



Consolidated version  
10 November 2025

Unofficial translation of the

## SPECIAL ECONOMIC ZONES ACT

24/2014

This document consolidates the following:

Law number	Description	Date of Issue	Summary of amendments
24/2014	Special Economic Zones Act	1 Sept 2014	-
18/2025	First amendment to the Special Economic Zones Act	10 Nov 2025	<ul style="list-style-type: none"><li>• Amended sections 9 (Special Economic Zone), 79 (Reconciling conflict in favor of this Act) and 82 (General glossary).</li><li>• Inserted new sections as section 22-1 (Property Transfer Tax) and 70-2 (special concessions).</li></ul>

### **DISCLAIMER OF LIABILITY**

This is the unofficial consolidated translation of the original Act and the first amendment to the Act in Dhivehi and consists only the content pertaining to taxation. In the event of conflict between this translation and the Dhivehi version of this Act, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this Act and this translation be read concurrently.

# SPECIAL ECONOMIC ZONES ACT

## CHAPTER 2: DEFINITIONS

### 9. Special Economic Zone

“Special Economic Zone” or “Zone” shall mean a specific geographical area demarcated by boundaries or identified by latitude and longitude, placed under the single management of one Developer who engages in, establishes, or carries out a prescribed economic activity, where the developer is entitled to special incentives and the area is designated as a special customs area that is exempt from the general mandate of the Maldives Customs Services insofar as it relates to the levying of export or import duty; and includes, to the necessary extent, each type of Special Economic Zone specified in Section 10 through Section 17-1 of this Act.

### 18. Developer

“Developer” shall mean a person who applies for and is granted a permit to establish a zone and who bears primary responsibility for developing the urban facilities and conveniences within the zone, managing and overseeing the activities of the zone and exercising management control over the zone in its entirety.

### 19. Investor

“Investor” means a person who, pursuant to an agreement entered into with the Developer, is permitted by the Developer to operate within a Zone under the Developer’s overall management, and who establishes and controls a specific business in the Zone while utilizing the urban facilities and services therein to conduct business and other economic activities.

## CHAPTER 3: ESTABLISHING A ZONE

### 22-1. Property Transfer Tax

- (a) Where a villa or a room in a tourist resort or an integrated tourist resort in a zone is leased on a long-term strata basis, a property transfer tax shall be collected by the State at the rate of 4% (four percent) of the total sale price of the rights to such villa or room.

- (b) It shall be the responsibility of the seller of the villa or room to collect from the buyer the tax specified in subsection (a) and pay the tax to the Maldives Inland Revenue Authority.
- (c) The information required to be submitted to the Maldives Inland Revenue Authority as regards the tax imposed under subsection (a), the administrative actions to be taken in the event of default, and any other relevant administrative procedures shall be prescribed by the Maldives Inland Revenue Authority in the Regulation made pursuant to this Act.

### **23. Incentives**

- (a) The incentives available to zones or developers or investors under this Act are prescribed in Schedule 1 to this Act.
- (b) Where any law enacted subsequent to this Act imposes a new tax or increases an existing tax rate so as to adversely affect any incentives granted under this Act to a zone, developer or investor, the President shall have the power to preserve the incentives granted to zones, developers or investors under the relevant investment agreement, by granting an exemption from the new or increased tax in a manner pursuant to the Regulation made by the Board.
- (c) Where a developer, in discharging their obligation to develop the infrastructure of a zone, appoints a third party by way of contract to carry out that obligation on their behalf, and that appointment is made under a written agreement, the incentives available to that developer under subsections (a) and (b) of Schedule 1 may, with the approval of the Board, be extended to that third party. For the purpose of granting such incentives to the third party, the Board may deem the third party to be within the definition of “developer” under the Act.
- (d) Where a specific incentive is to be granted to any person, other than those set out in Schedule 1 of this Act and available to all persons on a non-discriminatory basis, the specific incentive, and the conditions and circumstances governing the grant of such incentive shall be prescribed in the Regulation made by the Board pursuant to this Act.

## CHAPTER 4: DEVELOPER

### 36. Imposition of special conditions as a requirement for granting incentives

- (a) In determining the incentives to be granted to a developer, the Government of Maldives may impose a condition, as a consideration for the incentives, that the developer undertake a development of a physical or urban infrastructure deemed a government priority, outside the zone and at a location determined by the Government. The Board may, at its discretion, grant further incentives under this Act commensurate with the expenditure incurred by the developer in carrying out the conditioned development.
- (b) Where a developer's proposal supports and promotes the consolidation of population and urban development, the Board may, having regard to that proposal, grant additional or enhanced incentives to the developer pursuant to paragraph (d) of Schedule 1.

### 41. Revocation of permit

- (e) In the event of revocation of a permit under subsection(a), the Board shall take such steps as it considers necessary or incidental, including the revocation of incentives granted to the developer, and shall take action to ensure the uninterrupted operation of the zone and the protection of the rights of investors therein.

## CHAPTER 6: INVESTMENT AGREEMENT

### 52. Entry into concession agreements

Notwithstanding an existing investment agreement between a developer and the Board, this Act shall not prevent the Board and the developer from entering into a concession agreement, for the purpose of granting and evidencing the grant of a specific privilege, leniency, or concession, within the scope and parameters of the investment agreement.

## CHAPTER 9: OTHER AGENCIES

### 70. Power to obtain information

- (a) No provision of this Act shall prevent any Government agency from collecting and maintaining statistics and information required under Maldivian laws or treaties to which Maldives is a party, in respect of a zone, developer of the zone, or investor in the zone, or from sharing such statistics and information with foreign jurisdictions, and international organizations and agencies in accordance with applicable Maldivian laws or treaties.
- (b) For the purpose of assessing the scale of economic activity conducted within zones and the tax expenditure arising from the incentives granted under this Act, developers and investors shall submit such information as may be prescribed by the Maldives Inland Revenue Authority in the Regulations issued by that Authority.

## CHAPTER 10: DEVELOPING SUSTAINABLE TOWNSHIPS

### 70-2. Special concessions

- (a) Concessions to a zone established under Section 20(i) of this Act, and to the developer and investors of that zone, may only be granted in accordance with this Section, and such a zone shall not be eligible for any other concessions under this Act.
  - (1) Property transfer tax levied on income derived from a long-term strata-based lease of a villa or room in a zone, or from the sale of rights to such a villa or room, shall be levied at the following rates:
    - (i) At the rate of 1% (one percent) for the first transaction;
    - (ii) At the rate of 2% (two percent) for the second transaction;
    - (iii) At the rate of 4% (four percent) for the third transaction and all subsequent transactions.
  - (2) Tax under the Income Tax Act (Law number 25/2019) on business income derived from business activities carried out in the zone shall be levied at the following rates:
    - (i) At the rate of 5% (five percent) for the first 10 (ten) years;
    - (ii) At the rate of 10% (ten percent) from the 11th (eleventh) year until the 20th (twentieth) year;

- (iii) At the rate prescribed in the Income Tax Act (Law number 25/2019) from the 21st (twenty-first) year onwards.
- (3) The profit or gain derived from the sale of a residential villa or room developed in the zone shall be exempt from the tax levied under the Income Tax Act (Law Number 25/2019).
- (4) Capital goods imported for the development of the zone shall be exempt from import duty.
- (b) Notwithstanding anything to the contrary in this Act, incentives specified in Section 23 of this Act shall not apply to a zone specified in Section 20(i) of this Act.
- (c) The zone specified in Section 20(i) of this Act shall be exempt from the rule specified in Section 73(b) of this Act.

## **CHAPTER 11: GENERAL PROVISIONS**

### **74. Precedence over the Land Act**

- (b) Tax on the conversion of State-owned land to privately-owned land shall not be imposed in respect of land located within a zone.

### **76. Employment matters**

- (f) Where an expatriate employee working in a zone remits their salary, or any portion thereof, overseas through a financial institution in the Maldives, a remittance tax of 3% (three percent) shall be collected to the State on the amount so remitted.

### **79. Reconciling conflict in favor of this Act**

- (a) Notwithstanding anything to the contrary in any Act referred to in subsection (b), the provisions of this Act shall prevail in respect of all matters relating to zones, and such matters shall be governed in accordance with this Act.
- (b) In the event of any conflict or inconsistency between a provision of this Act and the provisions of any of the Acts listed below, such conflict or inconsistency shall be resolved in favor of this Act.
  - (1) Law number 11/2024 (Foreign Investment Act);

- (2) Law number 31/79 (Maldives Export Import Act);
- (3) Law number 5/80 (State Right to Grant Exemption in respect of Certain Duties and Taxes Act);
- (4) Law number 6/81 (Maldives Monetary Authority Act);
- (5) Law number 9/81 (Maldives Duty Free Zones Act);
- (6) Law number 20/98 (Maldives Uninhabited Islands Act);
- (7) Law number 2/99 (Maldives Tourism Act);
- (8) Law number 1/2002 (Maldives Land Act);
- (9) Law number 3/2006 (Public Finance Act);
- (10) Law number 3/2010 (Tax Administration Act);
- (11) Law number 24/2010 (Maldives Banking Act);
- (12) Law number 25/2019 (Income Tax Act);
- (13) Law number 8/2011 (Maldives Customs Act);
- (14) Law number 10/2011 (Goods and Services Tax Act); and
- (15) Law number 18/2014 (Business Registration Act).

## **81. Formulation and implementation of regulations**

- (a) For the implementation of this Act, any regulations required to be made by the Board shall be formulated and enforced by the Board.
- (b) For the implementation of this Act, any Regulation that is required to be made by a specific State institution shall be formulated and enforced by that institution.
- (c) Any regulations not covered by subsections (a) and (b) shall be formulated and enforced by the Ministry.

## **82. General glossary**

“Business” shall mean land, movable or immovable property attached to land, rights and obligations arising under law, incentives and privileges granted by law, the sale and purchase of goods, activities undertaken with a view to making a profit, and services provided on commercial terms; and shall further include all goods acquired for the purpose of such activities and all rights and obligations arising in connection therewith.

“Tax relief” shall mean any relief or concession granted to a developer or investor in a zone in respect of the tax that would otherwise be payable by that person in relation to the economic activity.

“Tax credit” shall mean the entitlement or benefit granted to a developer or investor in a zone to set off an amount against the tax that would otherwise be payable by that Person in relation to the economic activity.

## SHCHEDULE 1

(with reference to Section 23)

### Incentives available to zones

#### (a) Guaranteed incentives to the developer

*(These incentives are specific to the development of infrastructure in the zone and provision of other basic services in within the zone)*

1. Exemption from payment of import duty for capital goods imported for the development, operation, management, or enhancement of a zone;
2. Exemption from payment of tax on business income;
3. Exemption from payment of Goods and Services Tax for the first 10 (ten) years;
4. Exemption from payment of tax on business income in respect of dividends derived as shareholder;
5. Tax relief provided subject to a prescribed policy;
6. Tax credit provided subject to a prescribed policy;
7. Exemption from payment of withholding tax for the initial 10 (ten)-year period; and
8. Access to relaxed requirements governing the recruitment and employment of expatriates.

#### (b) Additional incentives that may be granted to the developer, subject to negotiation and the advice of the Board

*(These incentives are specific to the development of infrastructure in the zone and provision of other basic services in within the zone)*

1. Exemption from Goods and Services Tax for a period exceeding the initial 10 (ten) years;
2. Exemption from withholding tax for a period exceeding 10 (ten) years;
3. Lease of land to foreign companies for a period of 66 (sixty-six) years, with the possibility of extending the lease period by an additional 33 (thirty-three) years under a supplementary agreement signed concurrently with the initial lease agreement;

4. Option for companies registered in the Maldives that are not foreign companies to own land; and
5. Exemption from payment of taxes on the purchase or acquisition of ownership of land.

**(c) Guaranteed incentives available to other business projects undertaken within the zone, to services provided therein, and to investors undertaking such projects or services.**

<b>Business sector</b>	<b>Available incentives</b>
Hotel and tourism and commercial real estate	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty on the capital goods imported for the development of projects falling within the sector;</li> <li>2. Exemption from payment of tax on business income for the first 2 (two) years;</li> <li>3. Exemption from Goods and Services Tax for the first 2 (two) years;</li> <li>4. Exemption from withholding tax for the first 2 (two) years;</li> <li>5. Exemption from payment of tax on business income in respect of dividends derived as shareholder, for the first 2 (two) years;</li> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol> <p>Where the Board determines that a zone contributes to regional development, the President may, in a manner determined by the Board, grant additional incentives to hotel and tourism category projects within the zone, in addition to the incentives specified above, in accordance with Section (d) of this Schedule.</p>
Manufacturing, logistics, transportation, development and management of ports and communication services	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty for capital goods imported for the development, operation, management, or enhancement of a project falling within the sector;</li> <li>2. Exemption from payment of tax on business income for the first 20 (twenty) years;</li> <li>3. Relief from payment of Goods and Services Tax for first 10 (ten) years;</li> <li>4. Exemption from withholding tax for the first 10 (ten) years;</li> <li>5. Exemption from payment of tax on business income in respect of dividends derived in the capacity of a shareholder, for the first 15 (fifteen) years; and</li> </ol>

	<ol style="list-style-type: none"> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol>
Education, health, and housing	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty on the capital goods imported for the development of projects falling within the sector;</li> <li>2. Exemption from payment of tax on business income for the first 10 (ten) years;</li> <li>3. Exemption from Goods and Services Tax for first 10 (ten) years;</li> <li>4. Exemption from withholding tax for the first 10 (ten) years;</li> <li>5. Exemption from payment of tax on business income in respect of dividends derived in the capacity of a shareholder, for the first 10 (ten) years; and</li> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol>
Sports	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty on the capital goods imported for the development of projects falling within the sector;</li> <li>2. Exemption from payment of tax on business income for the first 5 (five) years;</li> <li>3. Exemption from Goods and Services Tax for first 5 (five) years;</li> <li>4. Exemption from withholding tax for the first 5 (five) years;</li> <li>5. Exemption from payment of tax on business income in respect of dividends derived in the capacity of a shareholder for the first 5 (five) years; and</li> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol>
Financial services	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty on the capital goods imported for the development of projects falling within the sector;</li> <li>2. Exemption from payment of Bank Profit Tax for the first 10 (ten) years;</li> <li>3. Exemption from payment of tax on business income for the first 10 (ten) years;</li> <li>4. Exemption from Goods and Services Tax for first 10 (ten) years;</li> <li>5. Exemption from withholding tax for the first 5 (five) years;</li> <li>6. Exemption from payment of tax on business income in respect of dividends derived in the</li> </ol>

	<p>capacity of a shareholder for the first 5 (five) years; and</p> <p>7. Access to relaxed requirements governing the recruitment and employment of expatriates.</p>
Construction and operation of airports	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty for capital goods imported for the development, operation, management, or enhancement of a project falling within the sector for the first 5 (five) years;</li> <li>2. Exemption from payment of tax on business income for the first 10 (ten) years;</li> <li>3. Relief from payment of Goods and Services Tax for first 10 (ten) years;</li> <li>4. Exemption from withholding tax for the first 10 (ten) years;</li> <li>5. Exemption from payment of tax on business income in respect of dividends derived in the capacity of a shareholder for the first 10 (ten) years; and</li> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol>
Research and development	<ol style="list-style-type: none"> <li>1. Relief from payment of import duty on the capital goods imported for the development of projects falling within the sector;</li> <li>2. Exemption from payment of tax on business income for the first 10 (ten) years;</li> <li>3. Exemption from Goods and Services Tax for first 10 (ten) years;</li> <li>4. Exemption from withholding tax for the first 10 (ten) years;</li> <li>5. Exemption from payment of tax on business income in respect of dividends derived in the capacity of a shareholder for the first 10 (ten) years; and</li> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol>
Other business services	<ol style="list-style-type: none"> <li>1. Exemption from payment of import duty on the capital goods imported for the development of projects falling within the sector;</li> <li>2. Exemption from payment of tax on business income for the first 5 (five) years;</li> <li>3. Exemption from Goods and Services Tax for first 5 (five) years;</li> <li>4. Exemption from withholding tax for the first 5 (five) years;</li> </ol>

	<ol style="list-style-type: none"> <li>5. Exemption from payment of tax on business income in respect of dividends derived in the capacity of a shareholder for the first 5 (five) years; and</li> <li>6. Access to relaxed requirements governing the recruitment and employment of expatriates.</li> </ol>
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**(d) In addition to the incentives available for businesses under Section(c) of this Schedule, the President may, at his discretion, grant one or more of the following incentives having regard to the merits and attractiveness of the developer’s proposal.**

1. Exemption from tax on business income for an extended period.
2. Exemption from Goods and Services Tax for an extended period.
3. Exemption from withholding tax for an extended period.
4. Lease of land to foreign companies for a period of 66 (sixty-six) years, with the possibility of extending the lease period by an additional 33 (thirty-three) years under a supplementary agreement signed concurrently with the initial lease agreement
5. Opportunity to own land for Maldivians and companies registered in the Maldives of which 51% (fifty-one percent) shareholding is owned by Maldivian nationals.
6. Exemption from payment of taxes in the purchase of land.
7. Exemption from Goods and Services Tax for an extended period.
8. Tax credit subject to a prescribed policy.
9. Tax relief subject to a prescribed policy.
10. Exemption from payment of land rent imposed on tourist resorts under the Maldives Tourism Act.

**(e) Other incentives available to the developer and all investors alike**

1. Opportunity to make inward and outward remittances of funds without requiring approval from any authority; and
2. Provision of single-window clearance mechanism and the granting of all requisite Government approvals for activities permitted within the zone.