



Unofficial translation of the

FIRST AMENDMENT TO THE SPECIAL ECONOMIC ZONES ACT

18/2025

In accordance with Article 92 of the Constitution, the “First Amendment Bill to the Special Economic Zones Act (Law Number 24/2014)” passed in the 16th sitting of the 3rd session of the People’s Majlis held on Wednesday the 5th of November 2025, has become law and has been published in the Government Gazette upon its ratification by the President on Monday the 10th of November 2025 (19 Jumada al-Ula 1447).

DISCLAIMER OF LIABILITY

This is the unofficial translation of the original 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.

by the Maldives Inland Revenue Authority in the Regulation made pursuant to this Act.

5. Insert the following Chapter after Section 70 of the aforementioned Act:

CHAPTER 10

Developing Sustainable Townships

**Special
concessions**

- 70-2.** (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.

8. Amend Section 79(b)(12) of the aforementioned Act as follows:

79. (b) (12) Law number 25/2019 (Income Tax Act)

- 10. The phrase "*Business Profit Tax*" shall be replaced with "*tax on business income*", wherever it appears in the aforementioned Act.
- 11. The regulations pursuant to this Act shall be formulated and published in the Government Gazette within 6 (six) months from the commencement of this Act.
- 12. This Act shall commence upon it being published in the Government Gazette following its passing and ratification.