



# QUARTERLY REPORT Q3 2012

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# 1. Overview

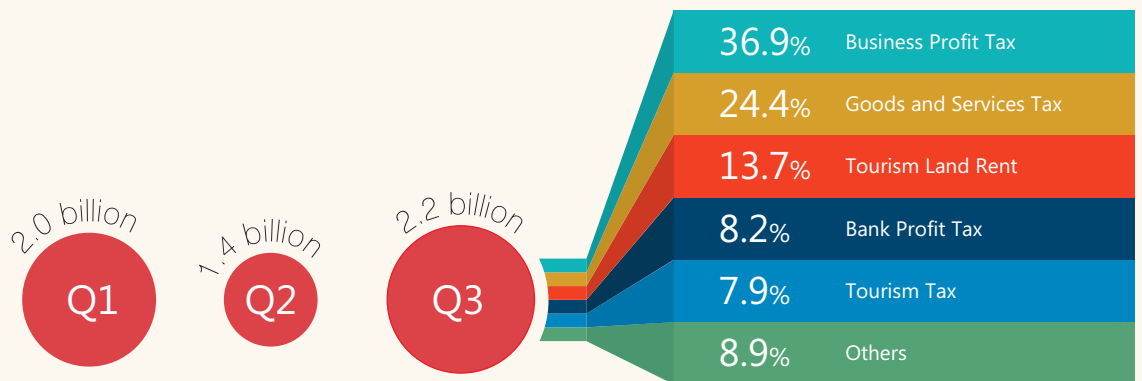
During the period from July to September 2012, MIRA received MVR 2.2 billion, which is 81.7% more than the revenue received during the corresponding period of 2011 (MVR 1.2 billion).

This increase is mainly attributable to the significant increase in BPT and GST collection during third quarter 2012. Revenue received from BPT has increased from MVR 8.9 million to MVR 821.3 million. The main reason for this increase is due to the fact that the BPT final payment of 2011 and first interim payment of 2012 was due in this quarter, though only withholding tax payments were received in 2011 third quarter. Increase in revenue from GST (204.6%) due to the higher GST rate in 2012 and introduction of GST to non-tourism sector also contributed to this significant growth in revenue.

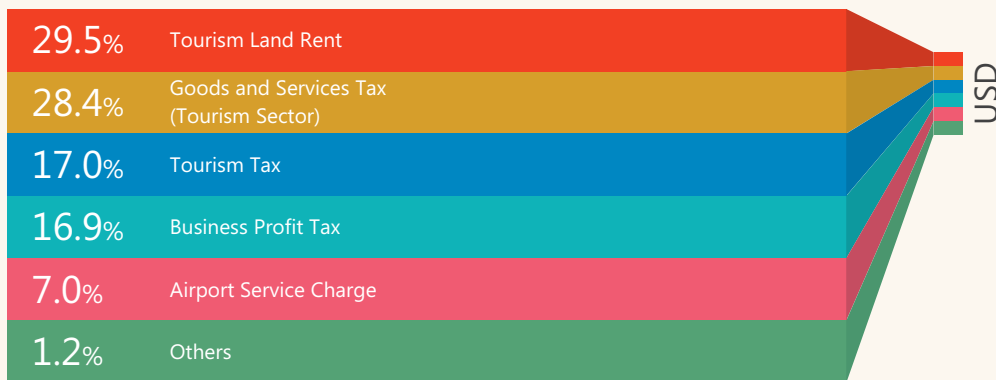
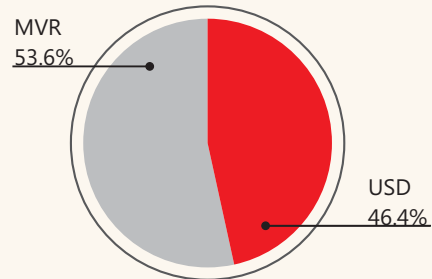
In addition, increase in sale of land led to an increase in revenue received from Land Sales Tax by 154.2% (from MVR 2.4 million to MVR 6.0 million).

Revenue received during the third quarter 2012 is 17.1% higher than the projected revenue (MVR 1.9 million). There is a significant positive variance in BPT, Airport Service Charge and Royalties received compared to the projected revenue for this period.

BPT, GST and Tourism Land Rent are the main revenue contributors for the quarter, which contributed 36.9%, 24.4%, and 13.7% respectively.



46.4% of the total revenue of MVR 2.2 billion received during the quarter is collected in United States Dollar (USD 67.5 million). Tourism Land Rent contributed 29.5% of USD collection while GST (Tourism Sector), Tourism Tax and Business Profit Tax contributed 28.4%, 17.0% and 16.9% respectively.



Total revenue collection up to end of third quarter 2012 is MVR 5.7 billion, which is an increase of 67.3% compared to the corresponding period of 2011 and 0.7% lower than the projected revenue. GST (Tourism Sector), BPT and Tourism Land Rent, are the main contributors for this period, which represents 20.5%, 23.3% and 13.5% respectively.

## 2. The Quarter in Brief



Function held at Dharubaaruuge to celebrate MIRA's 2nd anniversary



MOU with Maldives Police Service for the exchange of information



MOU with Maldives Customs Service for exchange of information



'Vaaru', a weekly program on taxation by MIRA was first aired on TVM



Maldives Consumer Fair held at Dharubaaruuge

## 7 Tax Rulings

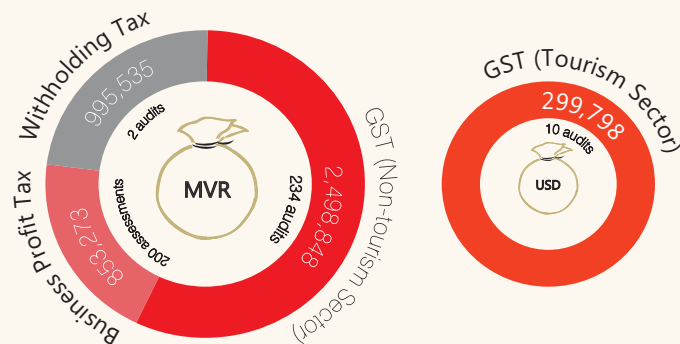
1. Realized and unrealized gains and losses
2. Deadline for making the final payment for the tax year 2011 and the first interim payment for the tax year 2012
3. Treatment of dividend income
4. Payment of the first interim payment for the tax year 2012 on installment basis
5. Companies and partnerships in the process of liquidation
6. Payment of the second interim payment together with the final payment
7. Fifth amendment to the Goods and Services Tax Regulation

MVR **4,347,656** &

USD **299,798**

from **446** audits

Audits & Assessments



## Enforced Collections

**8** taxpayers granted an instalment plan to settle their dues

**MVR 9,158,757.50**  
collected from arrears



**4** Cases filed with the Civil Court

against **2** defaulters of Tourism Tax & **2** defaulters of Lease Rent

- 1 case withdrawn upon MIRA's request, after an out-of-court settlement was reached.
- judgement passed on 5 cases filed by the MIRA, ALL in MIRA's favour

## 25 Objections

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Received during the Quarter	by the end of the Quarter...
1 on GST (Tourism Sector)	1 case withdrawn by the taxpayer
21 on GST (Non-tourism Sector)	4 cases completed
1 on Tourism Tax	19 a decision yet to be made
2 on Whitholding Tax	

## Taxpayer education

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29 Presentations with 525 participants

10 Media interviews

1577 Compliance visits

## Trainings

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### Overseas:

1. Advance Seminar on Transfer Pricing held in Kuala Lumpur, Malaysia, from 2-7 July 2012
2. International Tax Forum held at Singapore from 23-24 July 2012
3. Asian Tax Authorities Symposium held at Kuala Lumpur, Malaysia from 4-5 September 2012
4. Principles of Transfer Pricing held at Kuala Lumpur, Malaysia from 10-14 September 2012

### In-house:

1. IFRS Training held at MIRA in collaboration with Ernst and Young from 4-16 August 2012
2. Maldives Country Diagnostic Study Workshop conducted in collaboration with World Bank from 4-6 September 2012
3. Macroeconomic Forecasting Training organized by the Economic Affairs and Policy Planning Section of Ministry of Finance and Treasury, which commenced on 10 September.
4. Country Training Workshop on Introduction to STATA Software for Survey Data Analysis, organized by Department of National Planning, which was held from 12-20 September 2012

### 3. Business Profit Tax

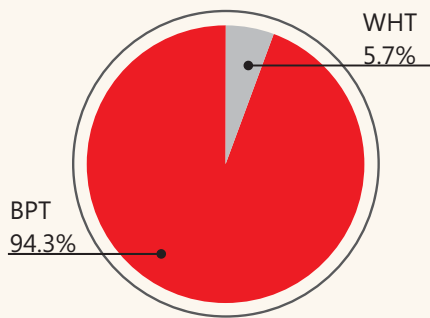
MVR 821.3 million was collected under the BPT Act during the third quarter of 2012, which is 36.9% of the total revenue collected.

The deadline for filing the BPT return and making the final payment for the tax year 2011, and making the first interim payment for tax year 2012 was extended till 30 September 2012. The total revenue received as BPT during the quarter is MVR 774.7 million, which is 106.5% more than the projected revenue of MVR 375.2 million. MVR 61.5 million, MVR 651.4 million and MVR 61.9 million was collected in July, August and September respectively.

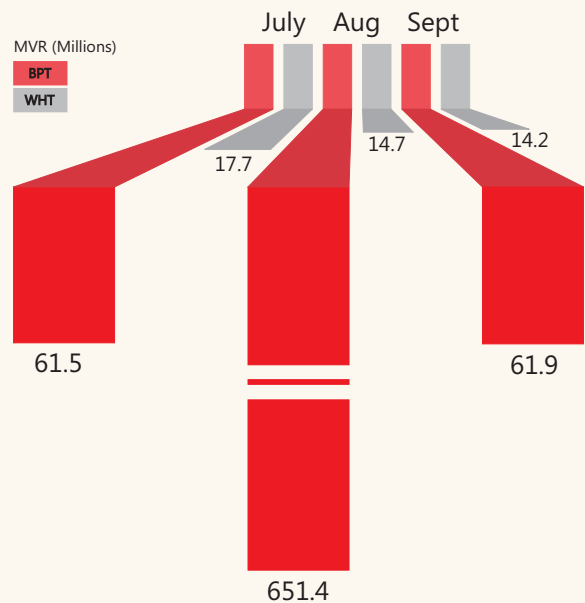
In addition, MVR 46.6 million was received as Withholding Tax during the quarter, which is 158.9% more than the projected revenue for the period.

By the end of third quarter 2012, MVR 1.3 billion was collected under the BPT Act, out of which MVR 1.1 billion was received as BPT and MVR 192.8 million as Withholding Tax.

**Chart 1:** BPT contribution



**Chart 2:** Monthly BPT collection



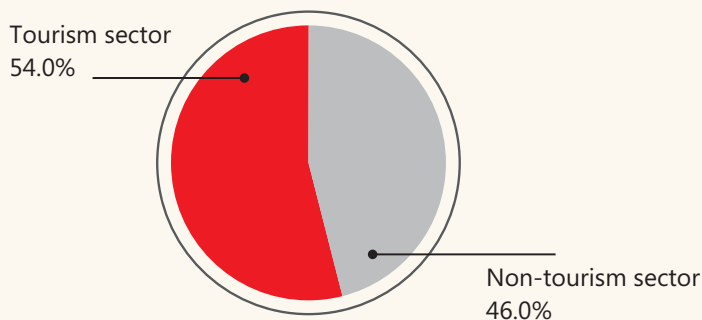
# 4. Goods and Services Tax

MVR 544.2 million was received as GST, out of which MVR 293.7 million was received from tourism sector and MVR 250.4 million from non-tourism sector. This is a 204.6% growth in revenue compared to the corresponding quarter of 2011 and 22.7% lower than the projected revenue for the period. The increase in revenue is due to the increase in the rate from 3.5% to 6% in 2012 onwards and due to the introduction on non-tourism sector GST. 24.4% of the total revenue received represents collections from GST.

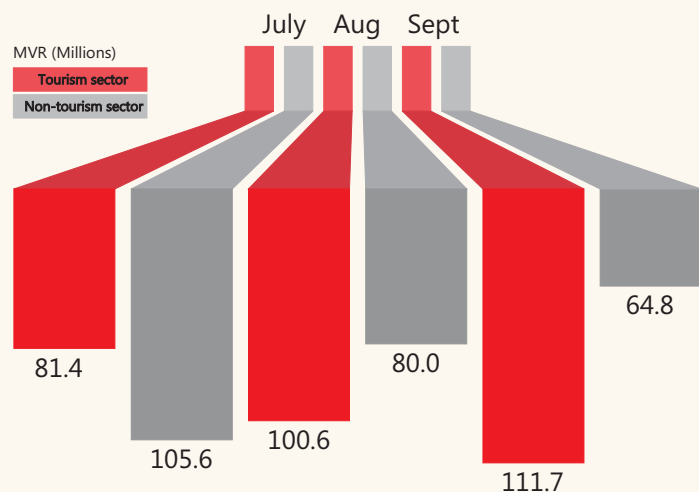
A total of 435 businesses registered for GST during third quarter 212 (39 from Tourism Sector and 396 from Non-tourism Sector).

From January to September 2012, MIRA received MVR 1.9 billion as GST (1.2 billion million from tourism sector and 740.8 million from non-tourism sector).

**Chart 4:** GST collection by Sector



**Chart 4:** Monthly GST collection



## 5. Tourism Land Rent

MVR 305.2 million received as Tourism Land Rent during third quarter 2012, is 3.8% more than the revenue collected during the corresponding period of 2011 (MVR 294.1 million) and 16.4% more than the projected revenue for this period (262.1 million). Tourism Land Rent represents 13.7% of the total revenue collection during this period.

By the end of third quarter 2012, MIRA has received MVR 770.3 million as Tourism Land Rent; which is 2.8% lower than the projected revenue of MVR 792.4 million, for this period.

**Chart 5: Monthly** Tourism Land Rent Collection



# 6. Annexes

## 6.1 Total Revenue Contribution

Description	Q3, 2012 (MVR)
Airport Service Charge	72,505,737
Bank Profit Tax	183,399,658
Business Permits <sup>1</sup>	4,025,341
Business Profit Tax	821,347,645
Fines	11,812,653
Goods and Services Tax	544,159,272
Land Rent <sup>2</sup>	21,308,532
Land Sales Tax	6,011,697
Lease Period Extension	-
Resident Permit	42,383,500
Revenue Stamp	9,075,810
Royalties <sup>3</sup>	15,300,700
Sale of Capital Assets <sup>4</sup>	2,621,173
Tourism Land Rent	305,213,583
Tourism Tax	175,518,271
Vehicle Fee	12,101,298
Vessels Fee	1,271,128
	<b>2,228,055,997</b>

<sup>1</sup> **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,

<sup>2</sup> **Company Registration Fee, Foreign Business Fee**

<sup>3</sup> **Land Rent:** 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

<sup>4</sup> **Royalties:** Duty Free Royalty, Foreign Investment Royalty, Fishing Royalty, Fuel re-export Royalty, Re-Export Royalty,

## 6.2 US Dollar Revenue Contribution

Description	Q3, 2012 (USD)
Airport Service Charge	4,728,651
Business Profit Tax	11,430,997
Goods and Services Tax (Tourism Sector)	19,155,356
Others <sup>1</sup>	811,102
Tourism Land Rent	19,909,484
Tourism Tax	11,460,029
	<b>67,495,619</b>

<sup>1</sup> **Others:** Royalties, Long-term Agricultural Leased Islands Rent, Foreign Investment Administration Annual Fee, Sale of Government Land, Fines

## 6.3 Comparison, Q3 2011 and 2012

Description	Actual Q3, 2011	Actual Q3, 2012	Variance		Projection Q3, 2012	Variance	
Airport Service Charge	60,038,638	72,505,737	12,467,098	20.8%	52,863,270	19,642,467	37.2%
Bank Profit Tax	179,441,810	183,399,658	3,957,848	2.2%	184,171,254	(771,596)	(0.4%)
Business Permits <sup>1</sup>	4,941,922	4,025,341	(916,581)	(18.5%)	3,892,727	132,615	3.4%
Business Profit Tax	8,937,089	821,347,645	812,410,556	9090.3%	393,198,053	428,149,591	108.9%
Fines	15,411,644	11,812,653	(3,598,991)	(23.4%)	10,973,544	839,109	7.6%
Goods and Services Tax	178,647,603	544,159,272	365,511,669	204.6%	704,121,741	(159,962,470)	(22.7%)
Land Rent <sup>2</sup>	22,423,973	21,308,532	(1,115,441)	(5.0%)	24,568,028	(3,259,496)	(13.3%)
Land Sales Tax	2,364,498	6,011,697	3,647,199	154.2%	-	6,011,697	100.0%
Lease Period Extension	168,460,000	-	(168,460,000)	(100.0%)	-	-	-
Resident Permit	38,320,250	42,383,500	4,063,250	10.6%	38,210,246	4,173,254	10.9%
Revenue Stamp	9,438,600	9,075,810	(362,790)	(3.8%)	9,322,944	(247,134)	(2.7%)
Royalties <sup>3</sup>	20,064,950	15,300,700	(4,764,251)	(23.7%)	11,183,347	4,117,353	36.8%
Sale of Capital Assets <sup>4</sup>	40,763,755	2,621,173	(38,142,582)	(93.6%)	11,145,129	(8,523,956)	(76.5%)
Tourism Land Rent	294,148,675	305,213,583	11,064,908	3.8%	262,122,751	43,090,832	16.4%
Tourism Tax	168,093,340	175,518,271	7,424,931	4.4%	183,307,723	(7,789,452)	(4.2%)
Vehicle Fee	12,941,000	12,101,298	(839,702)	(6.5%)	12,932,296	(830,998)	(6.4%)
Vessels Fee	1,509,583	1,271,128	(238,455)	(15.8%)	1,444,301	(173,172)	(12.0%)
	<b>1,225,947,330</b>	<b>2,228,055,997</b>	<b>1,002,108,667</b>	<b>81.7%</b>	<b>1,903,457,355</b>	<b>324,598,643</b>	<b>17.1%</b>

<sup>1</sup> **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,

<sup>2</sup> Foreign Business Fee

<sup>3</sup> **Land Rent:** 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

<sup>4</sup> **Royalties:** Duty Free Royalty, Foreign Investment Royalty, Fishing Royalty, Fuel re-export Royalty, Re-Export Royalty, Yellowfin Tuna Export Royalty, Skipjack Industry Royalty

## 6.4 Comparison, Jan - Sept 2011 and

Description	Jan - Sept 2011	Jan - Sept 2012	Variance		Projection Jan - Sept 2012	Variance	
Airport Service Charge	271,354,592	244,573,886	(26,780,706)	(9.9%)	154,307,458	90,266,428	58.5%
Bank Profit Tax	229,831,615	255,863,512	26,031,897	11.3%	230,214,068	25,649,444	11.1%
Business Permits <sup>1</sup>	22,596,140	21,964,930	(631,210)	(2.8%)	22,513,240	(548,310)	(2.4%)
Business Profit Tax	8,937,089	1,330,027,726	1,321,090,637	14782.1%	745,652,977	584,374,749	78.4%
Fines	36,066,105	49,745,595	13,679,490	37.9%	26,566,937	23,178,658	87.2%
Goods and Services Tax	600,583,303	1,912,038,207	1,311,454,905	218.4%	2,098,922,856	(186,884,649)	(8.9%)
Land Rent <sup>2</sup>	68,587,921	67,974,847	(613,074)	(0.9%)	72,811,997	(4,837,149)	(6.6%)
Land Sales Tax	6,226,783	13,746,667	7,519,884	120.8%	-	13,746,667	100.0%
Lease Period Extension	396,280,000	168,705,000	(227,575,000)	(57.4%)	705,000,000	(536,295,000)	(76.1%)
Resident Permit	42,202,750	129,965,250	87,762,500	208.0%	111,292,515	18,672,735	16.8%
Revenue Stamp	26,297,554	31,109,849	4,812,295	18.3%	26,675,997	4,433,852	16.6%
Royalties <sup>3</sup>	60,731,489	51,710,316	(9,021,173)	(14.9%)	38,041,758	13,668,558	35.9%
Sale of Capital Assets <sup>4</sup>	137,549,389	7,916,681	(129,632,708)	(94.2%)	37,107,090	(29,190,409)	(78.7%)
Tourism Land Rent	913,576,505	770,263,476	(143,313,029)	(15.7%)	792,434,582	(22,171,106)	(2.8%)
Tourism Tax	547,546,505	607,531,777	59,985,272	11.0%	636,353,817	(28,822,041)	(4.5%)
Vehicle Fee	35,656,522	34,158,902	(1,497,619)	(4.2%)	37,398,954	(3,240,051)	(8.7%)
Vessels Fee	5,311,980	4,874,970	(437,011)	(8.2%)	5,372,642	(497,673)	(9.3%)
	<b>3,409,336,242</b>	<b>5,702,171,593</b>	<b>2,292,835,350</b>	<b>67.3%</b>	<b>5,740,666,890</b>	<b>(38,495,297)</b>	<b>(0.7%)</b>

<sup>1</sup> **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

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