



MALDIVES
INLAND REVENUE
AUTHORITY



QUARTERLY REPORT

2020-Q1 January
February
March

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
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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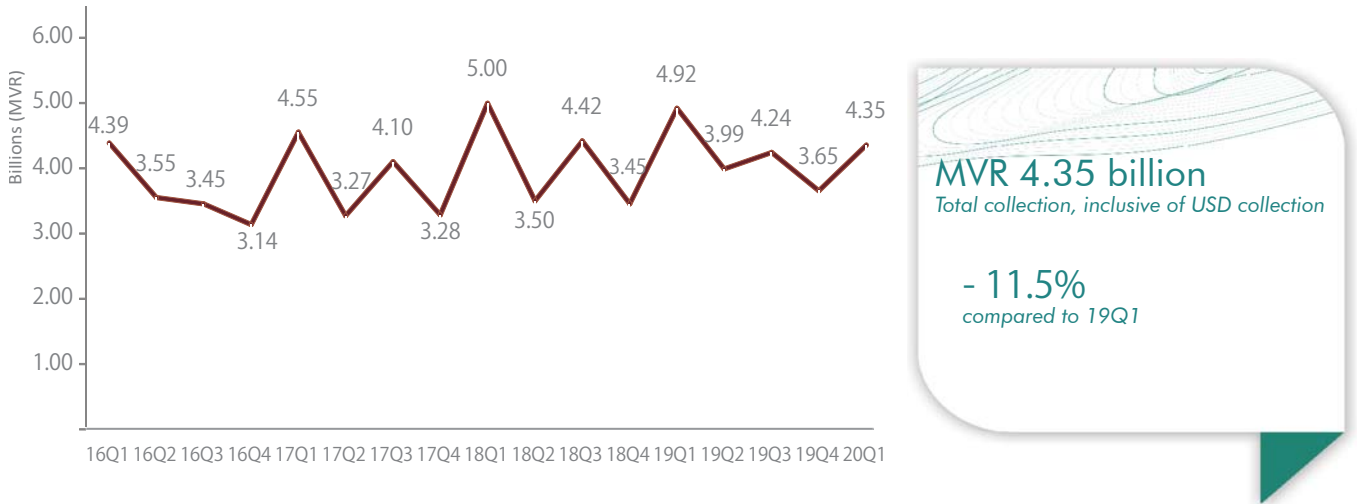


A. REVENUE COLLECTION

I. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION

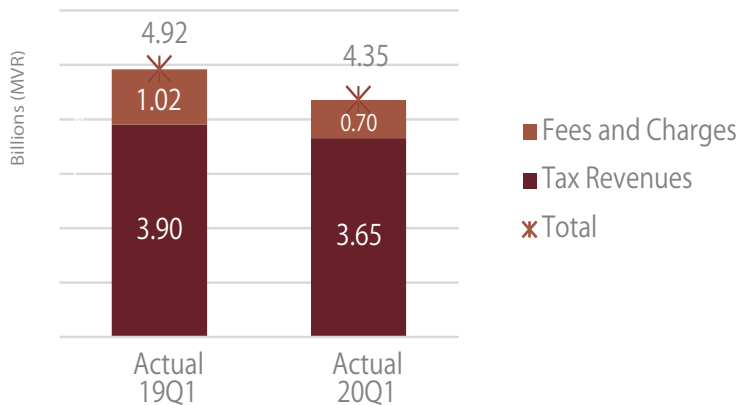


The quarterly revenue collection sum to MVR 4.35 billion in 20Q1. This is a decrement compared to the corresponding quarter of 2019 by 11.5%.

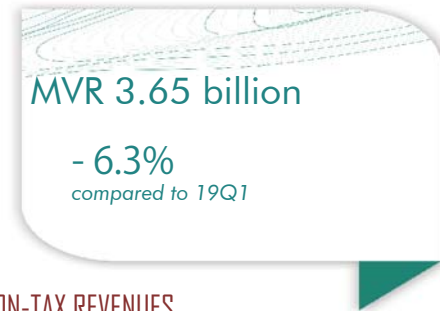
Compare to 19Q1, a decrement was observed for Tourism Land Rent, GGST, TGST, Construction Period Extension Fee, Royalties, Withholding Tax, Green Tax and Resident Permit. Business Profit Tax, Corporate Social Responsibility Fee, Airport Development Fee and Airport Service Charge collection was higher than the revenue received in 19Q1.

1.2

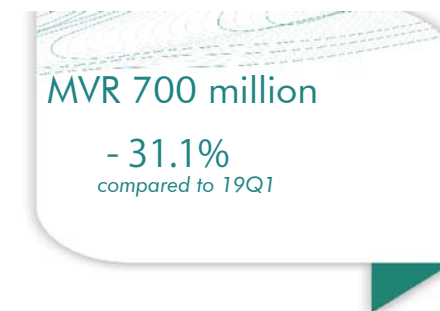
REVENUE COMPOSITION OF 20Q1



TAX REVENUES



NON-TAX REVENUES



TAX REVENUES

Out of the tax revenues, only Airport Service Charge and Business Profit Tax revenue increased compared to 19Q1 due to increase in departures and since the deadline of BPT 2nd Interim payment for 2019 fell within the first quarter of 2020

Compared to 19Q1, TGST, GGST, Withholding Tax and Green Tax collection decreased in 20Q1 due to the consequences of Covid-19 pandemic. Tourist arrivals decreased since borders were closed in late March and also deadline for submission of return and payment has been extended until MIRA opens.

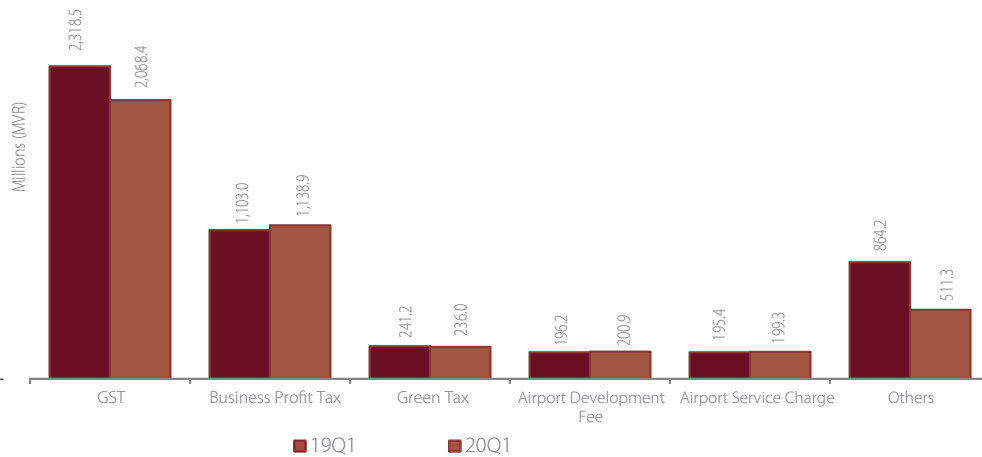
NON-TAX REVENUES

A decrement of MVR 316.45 million was observed for non-tax revenues when compared to the corresponding quarter of 2019.

The decrement compared to 19Q1 was mainly due to the reduced collection of Tourism Land Rent, which has been deferred under measures taken in relation to Covid-19 pandemic. There was also a decrease in collection of Construction Period Extension Fee, Royalties, Residential Permit along with the receipt of Business Permits and Land Acquisition Conversion Fee.



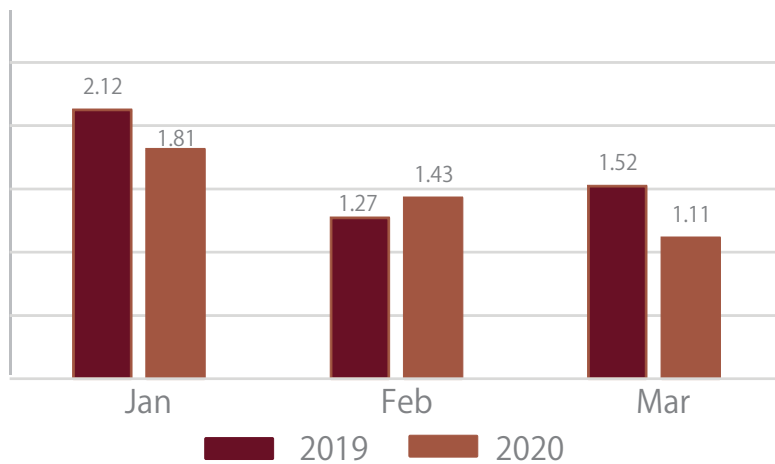
1.3 TOP FIVE REVENUE CONTRIBUTORS OF 19Q4



Revenue	Compared to 19Q1	Share of 20Q1
GST	-10.8%	47.5%
BPT	+3.3%	26.2%
GREEN TAX	-2.1%	5.4%
AIRPORT DEVELOPMENT FEE	+2.4%	4.6%
AIRPORT SERVICE CHARGE	+2.0%	4.6%

Top 5 revenue contributors for the quarter mutually accounted for 88.3% of the total revenue.

1.4 COMPARISON AGAINST 19Q1

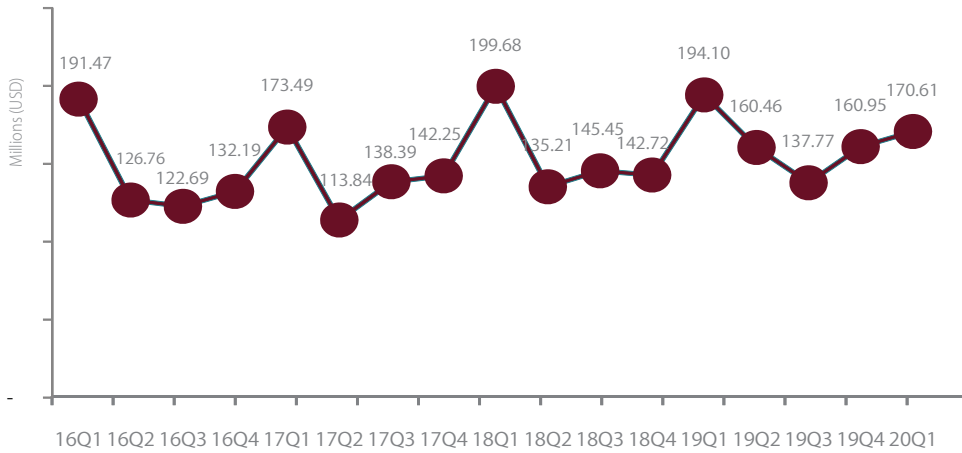


Months	Compared to 2019
January	-14.7%
February	+12.4%
March	-26.9%

2. USD REVENUE COLLECTION

2.1

USD COLLECTION



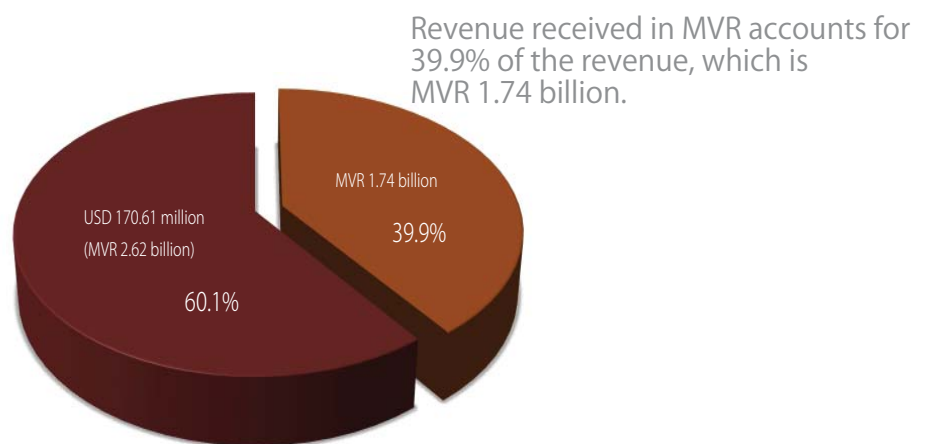
USD 170.61 million
 - 12.1%
 compared to 19Q1

The decrement of USD collection is due to the decrease in receipt of Tourism Land Rent, TGST, Construction Period Extension Fee and Green Tax in 20Q1. Due to Covid-19, Tourism Land Rent was deferred to next year which is the main reason for the decrement.

An increase was observed in the of receipt of Business Profit Tax, Corporate Social Responsibility Fee, Airport Service Charge and Airport Development Fee during 20Q1, when compared to the corresponding quarter of 2019.

2.2

CURRENCY COMPOSITION

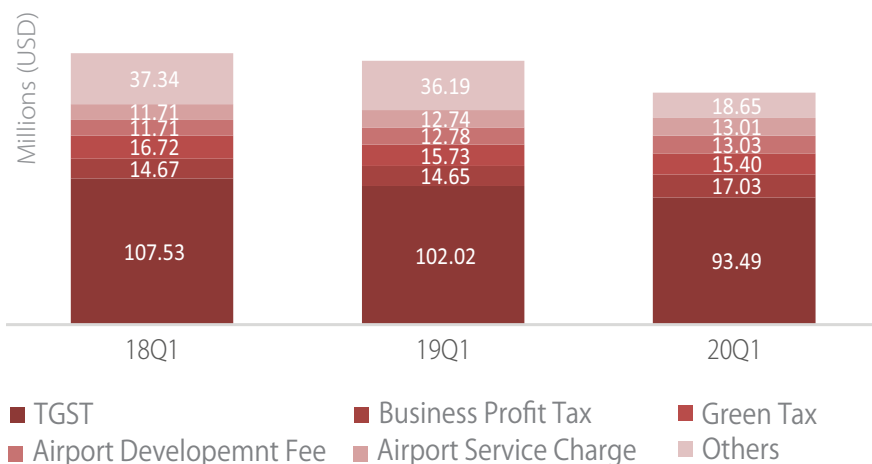


60.1% of the revenue was received in USD (USD 170.61 million), which is equivalent to MVR 2.62 billion.



2.3

USD REVENUE GROWTH

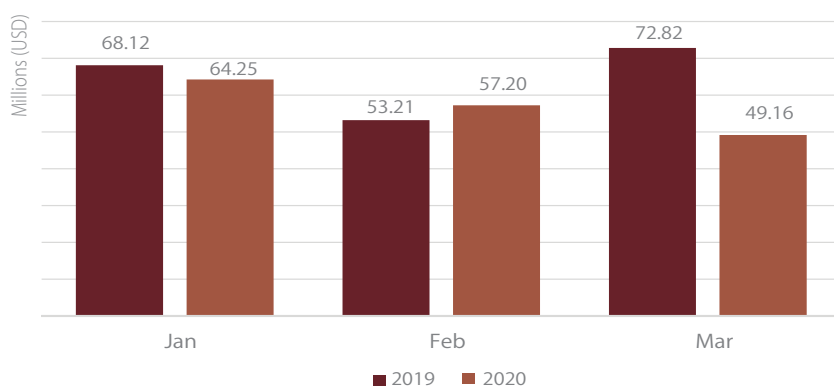


Revenue	Compared to 19Q1	Share of 20Q1
TGST	-8.4%	54.8%
BPT	+16.2%	10.0%
GREEN TAX	-2.1%	9.0%
AIRPORT DEVELOPMENT FEE	+2.0%	7.6%
AIRPORT SERVICE CHARGE	+2.1%	7.6%

The top five USD revenue contributors mutually account for 89.1% of the total USD revenue.

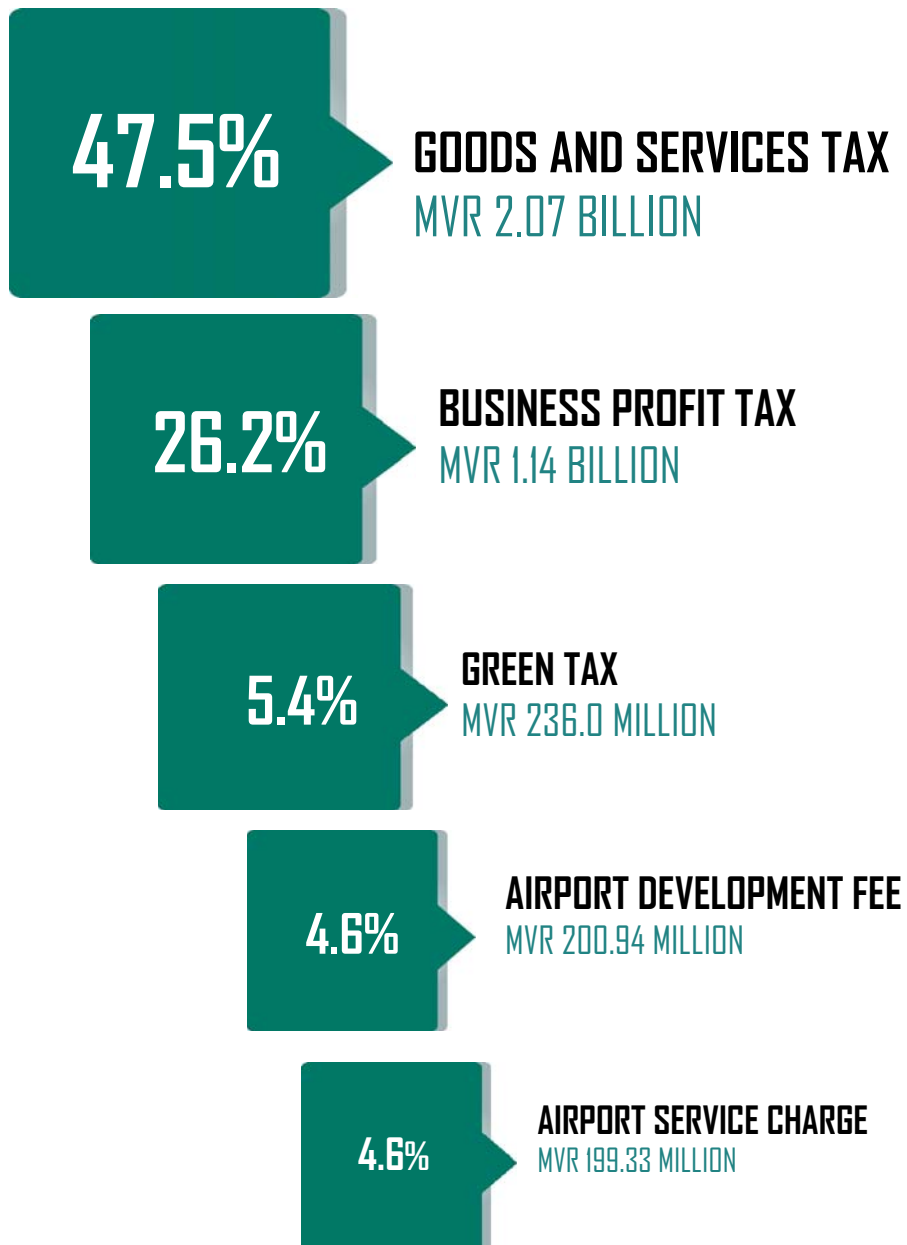
2.4

COMPARISON AGAINST 19Q1: MONTHLY



Months	Compared to 2019
January	-5.7%
February	+7.5%
March	-32.5%

TOP REVENUE CONTRIBUTORS



3.1

TOTAL GST COLLECTION

MVR 2.07 billion
- 10.8%
compared to 19Q1

69.3% of the GST collection relates to tourism sector, while the remaining 30.7% relates to the GST from general sector in 20Q1.



3.2

TGST COLLECTION

MVR 1.43 billion
- 8.4%
compared to 19Q1

3.3

GGST COLLECTION

MVR 635.22 million
- 15.8%
compared to 19Q1

3.2

TGST COLLECTION

Tourist arrivals in this quarter decreased due to Covid-19 outbreak which led to the decrement of TGST collection by 8.4% in contrast to 19Q1.

3.3

GGST COLLECTION

Compared to 19Q1, GGST revenue for 20Q1 fell by 15.8% as the deadline for the submission of GST Return and payment has been extended until MIRA re-opens.

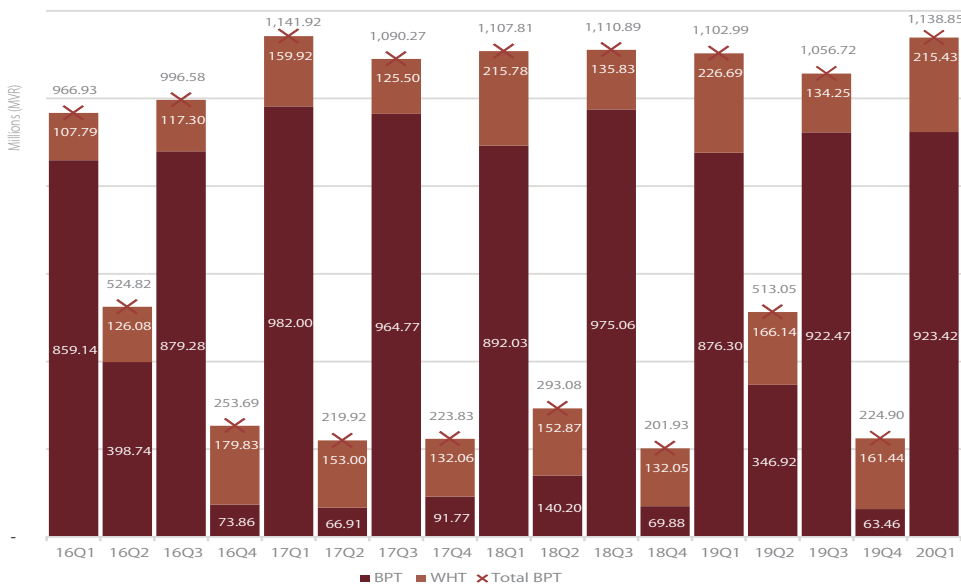


3.4 TOTAL BPT COLLECTION

MVR 1.14 billion
+ 3.3%
compared to 19Q1

Total BPT revenue consists of revenue received from the profit component of BPT and the collection of WHT.

In 20Q1, 81.1% of the BPT revenue relates to the profit component of while the remaining 18.9% relates to Withholding Tax revenue.



3.5 BPT PROFIT COMPONENT COLLECTION

MVR 923.42 million
+ 5.4%
compared to 19Q1

3.6 WHT COLLECTION

MVR 215.43 million
- 5.0%
compared to 19Q1

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

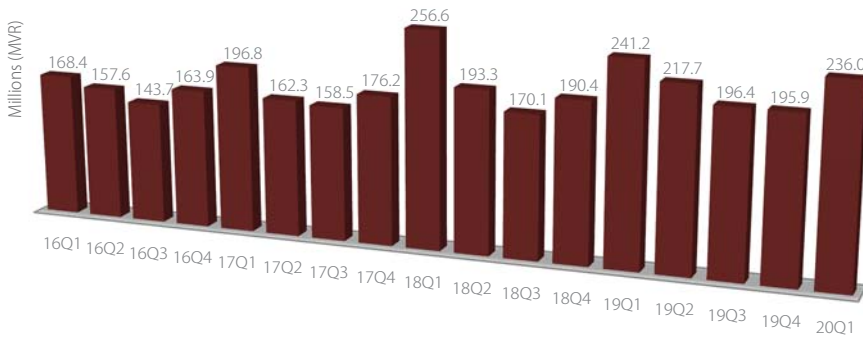
BPT deadline of 2nd Interim payment for 2019 fell within the first quarter of 2020. An increment of MVR 47.12 million observed for 20Q1, when compared with the BPT revenue collected in 19Q1.

Withholding tax receipts in 20Q1 has been decreased, compared to 19Q1, as Withholding Tax deadlines have been extended until MIRA re-opens.



3.7

Green Tax

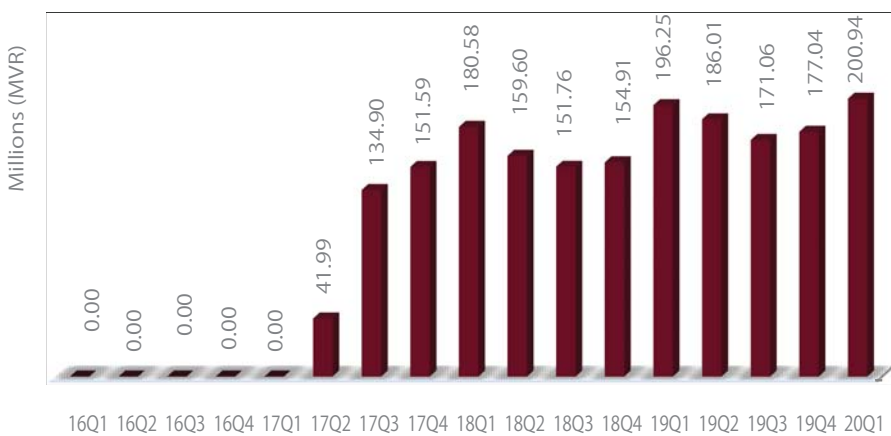


MVR 236.0 million
 - 2.1%
 compared to 19Q1

Revenue from Green Tax amounts to MVR 236 million. In comparison to 19Q1, Green Tax decreased by 2.1% due to the decrease in tourist arrivals since borders were closed in late March due to the Covid-19 pandemic.

3.8

Airport Development Fee



MVR 200.94 million
 + 2.4%
 compared to 19Q1

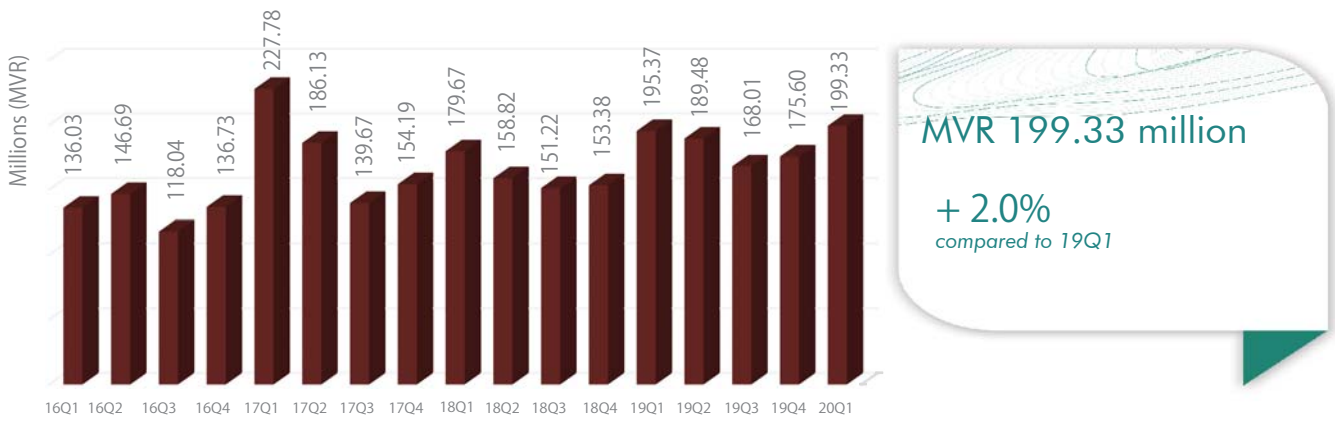
MVR 200.94 was collected as Airport Development Fee in 20Q1. This is 2.4% more than the amount collected in 19Q1.

Increase in departures led to this favorable outcome compared to 19Q1.



3.9

Airport Service Charge



Quarterly revenue collection from Airport Service Charge for 20Q1 is MVR 199.33 million. This is an increment of 2.0% compared to the collection of 19Q1.

Increase in departures led to this favorable outcome compared to 19Q1.

B. ACTIVITIES DURING THE QUARTER



IMPLEMENTATION OF INCOME TAX ACT

In 20Q1, several activities were carried out to implement the Income Tax Act.

- Amendments were brought to the Income Tax Regulation, which was published in the Government Gazette on 31 December 2019, and a comprehensive regulation was compiled and published in Gazette on 10 March 2020. Prior to the finalization of the regulation, the preliminary draft of Income Tax Regulation was opened to public twice for comment and review. Furthermore, stakeholder meetings were held with 27 different parties in order to provide information and discuss on the components of this Regulation.

- Registrations under Income Tax were carried out during this quarter. Persons who were already registered with MIRA were migrated to the new system and notified. Registration of new taxpayers under the Income Tax Act was also undertaken.

- Forms required under the Income Tax regime were prepared during this quarter. Following forms were prepared in 20Q1:

- o Registration of Employees Form (MIRA 118)
- o Election to Deduct Employee Withholding Tax Form (MIRA 916)
- o Change of Rate of Employee Withholding Tax Form (MIRA 917)

- New changes and configurations required to the systems to facilitate the implementation of the Income Tax Act were carried out during this quarter. Under the new system, arrangements for registration, submission of returns and payments were made via online portals.

- Increasing the awareness of taxpayers and the general public on the tax system has always been one of the main priorities of MIRA. As taxation under a new tax law commenced on 1 January 2020, and taxation on remuneration was introduced from 1 April 2020, various educational and awareness activities were held during the first quarter of 2020. During 20Q1, information sessions were held for individuals, companies, government offices, banks and financial institutions, and schools. In addition, to make information easily accessible to taxpayers, summary guides and instruction sheets were prepared. Also, several episodes of "Aamdhaneen Negey Tax" program were presented in collaboration with PSM News for further awareness of Income Tax.



LAWS AND REGULATIONS

2020/R-21 Income Tax Regulation

2020/R-14 25th amendment to the Goods and Services Tax Regulation



TAXPAYER AWARENESS PROGRAMS


79 Income Tax information sessions
to govt offices and SOEs
(1,042 participants)

6 training sessions
to new registrants
(36 participants)

10 Media Programs produced by MIRA
Published on social media platforms.

3 Tax Tip video
Published on social media platforms.

18 Media Interviews



COMPLIANCE

994 compliance visits

4 non-compliance notices issued

AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	60	42,168,951
TGST	14	5,046,257
WHT	7	92,319
BPT	50	65,626,626
Green Tax	6	610,447
ATF	2	1,047,404
BnPT	1	-
RMT	-	-
Total	140	114,592,004

140
AUDITS

MVR 114.6 million
ADDITIONAL TAX ASSESSED



ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 169,334,890.65

Amount recovered under:

Dunning MVR 64,181,678.34

Reminder calls/emails MVR 71,215,471.94

Bank Account Freezing Policy MVR 2,060,026.36

Dues Clearance MVR 31,716,540.02

MIRA arrears MVR 155,174.00

Through Legal Action MVR 6,000.00

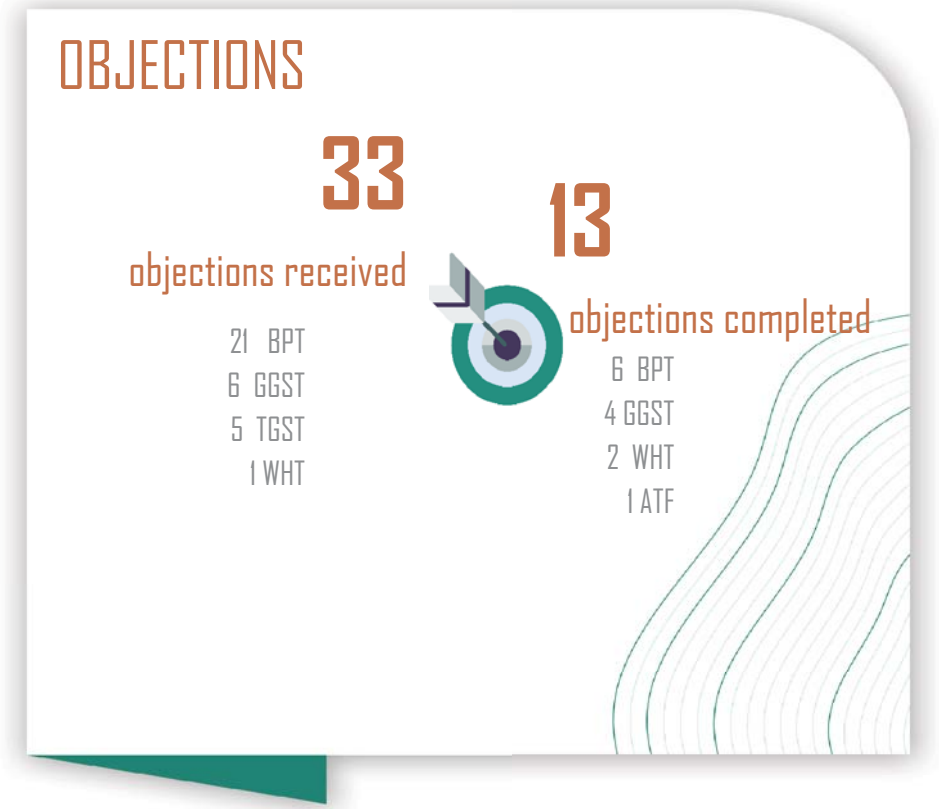
Final notices issued to 2,938 non-filers and 1,932 non-payers

Installment plans granted to 52 taxpayers in 20Q1



REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Income Tax	28,161	3577	-	31,738
TGST	2,015	78	7	2,086
GGST	12,055	350	63	12,342
Green Tax	1,089	87	8	1,168
Airport Service Charge	45	-	-	45
Bank Profit Tax	8	-	-	8



LEGAL ACTIONS



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

HR MANAGEMENT



303

staff working at MIRA
at the end of the quarter

15

staff recruited during the quarter

9

staff terminated/ released during the quarter

TRAININGS AND CONFERENCES



Overseas

1 Conferences/Seminars
2 participants

2 Trainings
4 participants

Staff Development Programs

5 Trainings
20 participants

C. QUARTER IN PICTURES

Jan 6

MOU signed between MIRA and Financial Intelligence Unit of Maldives Monetary Authority



Jan to Mar

Stakeholder meetings on Income Tax Regulation held throughout the quarter



Feb 15

MIRA participated in a panel discussion session on "Role of HR in Income Tax Matters" organized by MAHRP



Feb 27

MIRA participated in the "Maldives Living Expo" organized by Highrise Pvt Ltd



Jan to Mar

Information sessions on Income Tax conducted for government offices and schools throughout the quarter



Feb 13

MIRA Villingili Collection Centre opened for tax related services



Feb 23

MIRA participated in the "Business Expo" organized by Corporate Maldives



Feb 28

MIRA staff participated in the "Zero plastic run" organized by the ICS Maldives



D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 20Q1 and Comparison Against 19Q1 (MVR)

Description	20Q1	19Q1	Growth	% Share
TAX REVENUES	3,654,116,219	3,901,205,946	-6.3%	83.9%
Airport Service Charge	199,329,067	195,367,614	2.0%	4.6%
Bank Profit Tax	-	7,765	-100.0%	0.0%
BPT	923,424,914	876,299,769	5.4%	21.2%
Green Tax	235,999,415	241,157,437	-2.1%	5.4%
GGST	635,219,269	754,108,318	-15.8%	14.6%
TGST	1,433,203,270	1,564,349,402	-8.4%	32.9%
Land Sales Tax	794,758	6,739,775	-88.2%	0.0%
Remittance Tax	8,970,164	26,285,702	-65.9%	0.2%
Revenue Stamp	1,748,699	10,195,888	-82.8%	0.0%
WHT	215,426,663	226,694,276	-5.0%	4.9%
NON-TAX REVENUES	700,727,318	1,017,182,230	-31.1%	16.1%
Airport Development Fee Charge	200,940,715	196,247,501	2.4%	4.6%
Business Permits ¹	12,869,716	20,266,330	-36.5%	0.3%
Construction Period Extension Fee	-	27,680,384	-100.0%	0.0%
Corporate Social Responsibility Fee	13,495,910	-	-	0.3%
Fines	47,836,422	67,719,035	-29.4%	1.1%
Land Acquisition and Conversion Fee	1,430,705	2,816,799	-49.2%	0.0%
Lease Period Extension Fee	76,800,000	76,500,000	0.4%	1.8%
Non-tourism Property Income ²	30,803,779	36,144,610	-14.8%	0.7%
Ownership Transfer Tax	-	153,550	-100.0%	0.0%
Proceeds from Sale of Assets ³	3,658,325	4,891,390	-25.2%	0.1%
Resident Permit	71,683,060	81,800,890	-12.4%	1.6%
Royalties ⁴	18,906,564	30,366,789	-37.7%	0.4%
Tourism Administration Fee	-	3,064,000	-100.0%	0.0%
Tourism Land Rent	174,150,612	419,182,210	-58.5%	4.0%
Vehicle Fee	28,823,049	29,944,167	-3.7%	0.7%
Vessels Fee	7,064,422	8,212,673	-14.0%	0.2%
Zakat Al-Mal	11,877,394	11,112,872	6.9%	0.3%
Others ⁵	386,646	1,079,029	-64.2%	0.0%
Total	4,354,843,537	4,918,388,176	-11.5%	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, 20Q1 (USD)

Description	20Q1	% Share
TGST	93,487,450	54.8%
BPT	17,032,538	10.0%
Green Tax	15,396,110	9.0%
Airport Development Fee	13,032,072	7.6%
Airport Service Charge	13,013,054	7.6%
Others	18,651,060	10.9%
Total	170,612,284	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 17Q1	Actual 18Q1	Actual 19Q1	Actual 20Q1
TAX REVENUES	3,662.2	4,006.9	3,901.2	3,654.1
Airport Service Charge	227.8	179.7	195.4	199.3
Bank Profit Tax	-	1.3	-	-
BPT	982.0	892.0	876.3	923.4
Green Tax	196.8	256.6	241.2	236.0
GGST	747.2	762.5	754.1	635.2
TGST	1,301.2	1,650.6	1,564.3	1,433.2
Land Sales Tax	7.6	7.9	6.7	0.8
Remittance Tax	30.2	28.0	26.3	9.0
Revenue Stamp	9.6	12.6	10.2	1.7
Tourism Tax	-	-	-	-
WHT	159.9	215.8	226.7	215.4
NON-TAX REVENUES	902.0	990.8	1,017.2	700.7
Airport Development Fee		180.6	196.2	200.9
Business Permits ¹	17.7	19.9	20.3	12.9
Construction Period Extension Fee	16.6	16.8	27.7	-
Corporate Social Responsibility Fee	13.0	7.7	-	13.5
Fines	53.8	68.8	67.7	47.8
Land Acquisition and Conversion Fee	282.1	96.8	2.8	1.4
Lease Period Extension Fee	-	-	76.5	76.8
Non-tourism Property Income ²	38.1	41.4	36.1	30.8
Ownership Transfer Tax	0.5	0.3	0.2	-
Proceeds from Sale of Assets ³	5.6	3.4	4.9	3.7
Resident Permit	65.2	73.9	81.8	71.7
Royalties ⁴	18.5	23.1	30.4	18.9
Tourism Administration Fee	6.1	4.6	3.1	-
Tourism Land Rent	341.5	406.6	419.2	174.2
Vehicle Fee	22.2	24.4	29.9	28.8
Vessels Fee	8.1	9.4	8.2	7.1
Zakat Al-mal	12.5	10.9	11.1	11.9
Others ⁵	0.7	2.5	1.1	0.4
Total	4,564.2	4,997.8	4,918.4	4,354.8

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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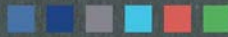


Table 5 Reported Sales from Tourism Categories (USD)

Description	20Q1	19Q1	Growth
Tourist Resort	97,853,492	89,976,287	8.8%
Domestic Air Transport	7,983,037	6,508,661	22.7%
Tour Operator	740,937	757,089	-2.1%
Tourist Hotel	1,540,276	1,763,336	-12.6%
Diving School	1,677,045	1,437,516	16.7%
Tourist Guest House	1,505,643	1,484,615	1.4%
Tourist Vessel	1,259,467	1,418,059	-11.2%
Water Sports Facility	520,650	536,629	-3.0%
Other Facility	378,057	395,141	-4.3%
Spa	402,491	398,787	0.9%
Shop	452,843	365,078	24.0%
Foreign Tourist Vessel	62,248	44,988	38.4%
	114,376,188	105,086,186	8.8%

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