



Unofficial Translation of the

SECOND AMENDMENT TO THE

MALDIVES TOURISM ACT

In accordance with Article 92 of the Constitution, the “Second Amendment to the Maldives Tourism Act” passed in the 34th sitting of the 2nd session of the People’s Majlis held on Thursday the 26th of August 2010, has become law and has been published in the Government Gazette upon its ratification by the President on Wednesday the 08th of September 2010 (29 *Ramadan* 1431).



SECOND AMENDMENT TO THE MALDIVES TOURISM ACT

Incorporate the following amendments to the Maldives Tourism Act (Law No. 2/99):

1. Change all references to the “Ministry of Tourism” in the aforementioned Act to “Tourism Ministry”.
2. Amend Section 6(e) of the aforementioned Act as follows:
 - (e) The amount of lease rent and the manner of its payment.
3. Add a Section after Section 6 of the aforementioned Act as follows and renumber the subsequent Sections in order.

Rent 7. (a) Rent for lands or islands leased to develop tourist resort, tourist hotel and tourist guesthouse under this Act, shall be paid to the Government in accordance with this Section.

(1) Where the land area is less than 200,000 (Two Hundred Thousand) square metres and the rent payable exceeds USD 1,000,000 (One Million United States Dollars), the rent payable annually from such land shall be USD 1,000,000 (One Million United States Dollars). Where the rent payable from the land is less than USD 1,000,000 (One Million United States Dollars), the rent payable annually from such land shall be the amount arrived at by calculating the rent at the rate of USD 8 (Eight United States Dollars) per square metre of land.

(2) Where the land area is between 200,001 (Two Hundred Thousand and One) square meters and 400,000 (Four Hundred Thousand) square meters, the rent payable annually from such land shall be USD 1,500,000 (One Million Five Hundred Thousand United States Dollars).

(3) Where the rent payable from a land larger than 400,001 (Four Hundred Thousand and One) square metres exceeds USD 2,000,000 (Two Million United States Dollars), the rent payable annually from such land shall be USD 2,000,000 (Two Million United States Dollars).

(b) Rent for lands or islands leased to develop tourist resorts, tourist hotels and tourist guesthouses that were leased prior to the date of commencement of this Second Amendment to the Maldives Tourism

Act (Law No. 2/99), shall also be paid as stated in subsection (a) (1), (2) and (3) of this Section from the date of commencement of this Act.

- (c) This Section of this Act shall come into force upon the Tourism Goods and Services Tax Act being passed by the People's Majlis, published in the Government Gazette and upon commencement of taxation pursuant to the law.

4. Amend Section 8 of the aforementioned Act as follows:

- Period of Lease** 8.
- (a) Under this Act, lands and islands leased to develop tourist resorts may be leased for a maximum period of 50 (Fifty) years from the date of handover of the land or island to the lessee.
 - (b) Where the lessee of an island or land that was leased to develop a tourist resort prior to the date of commencement of this Second Amendment to Law No. 2/99 (Maldives Tourism Act) has requested for the extension of the period of the lease, the period of lease of such land or island may be extended in accordance with subsection (c) of this Section, in a manner that the period of such lease does not exceed 50 (Fifty) years from the date of such lease.
 - (c) Where the lessee of an island or land leased prior to this Act being passed and published in the Government Gazette, requests the Tourism Ministry for the extension of the period of such a lease, the period of lease of such land or island shall be extended after payment of a fee of USD 100,000 (Hundred Thousand United States Dollars) per every extended year.
 - (d) The fee payable pursuant to subsection (c) of this Section shall be paid after apportioning the total fee payable for the period of extension and settling the fee payable for a particular year during that year.
 - (e) Where the lessee of an island or land in operation at the time of passing of this Act and its publication in the Government Gazette, wants to extend the period of such lease, extension shall be completed within 18 (Eighteen) months.
 - (f) Where the lessee of an island or land whose operation has not commenced at the time of passing of this Act and its publication in the Government Gazette, wants to extend the period of such lease, extension shall be completed within 36 (Thirty Six) months.
 - (g) Where requests are made by parties in the manner specified in subsections (d) and (e) of this Section, they shall be processed within 4 (Four) months by the Tourism Ministry.

5. Amend Section 9 of the aforementioned Act as follows:

Circumstances where Period of Lease may exceed 50 years 9. Where the lessee of an island or land leased for the development of a tourist resort or a party requesting to develop a tourist resort on an island or land is a public company that fulfils the following conditions, the land or island shall be leased for a period of 99 (Ninety Nine) years.

(a) The company is registered in the Maldives.

(b) Development and operation of tourist resorts is included as an object in the Memorandum of Association of the company.

(c) A minimum of 55% (Fifty Five per cent) of the company's shares have been sold to the public.

6. Repeal Section 10 of the aforementioned Act and renumber the subsequent Sections.

7. Amend Section 13 of the aforementioned Act as follows:

Conversion of a public company (lessee of an island) to a private company 13. Where a public company that has leased an island or land for a period of 99 (Ninety Nine) years under Section 9 of this Act converts to a private company, or a condition stated in Section 9 of this Act is no longer fulfilled by the company, then the period of extension of the lease granted to such company by reason of being a public company shall be deducted.

8. Add the following subsection to Section 35 of the aforementioned Act:

(d) Upon completion of 3 (Three) years from the date of Tourism Goods and Services Tax, the tax referred to in subsection (a) of this Section shall no longer apply.

9. Renumber the Sections of the aforementioned Act after incorporating the insertions and deletions referred to in this Act.

10. Amend references to specific Sections or part of a Section in the aforementioned Act to reflect the amendments referred to in this Act.

11. This Act shall commence upon it being passed, ratified and published in the Gazette of the Government of Maldives.

DISCLAIMER OF LIABILITY - The Maldives Inland Revenue Authority shall not accept any liability or responsibility arising out of any reliance whatsoever on the translation contained herein. In the event of conflict between the translations contained herein and the *Dhivehi* text of the Second Amendment to the Maldives Tourism Act, the latter shall prevail for all given purposes. Therefore, it is advised that both the *Dhivehi* text and its English translations be read concurrently.