



TAX POLICY Unit/Revenue Department

REVENUE PERFORMANCE REPORT FOR JANUARY, FEBRUARY, MARCH 2019

TAX REVENUE OUTTURN FOR THE PERIOD: JANUARY, FEBRUARY, MARCH AND APRIL 2019

(UNAUDITED)

Table: 01		(All figures are in Dollar \$)			
Year 2019	Estimate Revenue	Actual Revenue	Variance	Monthly Percentage % revenue	Increase/ Decrease of Collection as a %
January	\$6,050,000	\$5,435,232.03	(-\$614,767.97)	26.4%	January is Base
February	\$6,050,000	\$3,981,310.93	(-\$2,068,689.07)	19.3%	-36.52%
March	\$6,050,000	\$5,883,864.94	(-\$166,135.06)	28.5%	-32.34%
April	\$6,050,000	\$5,315,290.11	(-\$734,709.89)	25.8%	-10.7%

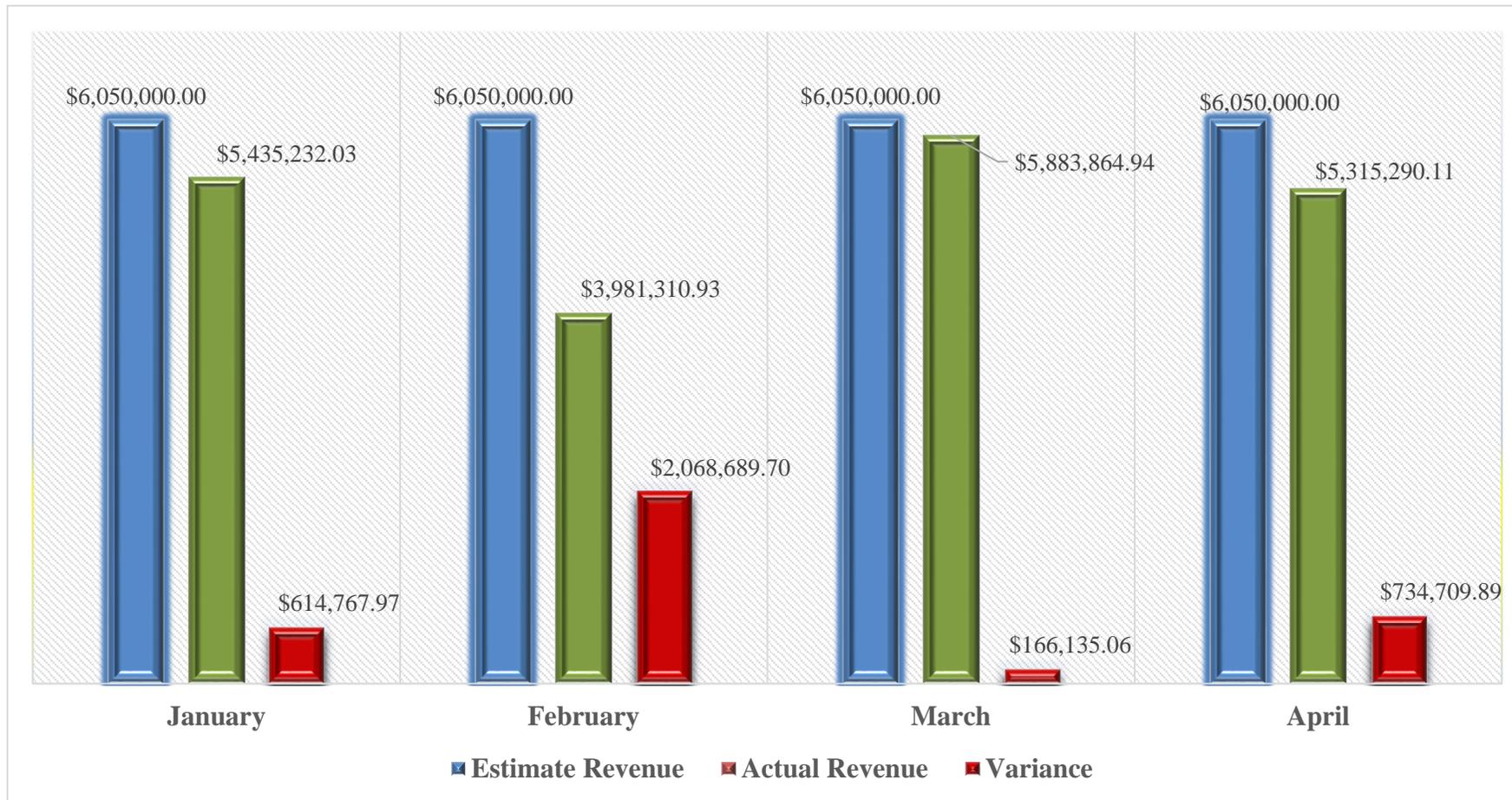
Overall Revenue report

Total Tax revenue collection for the month of January, February, March and April 2019, amounted to **\$5,435,232.03** against a monthly projection of **\$6,050,000.00 January**, thereby recording a performance rate of 89.8 percent **(\$-614,767.97)**. Cumulatively, the total tax revenues collected during February FY2019 to date amount to **\$3,981,210.00** against a projection of **\$6,050,000.00 February**, registering a minus of **(\$-2,068,790)**. While March collection is **\$5,883,864.94** against a monthly projection of **\$6,050,000.00**, also April revenue received by Revenue Department custom and inland revenue is **\$5,315,290.11** against a monthly projection of **\$6,050,000.00**, this show us the variance of these months are different each other according to actual revenue collected each month.

Puntland Revenue Department responsible to collect inland revenue and Custom Duties, the total Revenue Collected by January, February, March and April for these four months are amounting to January **\$5,435,232.03 January**, shows an increase for this months while February indicate us revenue decrease **\$3,981,210**, this is the percentage of decrease February(-36.53%) over the previous month. Also March revenue collection is **\$5,883,864.94** and shows an increases of revenue collection according to the February revenue, the percentage of increase (32.34%) in March is indicate positive while we compare the February percentage of decrease revenue. Also April revenue **\$5,315,290.11** indicate us decrease according to March and percentage of decrease this month is (-10.7%) This Revenue decrease these months was responsible mainly due to shortage of imports custom duty on goods receiving

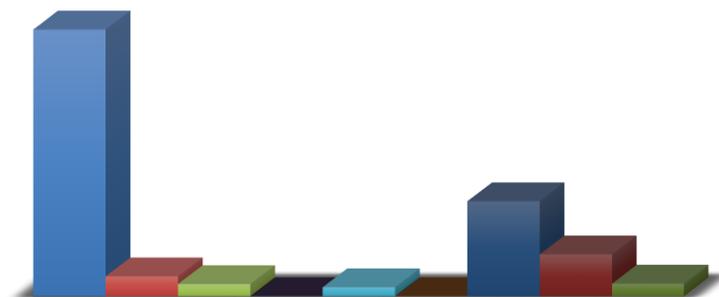
from outside the country. Also there is wide tax evasion and avoidance, to improve tax administration for facilitating and enforcement of compliance including the implementation of DRM system, lack of taxpayer's awareness and old tax laws, are all responsible of tax deficit in Puntland.

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Analysis:

Inland Revenue January



	1
■ Bari	1,288,624.87
■ Karkaar	96,012.23
■ Sanaag	58,635.09
■ Heylaan	0.00
■ Sool	43,495.50
■ Cayn	0.00
■ Nugaal	459,439.84
■ Mudug	202,179.74
■ Gardafuu	60,720.54

Regions Collected

Analysis for January Inland Revenue Collection:

According to January revenue collection, Inland Revenue department collected total amount of **\$2,209,107.81** for seven regions while the total estimated revenue collection is **\$3,037,900** per month.

Bari Region: from January collected an amount of \$1,288,624.87 Inland Revenue while its projection was \$2,127,783 the variance is **(-\$893,158.13)**

Nugaal Region: from January collected an amount of \$459,439.84 in Nugaal region while its estimated Inland Revenue collection was \$499,192 the variance is **(-\$39,752.16)**.

Mudug Region: from January collected an amount of \$202,179.74 and the estimated Inland revenue collection was \$173,037 the variance is \$29,142.74 there is an increase.

Karkaar Region: from January collected an amount of \$96,012.23 the estimated Inland Revenue collection was \$143,416 the variance is **(-\$47,403.77)**.

Sanaag Region: from January collected an amount of \$58,635.09 the estimated Inland Revenue collection was \$20,019 the variance is \$38,616.09 there is an increase

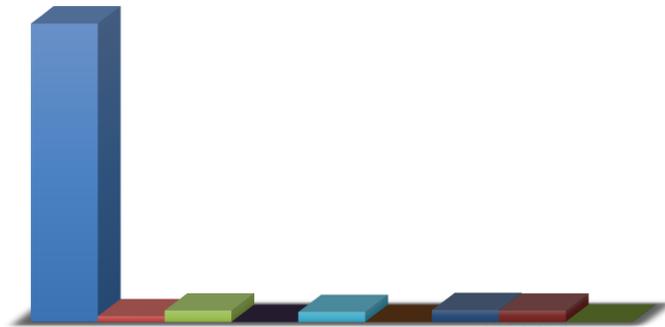
Sool Region: from January collected an amount of \$43,495.50 the estimate Inland Revenue collection was \$32,143 the variance is \$17,352.5 there is an increase.

Gardafuu Region: from January collected an amount of \$60,720.54 the estimated Inland revenue Collection was \$42,310 the variance is \$18,410.54.

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Custom Revenue January



	1
■ Bari	2,753,636.61
■ Karkaar	53,525.40
■ Sanaag	106,951.46
■ Heylaan	0.00
■ Sool	93,235.40
■ Cayn	0.00
■ Nugaal	110,686.82
■ Mudug	105,736.94
■ Gardafuu	2,351.60

Regions Collected

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Analysis for January Custom Revenue Collection:

According to January revenue collection, Custom Revenue department collected total amount of **\$3,226,124.23** for seven regions while the total estimated revenue collection is **\$3,012,100** per month.

Bari Region: from January collected an amount of \$2,753,636.61 Custom Revenue while its projection was \$2,407,553 the variance is \$346,083.61

Nugaal Region: from January collected an amount of \$110,686.82 in Nugaal region while its estimated Custom Revenue collection was \$73,838 the variance is \$36,848.82

Mudug Region: from January collected an amount of \$105,736.94 and the estimated Custom revenue collection was \$235,429 the variance is (-**\$129,692.06**) there is decrease of revenue for this region.

Karkaar Region: from January collected an amount of \$53,525.4 the estimated Custom Revenue collection was \$213,589 the variance is (-**\$160,063.6**).

Sanaag Region: from January collected an amount of \$106,951.46 the estimated Custom Revenue collection was \$17,269 the variance is \$89,682.46 there is an increase of revenue for this region.

Sool Region: from January collected an amount of \$93,235.40 the estimate Custom Revenue collection was \$60,553 the variance is \$32,682.4 there is an increase of revenue for this region.

Gardafuu Region: from January collected an amount of \$2,351.60 the estimated Custom revenue Collection was \$3,869 the variance is (-**\$1517.74**).

Inland Revenue February



	1
■ Bari	1,019,146.20
■ Karkaar	27,076.23
■ Sanaag	30,715.23
■ Heylaan	0.00
■ Sool	31,544.21
■ Cayn	0.00
■ Nugaal	421,676.89
■ Mudug	57,742.51
■ Gardafuu	24,175.32

Regions Collected

Analysis for February Inland Revenue Collection:

According to February revenue collection, Inland Revenue department collected total amount of **\$1,612,076.59** for seven regions while the total estimated revenue collection is **\$3,037,900** per month.

Bari Region: from January collected an amount of \$1,019,146.20 Inland Revenue while its projection was \$2,127,783 the variance is **(-\$1,108,636.8)**

Nugaal Region: from January collected an amount of \$421,676.89 in Nugaal region while its estimated Inland Revenue collection was \$499,192 the variance is **(-\$77,515.11)**.

Mudug Region: from January collected an amount of \$57,742.51 and the estimated Inland Revenue collection was \$173,037 the variance is **(-\$115,294.49)**. there is a decrease.

Karkaar Region: from January collected an amount of \$27,076.23 the estimated Inland Revenue collection was \$143,416 the variance is **(-\$116,339.77)**.

Sanaag Region: from January collected an amount of \$30,715.23 the estimated Inland Revenue collection was \$20,019 the variance is \$10,696.23 there is an increase

Sool Region: from January collected an amount of \$31,544.21 the estimate Inland Revenue collection was \$32,143 the variance is **(-\$598.79)**.

Gardafuu Region: from January collected an amount of \$24,175.32 the estimated Inland revenue Collection was \$42,310 the variance is **(-\$18,134.68)**.

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Custom Revenue February



	1
■ Bari	1,979,810.03
■ Karkaar	19,464.86
■ Sanaag	157,744.00
■ Heylaan	0.00
■ Sool	76,557.70
■ Cayn	0.00
■ Nugaal	114,477.06
■ Mudug	19,388.69
■ Gardafuu	1,792.00

Regions Collected

Analysis for February Custom Revenue Collection:

According to February revenue collection, Custom Revenue department collected total amount of **\$2,369,234.34** for seven regions while the total estimated revenue collection is **\$3,012,100** per month.

Bari Region: from February collected an amount of \$1,979,810.03 Custom Revenue while its projection was \$2,407,553 the variance is **(-\$427,742.97)**.

Nugaal Region: from February collected an amount of \$114,477.06 in Nugaal region while its estimated Custom Revenue collection was \$73,838 the variance is \$40,639.06

Mudug Region: from February collected an amount of \$19,388.69 and the estimated Custom revenue collection was \$235,429 the variance is **(-\$216,040.31)** there is decrease of revenue for this region.

Karkaar Region: from February collected an amount of \$19,464.86 the estimated Custom Revenue collection was \$213,589 the variance is **(-\$194,124.14)**.

Sanaag Region: from February collected an amount of \$157,744.00 the estimated Custom Revenue collection was \$17,269 the variance is \$140,475 there is an increase of revenue for this region.

Sool Region: from February collected an amount of \$76,557.70 the estimate Custom Revenue collection was \$60,553 the variance is \$16,004.7 there is an increase of revenue for this region.

Gardafuu Region: from February collected an amount of \$1,792.00 the estimated Custom revenue Collection was \$3,869 the variance is **(-\$2,077)**.

Inland Revenue March



	1
■ Bari	1,435,947.16
■ Karkaar	90,825.25
■ Sanaag	44,127.88
■ Heylaan	0.00
■ Sool	34,761.83
■ Cayn	0.00
■ Nugaal	437,882.07
■ Mudug	100,637.53
■ Gardafuu	98,379.12

Regions Collected

Analysis for March Inland Revenue Collection:

According to March revenue collection, Inland Revenue department collected total amount of **\$2,242,560.84** for seven regions while the total estimated revenue collection is **\$3,037,900** per month.

Bari Region: from March collected an amount of \$1,435,947.16 Inland Revenue while its projection was \$2,127,783 the variance is **(-\$691,835.84)**

Nugaal Region: from March collected an amount of \$437,882.07 in Nugaal region while its estimated Inland Revenue collection was \$499,192 the variance is **(-\$61,309.93)**.

Mudug Region: from March collected an amount of \$100,637.53 and the estimated Inland Revenue collection was \$173,037 the variance is **(-\$72,399.47)**. there is a decrease.

Karkaar Region: from March collected an amount of \$90,825.25 the estimated Inland Revenue collection was \$143,416 the variance is **(-\$52,590.75)**.

Sanaag Region: from March collected an amount of \$44,127.88 the estimated Inland Revenue collection was \$20,019 the variance is \$24,108.88 there is an increase

Sool Region: from March collected an amount of \$34,761.83 the estimate Inland Revenue collection was \$32,143 the variance is \$2,618.83 there is an increase.

Gardafuu Region: from March collected an amount of \$98,379.12 the estimated Inland revenue Collection was \$42,310 the variance is \$56,069.12

Custom Revenue March



	1
■ Bari	3,129,432.15
■ Karkaar	94,524.26
■ Sanaag	102,993.31
■ Heylaan	0.00
■ Sool	84,252.30
■ Cayn	0.00
■ Nugaal	113,040.33
■ Mudug	116,725.74
■ Gardafuu	336

Regions Collected

Analysis for March Custom Revenue Collection:

According to March revenue collection, Custom Revenue department collected total amount of **\$3,641,304.09** for seven regions while the total estimated revenue collection is **\$3,012,100** per month.

Bari Region: from March collected an amount of \$3,129,432.15 Custom Revenue while its projection was \$2,407,553 the variance is \$721,899.1 in March this region generated more revenue than others.

Nugaal Region: from March collected an amount of \$113,040.33 in Nugaal region while its estimated Custom Revenue collection was \$73,838 the variance is \$39,202.33.

Mudug Region: from March collected an amount of \$116,725.74 and the estimated Custom revenue collection was \$235,429 the variance is **(-\$118,703.26)**

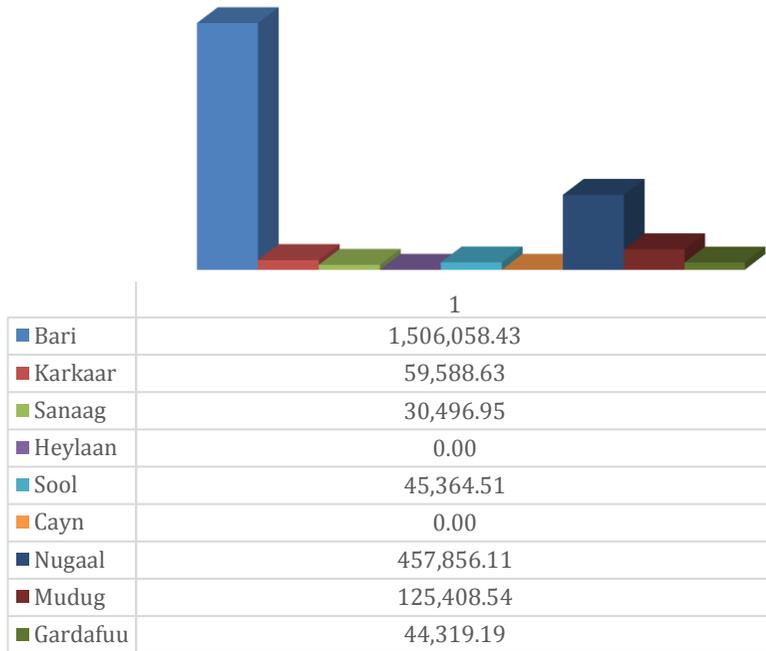
Karkaar Region: from March collected an amount of \$94,524.26 the estimated Custom Revenue collection was \$213,589 the variance is **(-\$119,064.74)**.

Sanaag Region: from March collected an amount of \$102,993.31 the estimated Custom Revenue collection was \$17,269 the variance is \$85,724.31 there is an increase of revenue for this region.

Sool Region: from March collected an amount of \$84,252.30 the estimate Custom Revenue collection was \$60,553 the variance is \$23,719.30 there is an increase of revenue for this region.

Gardafuu Region: from March collected an amount of \$336 the estimated Custom revenue Collection was \$3,869 the variance is **(-\$3,533)**.

Inland Revenue April



Regions Collected

Analysis for April Inland Revenue Collection:

According to April revenue collection, Inland Revenue department collected total amount of **\$2,269,092.36** for seven regions while the total estimated revenue collection is **\$3,037,900** per month.

Bari Region: from April collected an amount of \$1,506,058.43 Inland Revenue while its estimated Inland revenue collection was \$2,127,783 the variance is (-**\$621,724.57**)

Nugaal Region: from April collected an amount of \$457,856.11 in Nugaal region while its estimated Inland Revenue collection was \$499,192 the variance is (-**\$41,335.89**).

Mudug Region: from April collected an amount of \$125,408.54 and the estimated Inland Revenue collection was \$173,037 the variance is (-**\$47,628.46**).

Karkaar Region: from April collected an amount of \$59,588.63 the estimated Inland Revenue collection was \$143,416 the variance is (-**\$83,827.37**).

Sanaag Region: from April collected an amount of \$30,496.95 the estimated Inland Revenue collection was \$20,019 the variance is \$10,477.95 there is an increase

Sool Region: from April collected an amount of \$45,364.51 the estimate Inland Revenue collection was \$32,143 the variance is \$13,221.51 there is an increase.

Gardafuu Region: from April collected an amount of \$44,319.19 the estimated Inland revenue Collection was \$42,310 the variance is \$2009,19

Custom Revenue April



	1
■ Bari	2,667,961.42
■ Karkaar	108,079.60
■ Sanaag	24,248.90
■ Heylaan	0.00
■ Sool	91,489.60
■ Cayn	0.00
■ Nugaal	83,054.54
■ Mudug	70,060.19
■ Gardafuu	1,299.50

Analysis for April Custom Revenue Collection:

According to April revenue collection, Custom Revenue department collected total amount of **\$3,046,193.75** for seven regions while the total estimated revenue collection is **\$3,012,100** per month.

Bari Region: from April collected an amount of \$2,667,961.42 Custom Revenue while its projection was \$2,407,553 the variance is \$260,408.42.

Nugaal Region: from April collected an amount of \$83,054.54 in Nugaal region while its estimated Custom Revenue collection was \$73,838 the variance is \$9,216.54.

Mudug Region: from April collected an amount of \$70,060.19 and the estimated Custom revenue collection was \$235,429 the variance is **(-\$165,368.81)**

Karkaar Region: from April collected an amount of \$108,079.60 the estimated Custom Revenue collection was \$213,589 the variance is **(-\$105,509.4)**.

Sanaag Region: from April collected an amount of \$24,248.90 the estimated Custom Revenue collection was \$17,269 the variance is \$6,979.9.

Sool Region: from April collected an amount of \$91,489.60 the estimate Custom Revenue collection was \$60,553 the variance is \$30,936.60 there is an increase of revenue for this region.

Gardafuu Region: from April collected an amount of \$1,299.50 the estimated Custom revenue Collection was \$3,869 the variance is **(-\$2,569.5)**.

Total Revenue Flow

Table 02 - Total Revenue Flow January, February, March 2019		
	Revenue Collection in monthly	Cumulative Revenue Collection
January	\$5,435,232.03	\$5,435,232.03
February	\$3,981,210	\$9,416,442.03
March	\$5,883,864.94	\$15,300,306.97
April	\$5,315,290.11	\$20,615,597.08

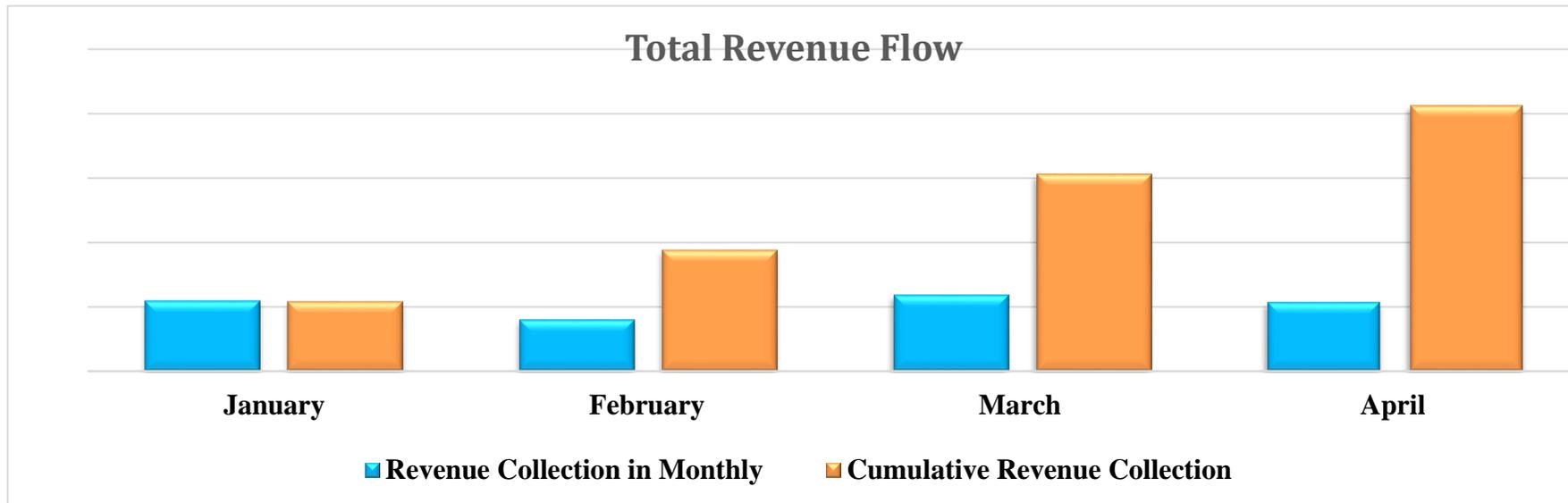
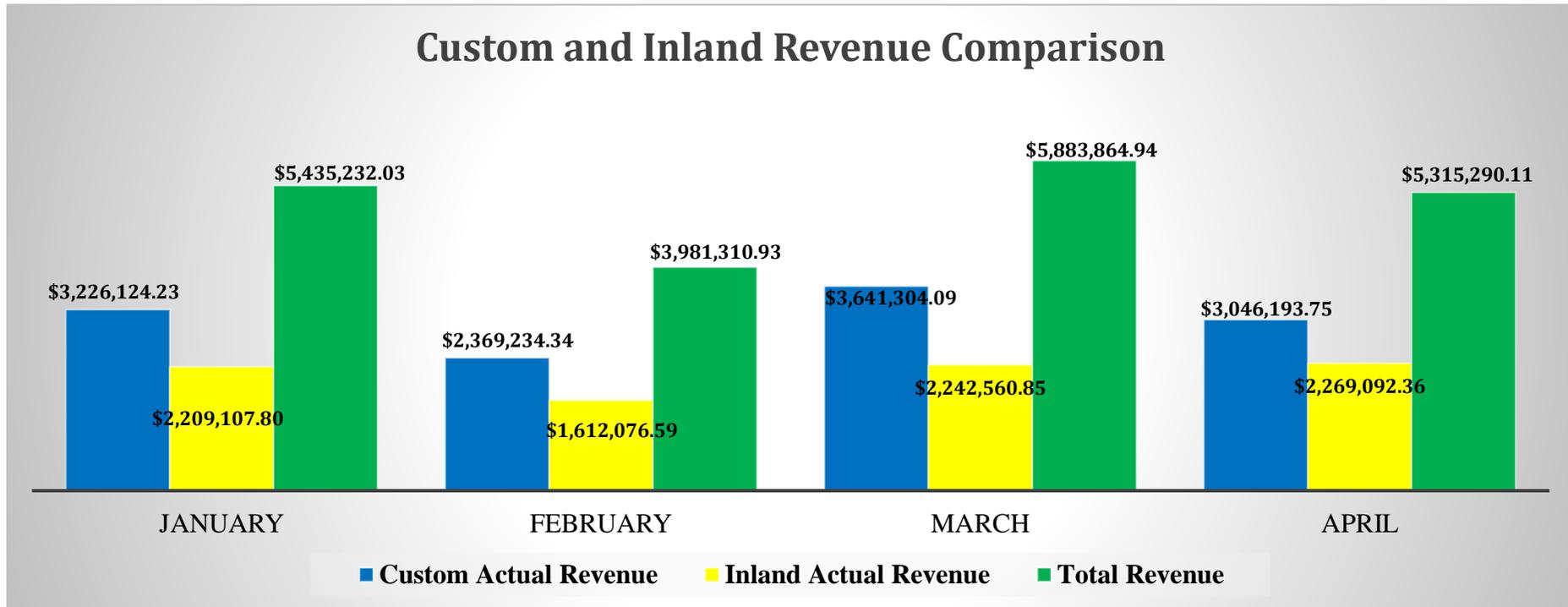


Table 03- Custom and Inland Revenue inflow January, February, March, April 2019

<i>Year 2019</i>	<i>Custom Estimate Rev</i>	<i>Custom Actual Rev</i>	<i>Inland Estimate Rev</i>	<i>Inland Actual rev</i>	<i>Total revenue collected</i>
January	\$3,012,100	\$3,226,124.23	\$3,037,900	\$2,209,107.80	\$5,435,232.03
February	\$3,012,100	\$2,369,234.34	\$3,037,900	\$1,612,076.59	\$3,981,310.93
March	\$3,012,100	\$3,641,304.09	\$3,037,900	\$2,242,560.85	\$5,883,864.94
April	\$3,012,100	\$3,046,193.75	\$3,037,900	\$2,269,092.36	\$5,315,290.11

Custom and Inland Revenue Comparison



Way forward/ Recommendations:

Our team is proposing that these key point recommendations can generate more revenue if we implement successfully:

1. Review and reform the old Puntland tariffs.
2. Implementation of all enacted tax laws Ministry of finance shall commence the leading role
3. Confiscation of all tax, and non-tax money that the ministers and agencies collected by putting in single account
4. Approving and implementing outstanding proposal policies and procedures of Presumptive tax system inleu sales tax that UNICOM international consult and team developed
5. Establishing and functioning large taxpayer office by registering all large companies in Puntland focusing business Telecommunication companies ,commercial bank, like Dahabshiil,Salam,Amal,Iftin and Tawakal bank and then preparing process of collecting the obliged tax like payroll, tax ,registration tax ,stamp tax,profit tax and investment tax
6. Clarification and reviewing all TORs revenue employees and assessing their profile regarding the education backgrounds ,experience eg.(taxation background and accountant)
7. Developing and innovation of new source of revenue
8. Developing clear and detailed tax policy handbook by respecting standard principles of tax policy system
9. Training and capacity building of revenue staffs and making appropriate staff
10. Proposing to the Puntland supreme court to establish a tribunal of taxation
11. Establishing a monthly revenue cluster to identify the monthly challenges of Puntland tax system
12. Asking the regional managers of revenue why ?and what caused the loses of revenue in the last three months and taking their recommendations by testing the coming months