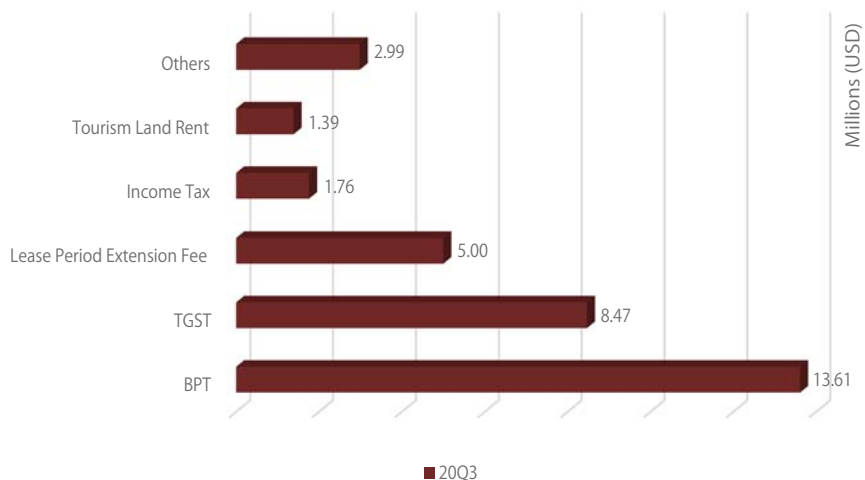


15.8% of the revenue was received in USD (USD 33.22 million), which is equivalent to MVR 509.00 million.



2.3

USD REVENUE GROWTH

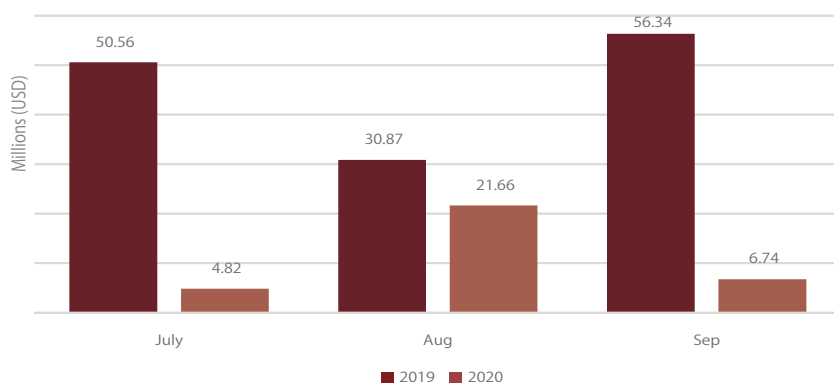


Revenue	Compared to 19Q3	Share of 20Q3
BPT	-24.2%	41.0%
TGST	-84.9%	25.5%
LEASE PERIOD EXTENSION FEE	-	15.1%
INCOME TAX	-	5.3%
TOURISM LAND RENT	-94.7%	4.2%

The top five USD revenue contributors mutually account for 91.1% of the total USD revenue.

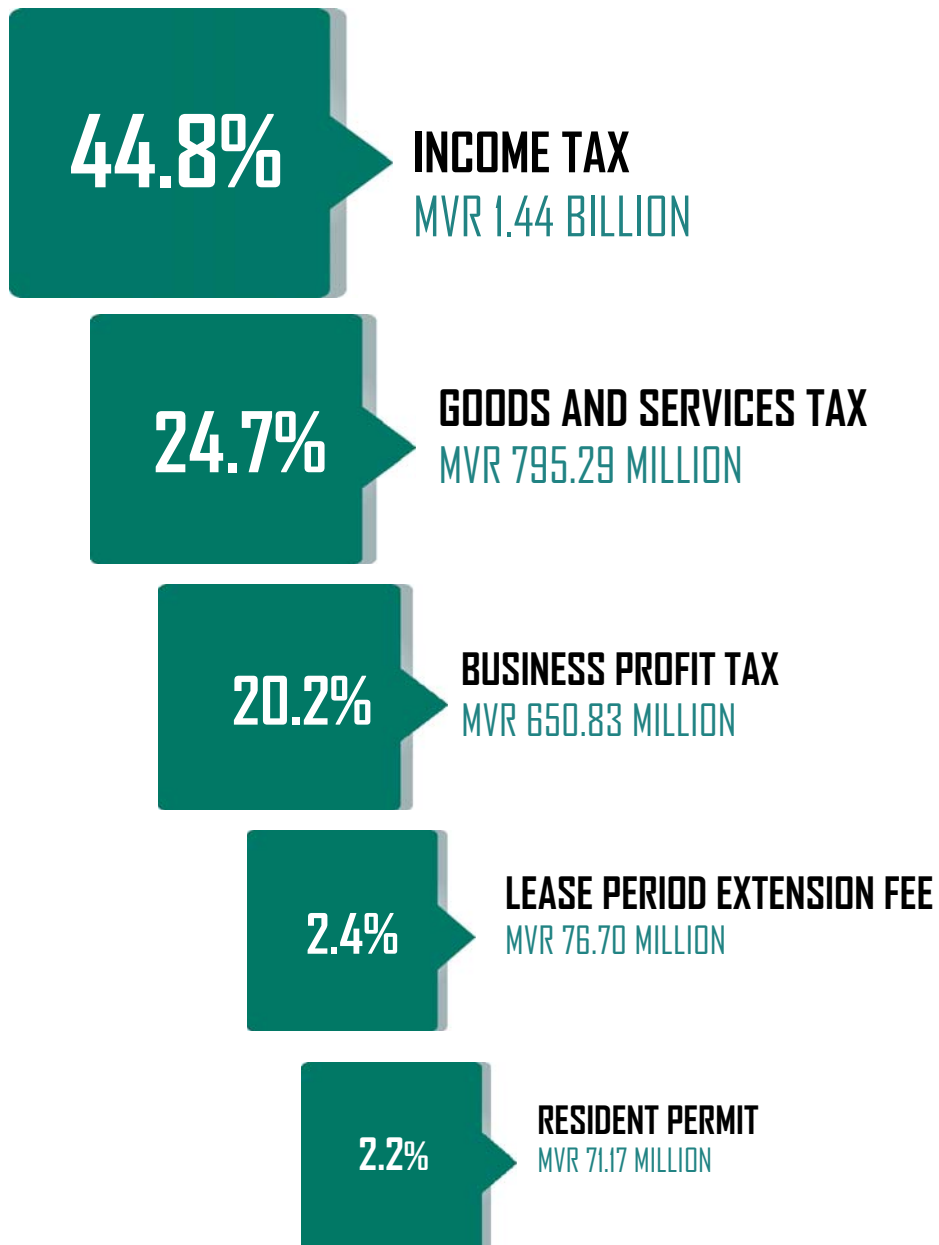
2.4

COMPARISON AGAINST 19Q3: MONTHLY



Months	Compared to 2019
July	-90.5%
August	-29.9%
September	-88.0%

TOP REVENUE CONTRIBUTORS

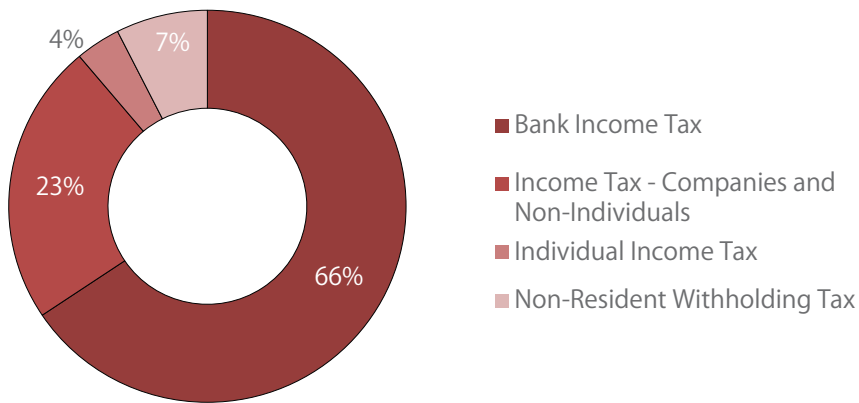


3.1

TOTAL INCOME TAX COLLECTION

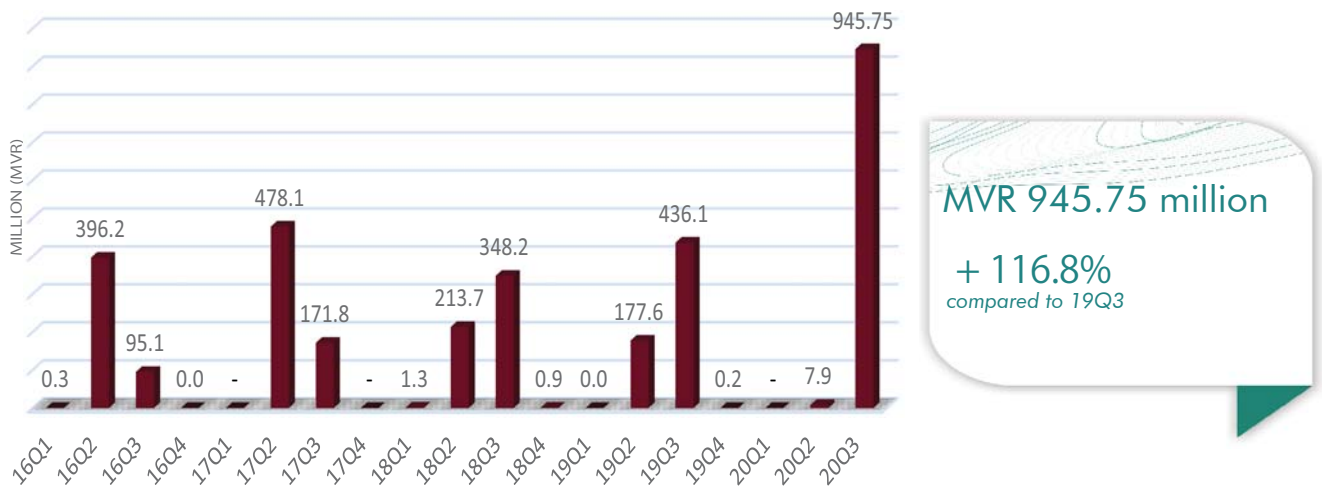
MVR 1.44 billion

Income Tax consists of Bank Income Tax, Income Tax from Companies and Non-individuals, Individual Income Tax and Non-Resident Withholding Tax. The highest income tax contributor in 20Q3 is Bank Income Tax, followed by Income Tax from Companies and Non-Individuals, Individual Income Tax and Non-Resident Withholding Tax.



3.1.1

BANK INCOME TAX



Quarterly revenue collection from Bank Income Tax for 20Q3 is MVR 945.75 million. Banks paid their final payment of Bank Profit Tax for 2019, and first Interim Payment for the year 2020 (under Income Tax) in 20Q3. The deadline for the final payment for Bank Profit Tax was extended from 20Q2 as a leniency granted due to the Covid-19 pandemic. In 2019, banks made final payments in 19Q2 and since there was no interim payment requirement for banks last year, the quarterly collection exceeded in comparison to 19Q3.



3.1.2

INCOME TAX - COMPANIES AND NON-INDIVIDUALS



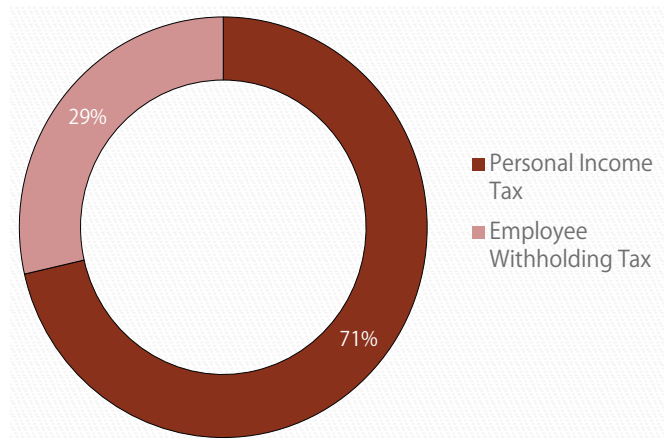
Collection of Income Tax from companies and non-individuals sums up to MVR 334.66 million. The first Interim Payment deadlines under Income Tax (excluding Employee Withholding Tax) came during this quarter, with collection level landing this among top revenue contributors of the quarter.

3.1.3

INDIVIDUAL INCOME TAX



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



3.1.3.1

PERSONAL INCOME TAX



In 20Q3, 71% of Individual Income Tax relates to Personal income Tax, which sums to MVR 37.81 Million. Personal Income Tax payments comes from the First Interim Payment for 2020 made by individuals, under the Income Tax Act.

3.1.3.2

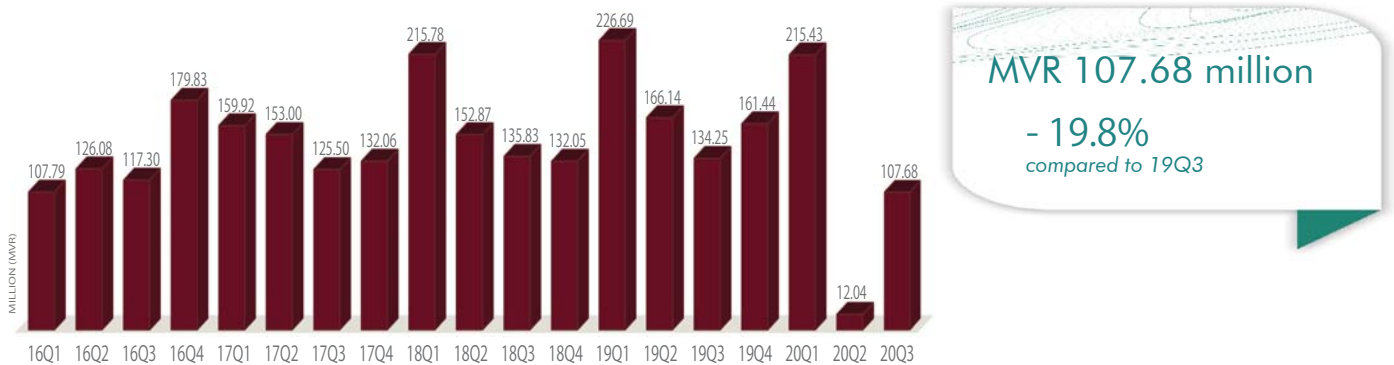
EMPLOYEE WITHHOLDING TAX



Remuneration received by employees is subject to Employee Withholding Tax since April 2020, under income brackets and rates specified in the Income Tax Act. 29% of the Individual Income Tax collection is attributed to Employee Withholding Tax, which sums to MVR 15.13 Million.

3.1.4

NON-RESIDENT WITHHOLDING TAX



Non-Resident Withholding tax receipts declined by 19.8% in 20Q3, in comparison to 19Q3. Withholding Tax receipts from Tourism Sector and Transportation sector were lower when compared to 19Q3, resulting in the fall in collection.



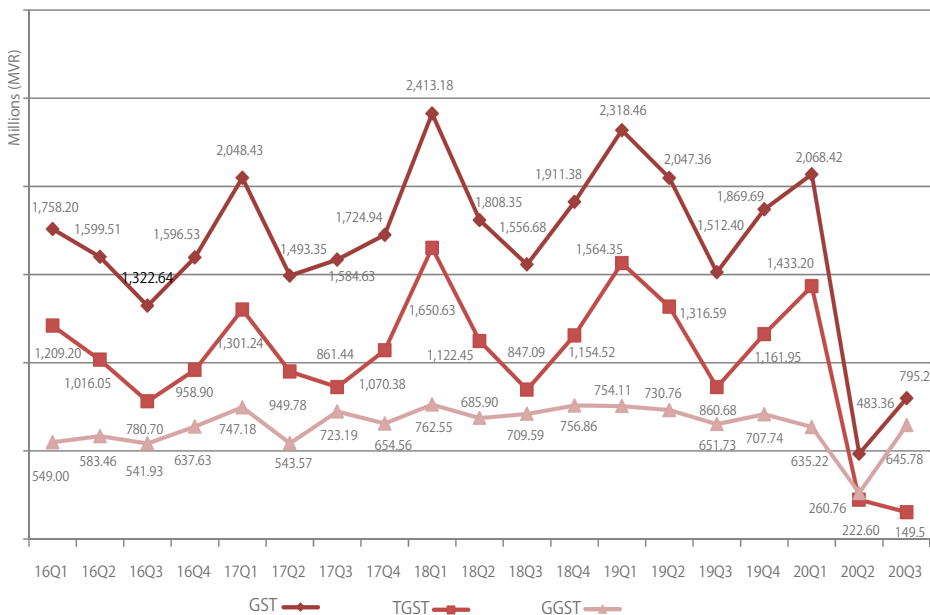
3.2

TOTAL GST COLLECTION

MVR 795.29 million

- 47.4%
compared to 19Q3

19.1% of the GST collection relates to tourism sector, while the remaining 80.9% relates to the GST from general sector in 20Q3. Due to government closure during the earlier days of the pandemic, GST deadlines for the months of March, April, May and the quarterly payment for 20Q1 were extended to 20Q3.



3.2.1

TGST COLLECTION

MVR 149.51 million

- 82.6%
compared to 19Q3

3.2.2

GGST COLLECTION

MVR 645.78 million

- 0.9%
compared to 19Q3

3.2.1

TGST COLLECTION

Maldives borders were re-opened for tourists on 15 July 2020. However, due to the very low tourist arrivals during this period, TGST revenue collection was 82.6% lower than that of 19Q3.

3.2.2

GGST COLLECTION

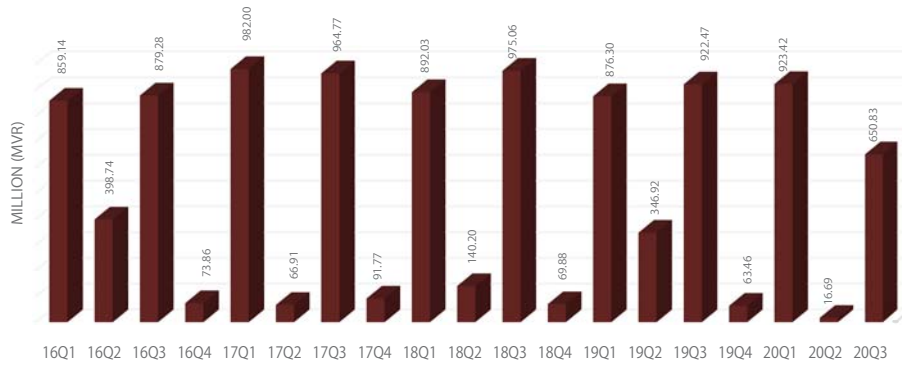
Compared to 19Q3, GGST revenue for 20Q2 fell slightly by 0.9%. Despite the fact that GST deadlines for March, April, May and 20Q1 fell during this quarter, the collection was lower than 19Q3 due to the impact of the on-going pandemic resulting in increase in nil-return filers.



3.3

BPT COLLECTION

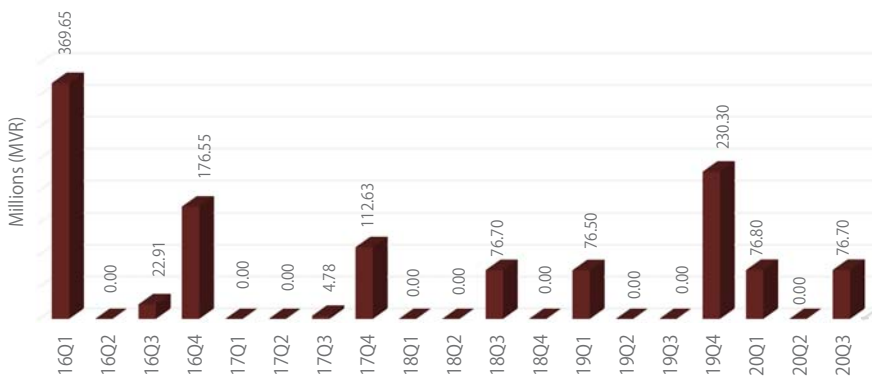
MVR 650.83 million
 - 29.4%
 compared to 19Q3



Deadline BPT Final Payment for 2019 fell during this quarter. However several Taxpayers failed to settle their payments by deadline, due to which the quarterly collection fell compared to the corresponding quarter.

3.4

Lease Period Extension Fee

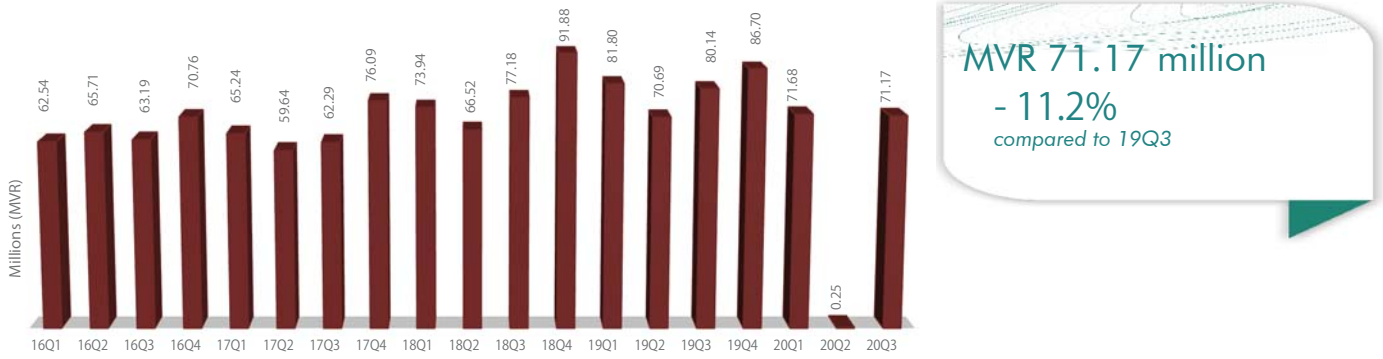


MVR 76.70 million

Some Taxpayers opted to extend their Lease Period for another 99 years during 20Q3 by paying Lease Period Extension Fee, whereas none of the taxpayers opted to extend lease period during 19Q3. The collection of MVR 76.70 million during this quarter made this among the top revenue contributors.



3.5 RESIDENT PERMIT



Revenue from Resident Permits amounts to MVR 71.17 Million. Due to decrease in number of expatriates, the collection of 20Q3 is 11.2% lower than 19Q3.

B. ACTIVITIES DURING THE QUARTER



LAWS AND REGULATIONS

2020/R-56 First Amendment to Income Tax Regulation



TAXPAYER AWARENESS PROGRAMS

11 Income Tax information sessions to taxpayers and public (42 participants)

6 information session to new registrants (28 participants)

5 MIRAconnect sessions 33 participants

1 General Information session Govt. offices and SOEs (15 participants)

1 One-to-one sessions in Male' 2 participants

2 CPD programs 82 participants

2 Media Interviews





AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
Bank Profit Tax	4	-
BPT	17	8,268,195
GST	47	3,965,517
TGST	6	756,875
WHT	3	-
ATF	3	706,699
Total	80	13,697,286

80
AUDITS
MVR 13.70 million
ADDITIONAL TAX ASSESSED



ENFORCED COLLECTION

TOTAL ENFORCED COLLECTION MVR 71,772,574



Amount recovered under:

Dunning MVR 14,499,081

Reminder calls/emails MVR 57,263,123

Dues Clearance MVR 10,368

Final notices issued to 202 non-filers and 527 non-payers

Installment plans granted to 188 taxpayers in 20Q3

Arrears as at 30th September 2020

Category	Principal amount	Fines	Total
Tax Dues	2,055,442,180	2,290,755,600	4,346,197,780
Non-Tax Dues	3,634,034,071	13,720,643,498	17,354,677,569
Total	5,689,476,251	16,011,399,099	21,700,875,350

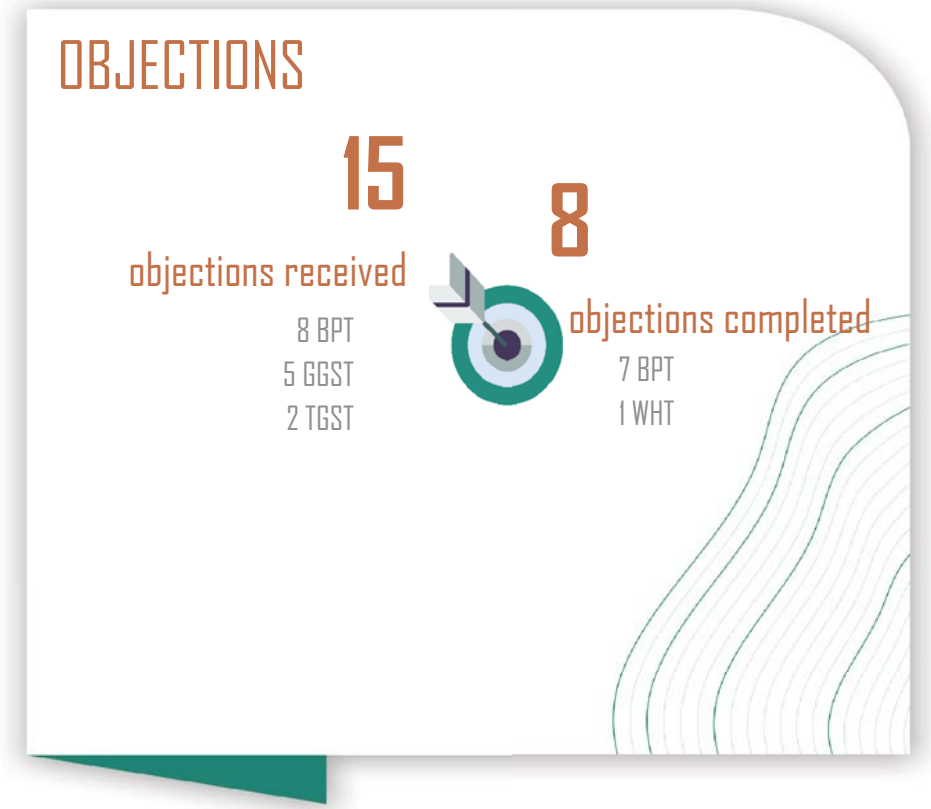
Total fine relief granted during 20Q3

No. of relief given cases	Total (MVR)
928	22,440,771



REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Income Tax	49,259	2755	-	52,014
TGST	2,158	16	9	2,165
GGST	12,456	260	61	12,655
Green Tax	1,598	9	6	1,601
Airport Service Charge	51	-	-	51
Bank Profit Tax	8	-	-	8



LEGAL ACTIONS



- 1** judgement passed in favour of MIRA
- 2** cases filed by MIRA
- 28** case filed against MIRA
- 5** judgements passed against MIRA

HR MANAGEMENT



300

staff working at MIRA
at the end of the quarter

2

staff recruited during the quarter

3

staff terminated/ released during the quarter

TRAININGS AND CONFERENCES



Overseas (online)

4

Trainings
29 participants

3

Seminars and
Conferences
5 participants

C. Snapshots of the Quarter



13 July - 8 August 2020

- A remote mission was completed with IMF to develop a Business Continuity Plan for MIRA.



17 August - 14 September 2020

- A remote mission was completed with IMF for staff capacity building in International Tax Issues.



28 September - 15 October 2020

- A project was undertaken with IMF to further develop the Compliance Risk Management function of MIRA.

D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 20Q3 and Comparison Against 19Q3 (MVR)

Description	20Q3	19Q3	Growth	% Share
TAX REVENUES	2,916,254,442	3,405,779,251	-14.4%	90.7%
Airport Service Charge	10,243,053	168,012,442	-93.9%	0.3%
BPT	650,832,047	922,474,421	-29.4%	29.4%
Bank Income Tax	945,754,887	436,144,844	116.8%	20.2%
Income Tax-Companies and Non-individuals	334,657,358	-	-	10.4%
Individual Income Tax	52,939,882	-	-	1.6%
Non-Resident Withholding Tax	107,682,814	134,246,975	-19.8%	0.6%
Green Tax	17,826,443	196,421,836	-90.9%	20.1%
GGST	645,777,730	651,726,399	-0.9%	4.7%
TGST	149,513,467	860,678,142	-82.6%	0.0%
Land Sales Tax	273,255	9,502,356	-97.1%	0.0%
Remittance Tax	-	24,910,721	-100.0%	0.0%
Revenue Stamp	753,505	1,661,114	-54.6%	3.4%
NON-TAX REVENUES	300,394,807	836,451,858	-64.1%	9.3%
Airport Development Fee Charge	11,174,072	171,055,887	-93.5%	0.3%
Business Permits ¹	5,531,031	6,782,036	-18.4%	0.2%
Construction Period Extension Fee	-	-	-	0.0%
Corporate Social Responsibility Fee	-	22,143,245	-100.0%	0.0%
Fines	29,431,098	43,160,516	-31.8%	0.9%
Land Acquisition and Conversion Fee	1,787,391	3,403,258	-47.5%	0.1%
Lease Period Extension Fee	76,700,000	-	-	2.4%
Non-tourism Property Income ²	16,853,226	29,429,334	-42.7%	0.5%
Ownership Transfer Tax	-	152,850	-100.0%	0.0%
Proceeds from Sale of Assets ³	2,349,017	7,083,290	-66.8%	0.1%
Resident Permit	71,173,980	80,136,410	-11.2%	2.2%
Royalties ⁴	1,188,566	19,626,332	-93.9%	0.0%
Tourism Administration Fee	-	-	-	0.0%
Tourism Land Rent	21,269,889	397,881,856	-94.7%	0.7%
Vehicle Fee	30,647,329	24,339,755	25.9%	1.0%
Vessels Fee	9,101,747	6,404,671	42.1%	0.3%
Zakat Al-Mal	23,134,968	23,760,566	-2.6%	0.7%
Others ⁵	52,493	1,091,852	-95.2%	0.0%
Total	3,216,649,249	4,242,231,109	-24.2%	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, 20Q3 (USD)

Description	20Q3	% Share
BPT	13,613,417	41.0%
TGST	8,469,275	26.1%
Lease Period Extension Fee	5,000,000	15.0%
Income Tax	1,760,800	5.1%
Airport Service Charge	1,386,768	4.2%
Others	2,981,821	8.6%
Total	33,212,080	100.0%

*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 17Q3	Actual 18Q3	Actual 19Q3	Actual 20Q3
TAX REVENUES	3,200.4	3,370.9	3,405.8	2,916.3
Airport Service Charge	139.7	151.1	168.0	10.2
BPT	964.8	975.5	922.5	650.8
Bank Income Tax	171.8	348.2	436.1	945.8
Income Tax-Companies and Non-individuals	-	-	-	334.7
Individual Income Tax	-	-	-	52.9
Non-Resident Withholding Tax	125.5	132.2	134.2	107.7
Green Tax	158.5	170.3	196.4	17.8
GGST	723.2	702.5	651.7	645.8
TGST	861.4	847.2	860.7	149.5
Land Sales Tax	15.9	10.4	9.5	0.3
Remittance Tax	27.0	23.1	24.9	-
Revenue Stamp	12.6	10.3	1.7	0.8
Tourism Tax	-	-	-	-
NON-TAX REVENUES	914.3	1,035.9	836.5	300.4
Airport Development Fee	134.9	152.0	171.1	11.2
Business Permits ¹	4.7	6.7	6.8	5.5
Construction Period Extension Fee	10.6	35.7	-	-
Corporate Social Responsibility Fee	-	-	22.1	-
Fines	37.7	40.0	43.2	29.4
Land Acquisition and Conversion Fee	165.7	149.5	3.4	1.8
Lease Period Extension Fee	4.8	76.7	-	76.7
Non-tourism Property Income ²	38.9	31.0	29.4	16.9
Ownership Transfer Tax	0.3	-	0.2	-
Proceeds from Sale of Assets ³	5.6	18.5	7.1	2.3
Resident Permit	62.3	77.2	80.1	71.2
Royalties ⁴	18.4	17.7	19.6	1.2
Tourism Administration Fee	7.7	3.1	-	-
Tourism Land Rent	377.5	385.4	397.9	21.3
Vehicle Fee	21.7	22.4	24.3	30.6
Vessels Fee	7.0	6.3	6.4	9.1
Zakat Al-mal	15.5	13.1	23.8	23.1
Others ⁵	1.1	0.7	1.1	0.1
Total	4,114.7	4,406.8	4,242.2	3,216.6

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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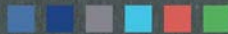


Table 5 Reported Sales from Tourism Categories (USD)

Description	2003	1903	Growth
Tourist Resort	64,675,691	653,118,286	-90%
Tour Operator	2,620,675	62,783,382	-96%
Domestic Air Transport	2,066,533	56,593,289	-96%
Tourist Hotel	706,964	15,861,366	-96%
Diving School	757,698	12,004,504	-94%
Tourist Guest House	432,611	11,839,034	-96%
Tourist Establishments Under Construction	143,188	9,327,151	-98%
Tourist Vessel	846,520	8,923,436	-91%
Water Sports Facility	229,680	4,365,800	-95%
Other Facilities	52,449	2,999,627	-98%
Spa	158,870	2,729,308	-94%
Shop	38,381	2,031,983	-98%
Foreign Tourist Vessel	51,712	188,156	-73%
	72,780,972	842,765,322	-91%

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2020-Q3 July
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