



# MALAWI REVENUE AUTHORITY

## REVENUE PERFORMANCE REPORT FOR MARCH 2017

### TAX REVENUE OUTTURN FOR THE PERIOD: MARCH 2017 (UNAUDITED)

(All figures in Millions of Malawi Kwacha)

Tax Type	February	Mar-17			Cumulative To Date FY 2016/17		
	Actual	Actual	Projection	Variance	Actual	Projection	Variance
<b>Income and Profits</b>	<b>24,604.70</b>	<b>28,808.53</b>	<b>29,931.43</b>	<b>(1,122.90)</b>	<b>281,307.24</b>	<b>278,327.21</b>	<b>2,980.03</b>
Individual	15,381.22	19,984.15	21,513.48	(1,529.33)	144,961.71	149,029.05	(4,067.34)
Pay As You Earn (PAYE)	15,381.22	19,984.15	21,513.48	(1,529.33)	144,961.71	149,029.05	(4,067.34)
Other	2,125.72	645.90	741.18	(95.27)	27,246.41	12,372.34	14,874.07
Fringe Benefits Tax (FBT)	56.80	69.49	64.35	5.15	6,508.12	5,884.56	623.56
Non Resident Tax (NRT)	2,068.92	576.41	676.83	(100.42)	20,738.29	6,487.78	14,250.51
Corporate	2,297.27	2,811.28	3,033.54	(222.26)	61,830.84	68,926.24	(7,095.40)
Company Assessments	1,028.88	1,850.85	1,693.26	157.59	11,409.07	17,902.06	(6,492.99)
Provisional Tax	1,268.39	960.43	1,340.28	(379.85)	50,421.77	51,024.17	(602.41)
Withholding Tax	4,800.50	5,367.19	4,643.23	723.96	47,268.28	47,999.58	(731.30)
<b>Goods and Services</b>	<b>23,385.27</b>	<b>26,718.84</b>	<b>20,809.24</b>	<b>5,909.59</b>	<b>228,354.70</b>	<b>193,507.55</b>	<b>34,847.16</b>
<b>Value Added Tax (VAT)</b>	<b>18,183.70</b>	<b>21,908.96</b>	<b>16,416.18</b>	<b>5,492.78</b>	<b>176,362.49</b>	<b>150,176.74</b>	<b>26,185.75</b>
Domestic	8,640.98	9,944.01	7,006.53	2,937.48	81,118.66	71,188.75	9,929.92
Import	9,542.72	11,964.95	9,409.65	2,555.30	95,243.82	78,987.99	16,255.83
Excise Duties	5,201.57	4,809.88	4,393.06	416.81	51,992.22	43,330.81	8,661.41
Local	2,140.61	2,202.01	1,962.13	239.88	21,365.70	18,869.48	2,496.22
Import	3,060.96	2,607.87	2,430.94	176.94	30,626.51	24,461.33	6,165.18
<b>International Trade</b>	<b>5,001.96</b>	<b>5,216.80</b>	<b>4,795.52</b>	<b>421.28</b>	<b>50,188.69</b>	<b>43,741.90</b>	<b>6,446.79</b>
Import Duty	5,001.96	5,215.90	4,592.41	623.49	50,097.97	43,563.09	6,534.88
Prepayment	0.00	0.89	203.11	(202.22)	90.73	178.81	(88.09)
<b>Other</b>	<b>732.82</b>	<b>341.51</b>	<b>381.54</b>	<b>(40.03)</b>	<b>3,980.32</b>	<b>4,063.02</b>	<b>(82.70)</b>
Miscellaneous Duties	372.39	225.61	59.46	(285.07)	512.04	532.18	(20.14)
Penalties	163.87	182.45	167.12	15.32	1,456.02	884.55	571.48
Dividend Tax	195.75	383.97	152.55	231.43	2,001.51	2,625.47	(623.96)
Turn-over Tax	0.80	0.70	2.41	(1.71)	10.75	20.82	(10.07)
<b>Gross Tax Revenues</b>	<b>53,724.76</b>	<b>61,085.67</b>	<b>55,917.73</b>	<b>5,167.94</b>	<b>563,830.95</b>	<b>519,639.68</b>	<b>44,191.27</b>
Tax Refunds	(1,087.29)	(721.00)	(803.12)	82.12	(8,364.70)	(6,795.46)	(1,569.24)
<b>Net Tax Revenues</b>	<b>52,637.47</b>	<b>60,364.67</b>	<b>55,114.61</b>	<b>5,250.06</b>	<b>555,466.25</b>	<b>512,844.22</b>	<b>42,622.04</b>

### REVENUE PERFORMANCE REPORT FOR THE MONTH OF MARCH 2017

In the month of March 2017, tax revenue collection stood at MK61.09 billion against a target of MK 55.92 billion, translating to an over-performance of MK5.17 billion. The excellent performance in the month was largely on account of positive variances in Value Added Tax (VAT), Company Assessment, Withholding tax and Trade taxes. The stabilization of the exchange rate and the encouragement of the general public to be demanding an EFD receipt have resulted in higher trade taxes and increased domestic VAT collection. Cumulatively, tax revenue collection in the year 2016/17 amounted to MK563.83 billion against a target of MK519.64 billion thereby giving an excess collection of MK 44.19 billion which translates to nine (9) percent of the target.

#### MARCH 2017 OUTTURN

**Income and Profits:** At MK28.81 billion, income and profits taxes registered a 96 percent performance against a projection of MK29.93 billion. The negative variance was due to low performance in individual taxes and provisional tax.

**Pay As You Earn (PAYE):** A total of MK19.98 billion was collected against a target of MK21.51 billion thereby registering a 93 percent performance.

**Fringe Benefits (FBT) and Non-Resident Taxes (NRT):** A collective total of MK645.90 million fell short of its monthly target of MK741.18 million translating to an 87 percent performance. At MK576.41 million, the 15 percent underperformance in Non-Resident tax (NRT) cancelled out the MK5.15 million surplus in Fringe Benefit Tax (FBT) leading to overall dismal performance of the category.

**Corporate Tax:** Overall, company tax of MK2.81 billion in the month of March 2017 fell short of MK3.03 billion projection. Under this category, Company

Assessments which stood at MK1.85 billion registered a surplus of MK157.59 million. However, at MK960.43 million, Provisional Tax registered a shortfall of MK379.85 million which drove down overall performance of the Corporate Taxes. Withholding taxes recorded a collection of MK5.37 billion against a target of MK4.64 billion thereby over-performing by 16 percent.

**Goods and Services:** Under goods and services, a 128 percent performance was recorded with a collection of MK26.72 billion against a target of MK20.81 billion. All tax lines under this category, namely Value Added Taxes and Excise Taxes, exceeded their monthly projections. However, the category was largely propelled by excellent performance in Value Added Taxes, both domestic and import. This is mainly on the account of increased enforcement.

**Value Added Tax (VAT):** Overall, VAT stood at MK21.91 billion against a MK16.41 billion projection. Both domestic and import VAT performed well against their targets. Domestic VAT stood at MK9.94 billion and Import VAT recorded a MK11.96 billion collection thereby exceeding their targets by 42 percent and 27 percent respectively.

**Excise Duties:** Excise duties registered a collection of MK4.81 billion against a projection of MK4.39 billion thereby recording a 109 percent performance. The good performance was registered by both tax lines, local and excise taxes. Particularly, local excise propelled the category via an over-performance of MK239.88 million.

**Import Duty:** In the month under review, import taxes registered MK5.22 billion collection against MK4.59 billion thereby recording a surplus of 14 percent.

**Other Taxes:** At MK341.51 million, all other taxes underperformed against a projection of MK381.54 million. This was due to negative variances in miscellaneous duties and Turnover taxes. However, all other taxes registered positive variances.