



MALDIVES
INLAND REVENUE
AUTHORITY

QUARTERLY REPORT

Quarter 3, 2015



5 YEARS OF
EXCELLENCE

ABBREVIATIONS

14Q1	2014, First Quarter
14Q2	2014, Second Quarter
14Q3	2014, Third Quarter
14Q4	2014, Fourth Quarter
15Q1	2015, First Quarter
15Q2	2015, Second Quarter
15Q3	2015, Third Quarter
15Q4	2015, Fourth Quarter
ACC	Anti-Corruption Commission
ACCA	Association of Chartered Certified Accountants
APAs	Advance Pricing Arrangements
ATAIC	Association of Tax Authorities of Islamic Countries
BPT	Business Profit Tax
CIO	Chief Information Officers
CSTI	Civil Service Training Institute
GGST	Goods and Services Tax (Non-Tourism Sector)
GST	Goods and Services Tax (refers to both TGST and GGST)
IFRS	International Financial Reporting Standards
LPEF	Lease Period Extension Fee
MAPs	Mutual Agreement Procedures
MIRA	Maldives Inland Revenue Authority
MOU	Memorandum of Understanding
MTCP	Malaysian Technical Cooperation Program
MVR	Maldivian Rufiyaa
TGST	Goods and Services Tax (Tourism Sector)
USD	United States Dollar
WHT	Withholding Tax

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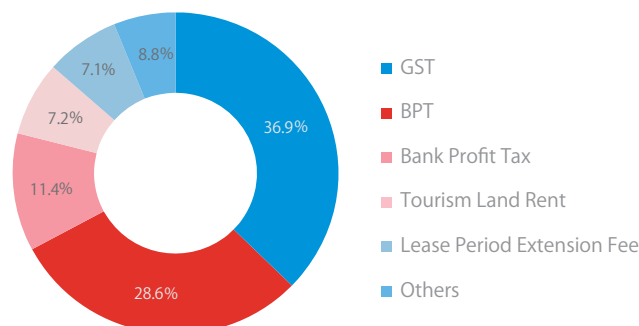
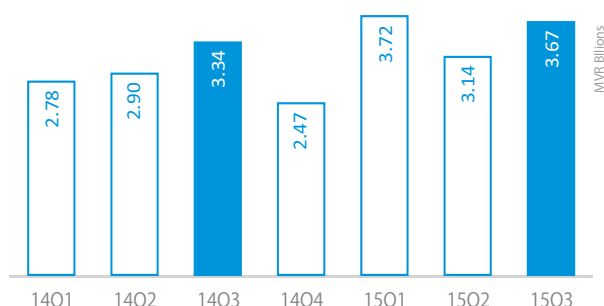
A. REVENUE COLLECTION

1. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION

The total revenue collection for 15Q3 amounted to MVR 3.67 billion and grew by 9.8% against 14Q3 collection and 17.1% against 15Q2 collection, as some of the major deadlines fell within the quarter.



1.2

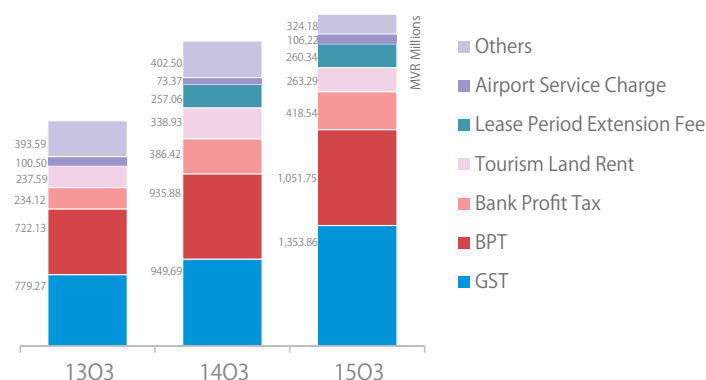
TOP REVENUE CONTRIBUTORS IN 15Q3

GST represents more than one third of the revenue for 15Q3, while 28.6% of the revenue came from BPT. Since Bank Profit Tax deadline falls within the quarter, it also accounted for 11.4% of the revenue. Tourism Land Rent and Lease Period Extension Fee contributed 7.2% and 7.1% respectively. Top 5 revenue contributors for the quarter collectively account for 91.2% of the total revenue collected.

1.3

TOTAL REVENUE GROWTH

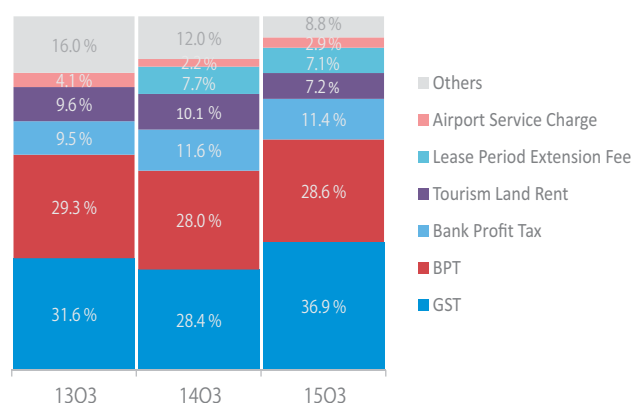
GST and BPT are the major revenue contributors during the quarter. Compared against 14Q3, GST increased by 42.6% and BPT increased by 12.4%. Fines, Business Permits and Airport Service Charge increased by 150.0%, 131.3% and 44.8% respectively. Among major revenue contributors, Tourism Land Rent dropped by 22.3% and Tourism Tax was not collected during the quarter as it was abolished in December 2014. The overall revenue received in 15Q3 shows a growth of 9.8% compared to 14Q3 collection.



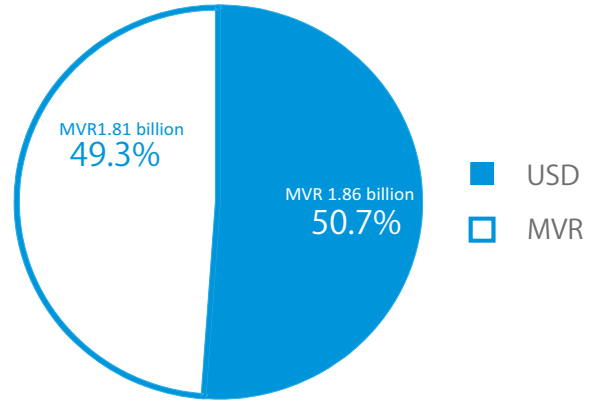
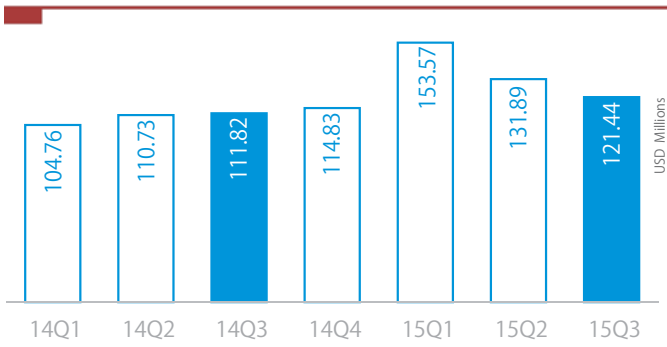
1.4

CHANGES TO TOP REVENUE CONTRIBUTORS

Tourism Tax no longer features in the top revenue contributors as it was abolished. The share of GST has increased, mainly due to the increase in TGST rate in November 2014.



2. USD REVENUE COLLECTION



2.1

USD COLLECTION

In 15Q3, the revenue collected in USD amounted to USD 121.44 million, depicting a growth of 8.6% compared against 14Q3 collection of USD 111.82 million.

2.2

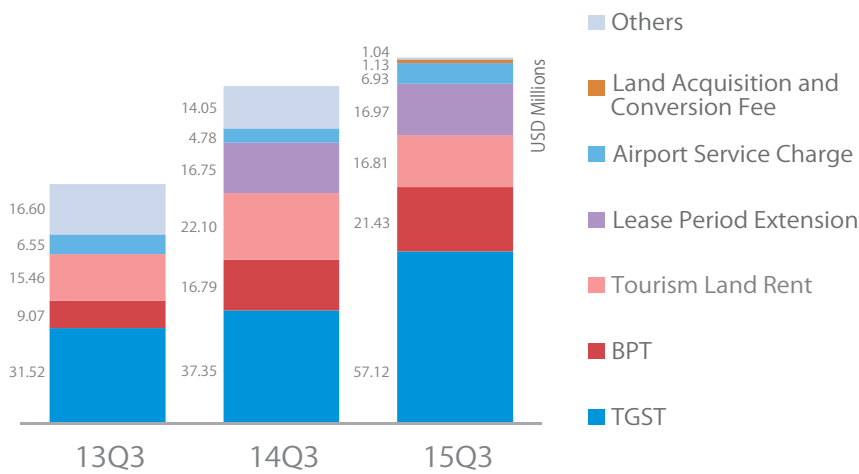
CURRENCY COMPOSITION

50.7% of the revenue for 15Q3 was received in USD (equivalent to MVR 1.86 billion). The revenue collected in MVR amounted to MVR 1.81 billion (49.3%).

2.3

USD REVENUE GROWTH

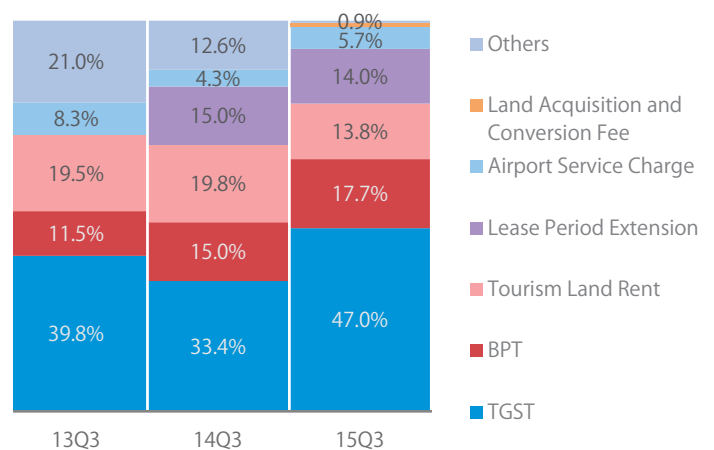
All major revenues collected in USD except Tourism Land Rent, depicted a growth in 15Q3. The 53.0% surge in TGST collection was driven by the increment in the TGST rate. Airport Service Charge and BPT received in USD rose by 45.0% and 27.6% respectively.



2.4

USD COLLECTION BREAKDOWN

The share of TGST revenue received in USD increased to 47.0% in 15Q3 and share of BPT denominated in USD increased gradually to 17.7%. The share of Tourism Land Rent and Lease Period Extension fell slightly to 13.8% and 14.0% respectively.



3. COMPARISON AGAINST CORRESPONDING QUARTER OF 2014

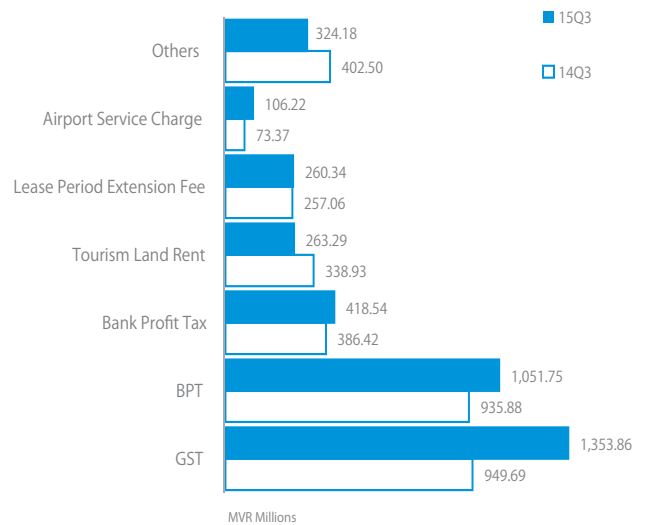
3.1

COMPARISON AGAINST 14Q3: REVENUE-WISE

The steep growth in GST collection by 42.6% in 15Q3 compared against 14Q3 is primarily due to increase in TGST rate from November 2014 onwards. BPT collection increased by 12.4% and Bank Profit Tax increased by 8.3%.

In contrast, Tourism Land Rent received during the quarter fell by 22.3%. Lease Period Extension Fee increased marginally by 1.3% while Airport Service Charge grew significantly by 44.8%.

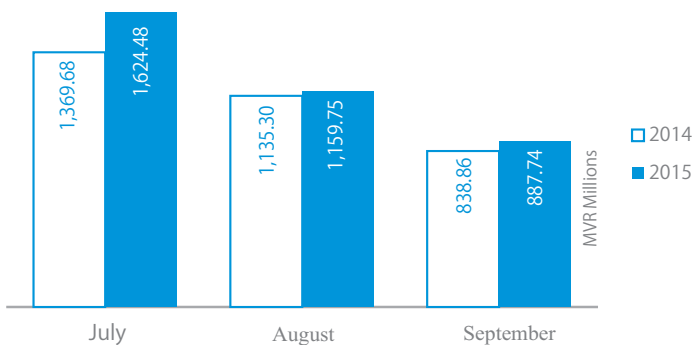
Among notable changes in other revenues, Tourism Tax was not collected in 15Q3, unlike 14Q3. Revenue from Fines shows a significant increase of 150.3% and Business Permits grew by 131.3%. On the other hand, Land Sales Tax and Land Acquisition and Conversion Fee declined by 43.4% and 39.7% respectively.



3.2

COMPARISON AGAINST 14Q3: MONTH-WISE

Compared against the corresponding months of 2014, monthly revenue received in the third quarter of 2015 increased. Revenue received in July, August and September increased by 18.6%, 2.2% and 5.8% respectively.

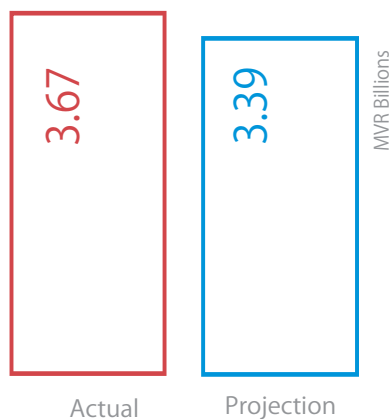


4. COMPARISON AGAINST PROJECTION

4.1

REVENUE PROJECTION

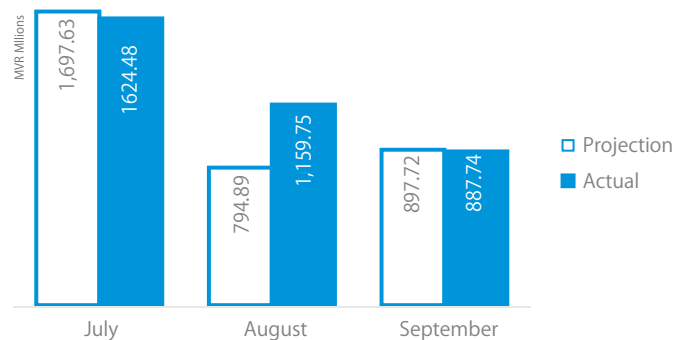
Due to the continuous growth in revenue from BPT, GST and increase in revenue from Bank Profit Tax, the revenue received in 15Q3 was 8.3% more than projection.



4.2

COMPARISON AGAINST PROJECTION: MONTH-WISE

Compared to the projection, the revenue collection for July and September fell short by 4.3% and 1.1% respectively. However, August collection surpassed projection by 45.9% as the deadline to pay first interim payments of 2015 was extended to August.

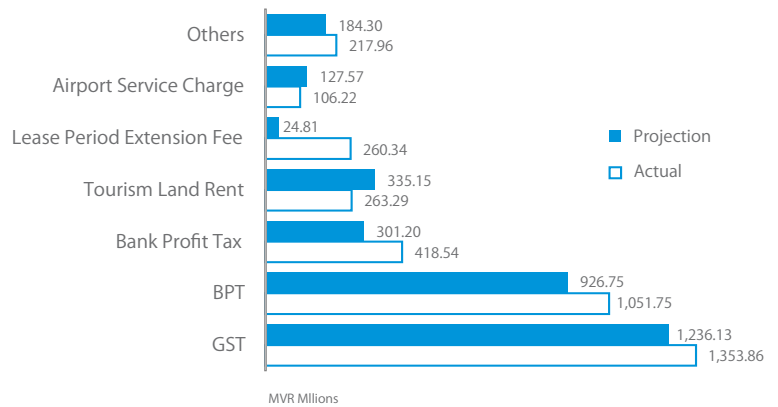


4.3

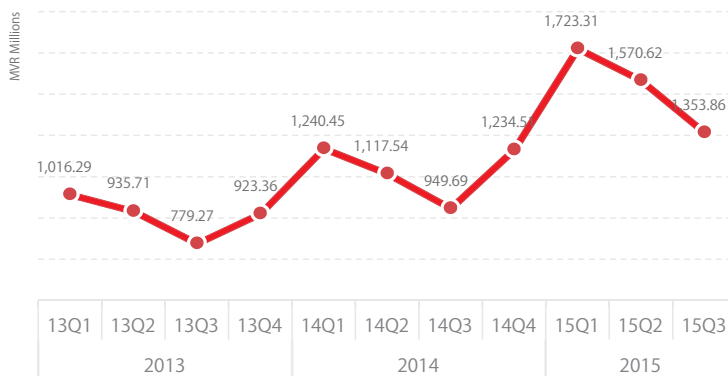
COMPARISON AGAINST PROJECTION:
REVENUE-WISE

Revenue collection from GST, BPT and Bank Profit Tax in 15Q3 surpassed the projection by 9.5%, 13.5% and 39.0% respectively. Tourism Land Rent was 21.4% lower than expected as the quarterly payment due in September was not paid by all taxpayers by the deadline. Revenue received from Lease Period Extension Fee was 6.7% lower than projection. Due to lower than expected tourist arrivals during the quarter, Airport Service Charge fell short of the projection by 16.7%. The unfavorable trend in arrivals was offset in GST revenue because of the TGST rate increase from November 2014 onwards.

While other revenues collectively surpassed expectation, the most notable increment was depicted by Fines, which increased by 4 times in 15Q3.



5. MAIN REVENUE CONTRIBUTORS



5.1

TOTAL GST COLLECTION

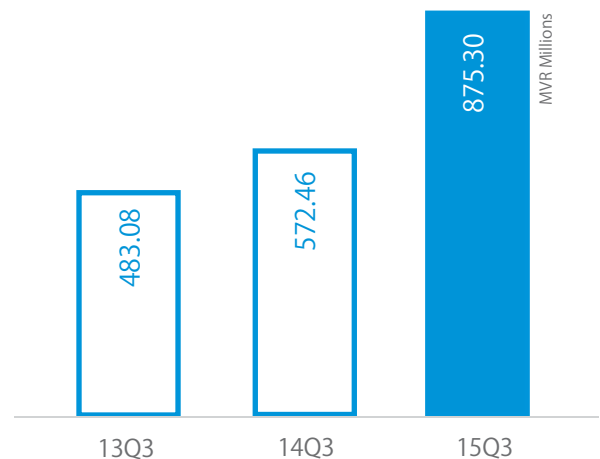
Total GST collection for 15Q3 amounted to MVR 1.35 billion. 64.7% of this revenue came from TGST while the rest was from GGST. Revenue from GST grew by 42.6% compared to 14Q3, primarily due to the TGST rate change from November 2014 onwards. Compared against the projection, revenue from GST grew by 9.5%.

5.2

TGST COLLECTION

TGST revenue received in 15Q3 amounted to MVR 875.30 million. This is a growth of 52.9% compared to 14Q3. TGST rate was 8% in 14Q3 and was increased to 12% in November 2014, which contributed to the significant growth in revenue.

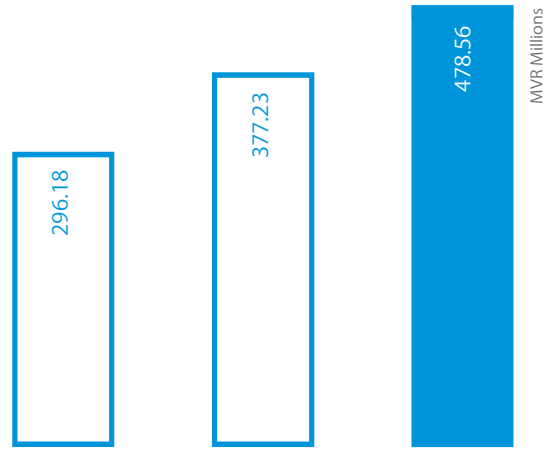
When compared with the projected revenue from TGST, the actual collection surpassed projection by 6.9%.



5.3

GGST COLLECTION

GGST revenue in 15Q3 amounted to MVR 478.56 million, registering a growth of 26.9% compared against 14Q3 and exceeded the projection by 14.7%.

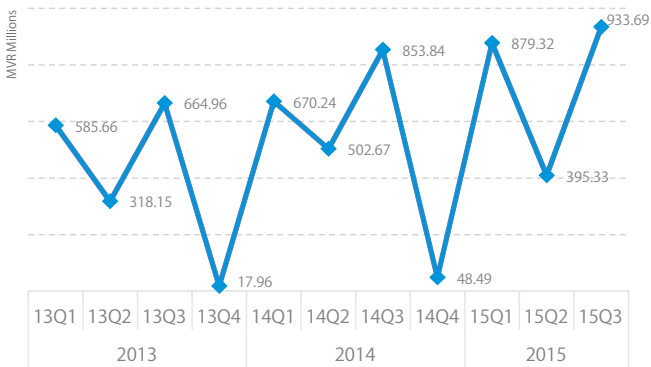
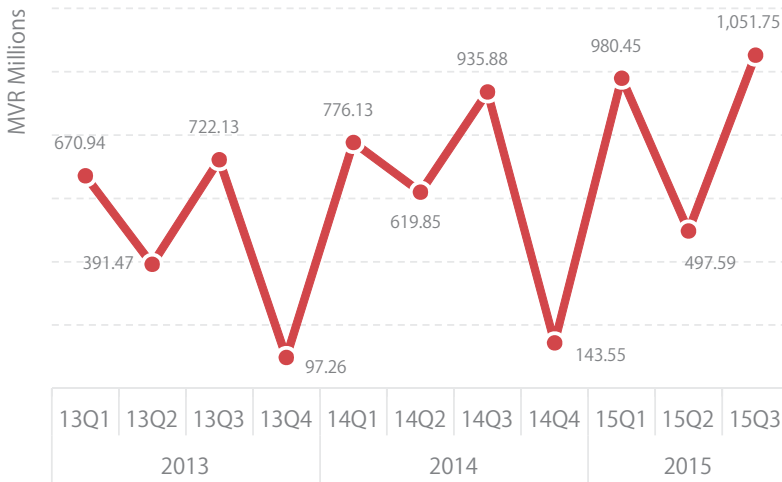


5.4

TOTAL BPT COLLECTION

Total BPT collection comprises of revenue received from the profit component of BPT and collection from

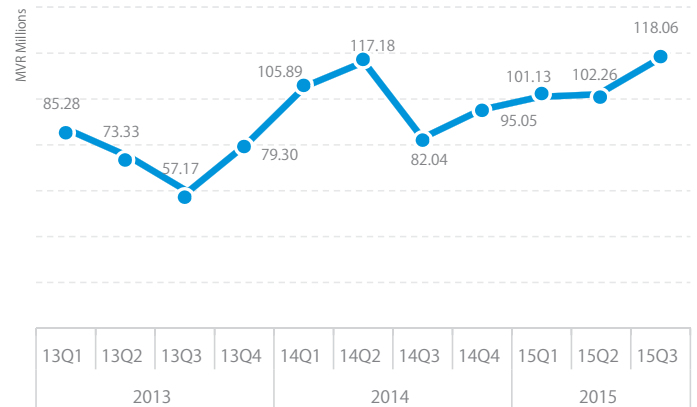
WHT. Due to an increase in collection from both the profit component and WHT, the total BPT collection of MVR 1.05 billion for 15Q3 is 12.4% higher than the collection for 14Q3. Compared against the projection, 15Q3 collection was 13.5% more.



5.5

BPT PROFIT COMPONENT COLLECTION

The first interim payment for tax year 2015 was due in the third quarter. Revenue received from the profit component of BPT in 15Q3 increased by 9.4% and exceeded the projection by 9.6%.



5.6

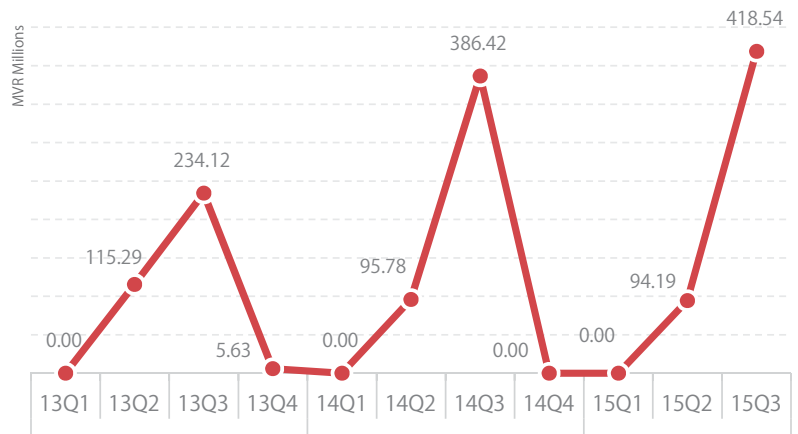
WHT COLLECTION

WHT received in 15Q3 amounted to MVR 118.49 million, depicting a growth of 44.4% compared to 14Q3, and 57.7% compared against the projection

5.7

BANK PROFIT TAX COLLECTION

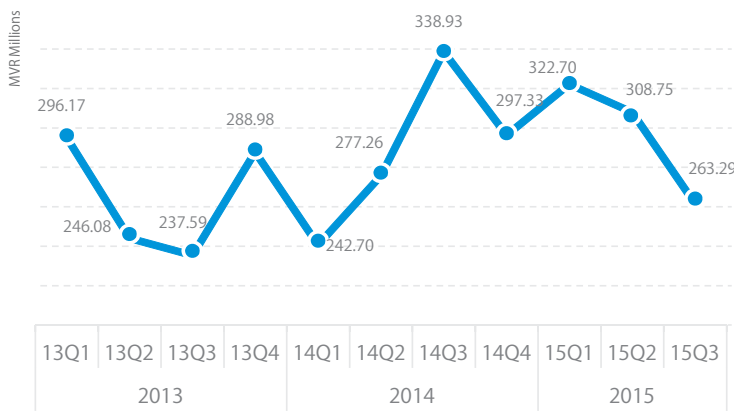
Deadline for payment of Bank Profit Tax is the end of July each year. A record high amount of MVR 418.54 million was received as Bank Profit Tax in 15Q3, depicting a growth of 8.3% compared to 14Q3 and 39.0% more than the projection.



5.8

TOURISM LAND RENT COLLECTION

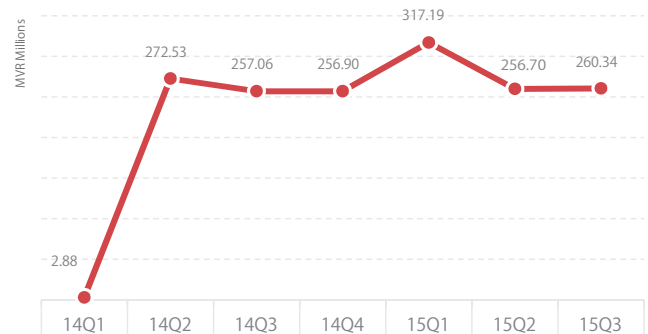
Collection from Tourism Land Rent amounted to MVR 263.29 million, depicting a decline of 22.3% compared to 14Q3. It also declined by 14.7% compared to 15Q2 and by 21.4% compared to the projection. This decline in collection is because the payments due in September were not received from some taxpayers by the deadline.



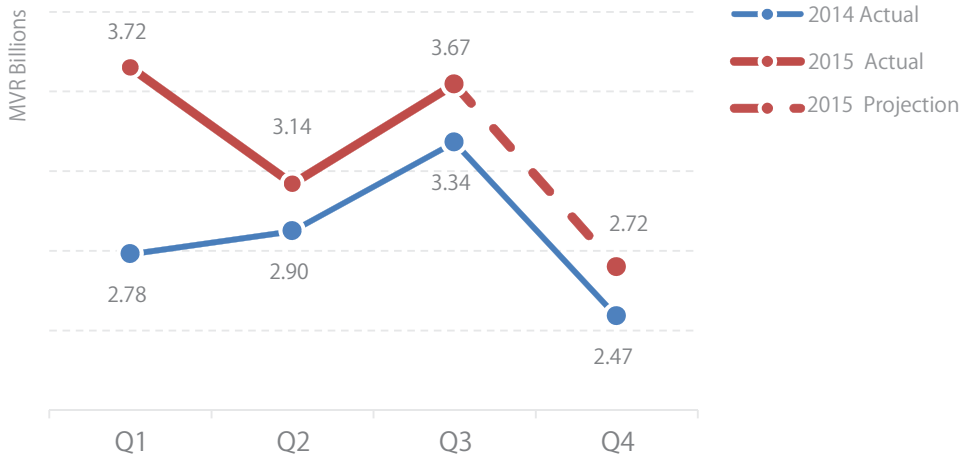
5.9

LPEF COLLECTION

Collection from Lease Period Extension Fee amounted to MVR 260.34 million. This is 1.3% higher than 14Q3 collection and 6.7% lower than the projection.



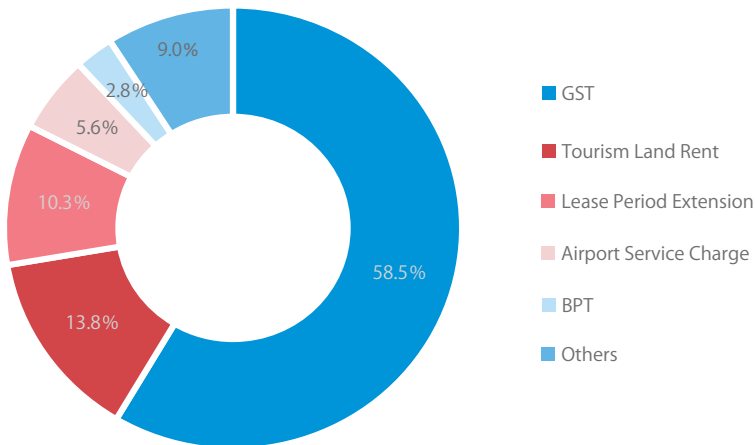
6. OUTLOOK



6.1

REVENUE OUTLOOK FOR 15Q4

MVR 2.72 billion was projected to be collected in 15Q4. This is 9.9% higher than 14Q4 total revenue.



6.2

15Q4 REVENUE BREAKDOWN

GST will be the major revenue contributor in 15Q4 followed by Tourism Land Rent and Lease Period Extension Fee. In addition, Airport Service Charge and BPT are expected to be included in the top 5 revenue contributors for 15Q4.

B. ACTIVITIES DURING THE QUARTER

TAXPAYER AWARENESS PROGRAMS

57
training sessions to new registrants
(259 participants)

10
information sessions to schools and
government offices
(380 participants)

42
one-to-one sessions in atolls



57
media interviews

9
media programs produced by MIRA

1
new auditor registration

Tax Agents CPD program
(12 participants)

AUDITS AND INVESTIGATIONS

327
audits

MVR 280.31 million
additional tax assessed

2
investigation audits completed
additional tax assessed: MVR 30,738

4
criminal investigations completed

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	100	19,037,705
TGST	49	95,514,049
WHT	79	15,194,276
BPT	99	150,561,313
Total	327	280,307,343

COMPLIANCE



2,362

compliance visits

814

non-compliance notices issued

201

taxpayers names published under the policy on disclosure of non-compliant GST registered taxpayers

ENFORCED COLLECTION

Total enforced collection **MVR 175,274,924**

Amount recovered under:

Action Policy **MVR 48,396,276**

Bank Account Freezing Policy **MVR 2,776,172** (43 taxpayers)

Dues Clearance **MVR 51,340,344**

Dunning **MVR 55,213,813**

Court Cases **MVR 1,438,669**

Reminder calls/emails **MVR 16,109,650**



Final notices issued to **2,934** non-filers and **67** non-payers

Installment plans granted to **45** taxpayers

LEGAL ACTIONS



16

cases filed by MIRA

1 with High Court

15 with Civil Court



5

cases filed against MIRA

1 with Supreme Court

1 with High Court

3 with Tax Appeal Tribunal



2

cases filed with the Civil Court were withdrawn by MIRA



5

judgements passed in favour of MIRA



1

judgement passed against MIRA

OBJECTIONS

16

objections received

4 GGST 5 TGST
4 WHT 3 BPT

15

objections completed

7 GGST 0 TGST
5 WHT 3 BPT

TAX RULINGS ISSUED

- G25 Thirteenth amendment to the Goods and Services Tax Regulation
- G26 Amending GST returns
- G27 First amendment to the Tax Ruling TR-2015/G23
- B45 Amending BPT returns and withholding tax returns
- A3 Mandatory online filing and payment for large taxpayers

HUMAN RESOURCE MANAGEMENT



248

staff working at MIRA at the end of
the quarter

35

staff recruited during the quarter

13

staff terminated during the quarter

TRAININGS, SEMINARS AND CONFERENCES

9
trainings held (5 overseas, 4 local)
46 staff trained

20
staff studying for ACCA on scholarship

1
seminars/conferences attended
(1 overseas, 0 local)
2 staff participated



OVERSEAS TRAININGS

1. Transfer Pricing Dispute Resolution and Avoidance (MAPs and APAs) held in Malaysia from 27-31 July 2015 (2 participants).
2. International Certificate Course: Valuation of Special Properties (MTCP) held in Malaysia from 27 July to 21 August 2015 (1 participant).
3. SAP Training held in Malaysia from 6-19 August 2015 (2 participants).
4. Temasek Foundation Asia Leaders Connect 2015 held in Singapore from 18-19 September 2015 (1 participant).
5. CIO Annual Forum held in Sri Lanka from 18-20 September 2015 (1 participant).

OVERSEAS SEMINARS/CONFERENCES

1. 12th Technical Conference of ATAIC held in Qatar from 6-10 September 2015 (2 participants).

LOCAL TRAININGS

1. Corruption Prevention (Batch 5) conducted by ACC on 16 August 2015 (10 participants).
2. Time Management Training conducted by CSTI on 29 August 2015 (25 participants).
3. Project Management and Evaluation Training conducted by Ministry of Finance and Treasury from 6-8 September 2015 (2 participants).
4. IFRS Training conducted by Auditor General's Office from 7-8 September 2015 (2 participants).

C. QUARTER IN PICTURES

MIRA signed an MOU with HDFC on 3 September 2015



Blood Donation Camp held in collaboration with Maldives Blood Services on 20 August 2015



Thikudhinge Haveeru held on 14 August 2015 to celebrate MIRA's 5th Anniversary and on the occasion of Minivan 50



MIRA presents MVR 10,000 commemorative revenue stamp to the President

Heyvallaa Gas'indhamaa, tree planting event held at Hulhumale' in collaboration with HDC on 22 August 2015



MIRA's 5th Anniversary Function held at Dharubaaruge on 13 August 2015

D. DETAILED REVENUE FIGURES

Table 1 Total Revenue Contribution, 15Q3 (MVR)

Description	15Q3	% Share
Airport Service Charge	106,223,053	2.9%
Bank Profit Tax	418,540,036	11.4%
Business Permits ¹	7,207,785	0.2%
BPT	1,051,748,017	28.6%
Fines	52,229,278	1.4%
GGST	478,559,630	13.0%
TGST	875,304,137	23.8%
Land Acquisition and Conversion Fee	17,281,344	0.5%
Land Sales Tax	6,099,023	0.2%
Lease Period Extension Fee	260,337,566	7.1%
Non-tourism Property Income ²	28,325,976	0.8%
Proceeds from Sale of Assets ³	1,475,938	0.0%
Resident Permit	60,936,550	1.7%
Revenue Stamp	9,365,859	0.3%
Royalties ⁴	19,086,482	0.5%
Tourism Land Rent	263,290,207	7.2%
Tourism Tax	92,679	0.0%
Vehicle Fee	14,437,035	0.4%
Vessels Fee	1,422,298	0.0%
Others ⁵	8	0.0%
Total	3,671,962,903	100%

¹ **Business Permits:** Company Annual Fee, Restaurant, Café, Canteen Fee, Flat Maintenance Fee, Partnership Fees, Import Trade Fee, Co-operative Society Fees, Trade Registry Fee, Foreign Investment Administration Annual Fee, Company Registration Fee, Foreign Business Fee

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:** Reimbursement from previous year's budget

Table 2 Total USD Revenue Contribution, 15Q3 (USD)

Description	15Q3	% Share
TGST	57,123,038	47.0%
BPT	21,433,809	17.7%
Lease Period Extension	16,967,490	14.0%
Tourism Land Rent	16,813,201	13.8%
Airport Service Charge	6,930,580	5.7%
Others	2,168,998	1.8%
Total	121,437,116	100%

* Others: Royalties, Foreign Investment Administration Annual Fee, Sale of Government Land and Fines

Table 3 Comparison Against 14Q3 (MVR)

Description	Actual 15Q3	Actual 14Q3	% Growth
Airport Service Charge	106,223,053	73,365,952	44.8%
Bank Profit Tax	418,540,036	386,419,987	8.3%
Business Permits ¹	7,207,785	3,115,880	131.3%
BPT	1,051,748,017	935,877,975	12.4%
Fines	52,229,278	20,869,003	150.3%
GGST	478,559,630	377,232,711	26.9%
TGST	875,304,137	572,458,005	52.9%
Land Acquisition and Conversion Fee	17,281,344	28,680,675	-39.7%
Land Sales Tax	6,099,023	10,767,617	-43.4%
Lease Period Extension Fee	260,337,566	257,057,336	1.3%
Non-tourism Property Income ²	28,325,976	28,653,168	-1.1%
Proceeds from Sale of Assets ³	1,475,938	1,906,031	-22.6%
Resident Permit	60,936,550	62,227,970	-2.1%
Revenue Stamp	9,365,859	9,742,518	-3.9%
Royalties ⁴	19,086,482	18,950,964	0.7%
Tourism Land Rent	263,290,207	338,927,752	-22.3%
Tourism Tax	92,679	202,281,668	-100.0%
Vehicle Fee	14,437,035	13,593,674	6.2%
Vessels Fee	1,422,298	1,465,168	-2.9%
Others ⁵	8	243,466	-100.0%
Total	3,671,962,903	3,343,837,519	9.8%

* Refer to Table 1 footnotes for details

Table 4 Comparison Against Projection (MVR)

Description	Actual 15Q3	Projection 15Q3	% Variance
Airport Service Charge	106,223,053	127,574,487	-16.7%
Bank Profit Tax	418,540,036	301,200,000	39.0%
Business Permits ¹	7,207,785	3,760,653	91.7%
BPT	1,051,748,017	926,746,621	13.5%
Fines	52,229,278	10,221,044	411.0%
GGST	478,559,630	417,251,421	14.7%
TGST	875,304,137	818,879,775	6.9%
Land Acquisition and Conversion Fee	17,281,344	-	
Land Sales Tax	6,099,023	9,943,268	-38.7%
Lease Period Extension Fee	260,337,566	279,125,000	-6.7%
Non-tourism Property Income ²	28,325,976	24,812,785	14.2%
Proceeds from Sale of Assets ³	1,475,938	23,615,878	-93.8%
Resident Permit	60,936,550	59,293,179	2.8%
Revenue Stamp	9,365,859	9,081,898	3.1%
Royalties ⁴	19,086,482	28,182,222	-32.3%
Tourism Land Rent	263,290,207	335,151,219	-21.4%
Tourism Tax	92,679	-	
Vehicle Fee	14,437,035	13,965,852	3.4%
Vessels Fee	1,422,298	1,426,846	-0.3%
Others ⁵	8	-	
Total	3,671,962,903	3,390,232,148	8.3%

* Refer to Table 1 footnotes for details

Table 5 TGST Breakdown, 15Q3

Category	Number of Taxpayers	Number of GST Returns	GST Liability (USD) **
Tourist Resort	117	355	46,890,788
Tourist hotel	18	40	1,057,078
Guest house	245	299	395,817
Tourist vessel	149	273	615,451
Picnic island	8	18	(20,908)
Diving School*	63	128	850,473
Shop*	79	176	311,927
Spa*	27	68	481,514
Water sports facility*	27	52	351,083
Other facility*	88	155	240,518
Travel agency service provider	464	657	594,035
Foreign tourist vessels' agent	9	11	30,275
Domestic air transport provider	5	14	4,789,354

* Located on a tourist establishment

** Discrepancy between GST liability and collection is due to adjustments by the taxpayer

