



Unofficial Translation of the

**TOURISM LAND RENT REGULATION**

**(2010/R-20)**

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This Regulation was made pursuant to the authority granted to the Ministry of Tourism, Arts and Culture by the Maldives Tourism Act (Act Number 2/99), and has been published in the Government Gazette on Thursday the 30<sup>th</sup> of December 2010 (24 *Muharram* 1432).

**MINISTRY OF TOURISM, ARTS AND CULTURE**



## TOURISM LAND RENT REGULATION

- Introduction and citation**
1. This Regulation was made pursuant to Section 7 of the Maldives Tourism Act (Act Number 2/99) with the powers conferred under Section 49 of the same Act, to determine the rules in respect of the rent payable to the Government from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses.
  2. This Regulation shall be cited as the "Tourism Land Rent Regulation".
- Objective**
3. The purpose of this Regulation is to determine the rules in respect of the rent payable to the Government from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses.
- Determination of rent**
4. (a) The rent on lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses shall be determined based on the land area which in turn shall be based on the "Mean Tide Line" of such lands or islands.  
(b) The land area of lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses which were leased prior to the commencement of this Regulation on 01 January 2011, shall be the area determined as the area of the land or island specified in the site plan endorsed by the Tourism Ministry or the area determined as the area of land or island as shown in the records of the same Ministry.  
(c) The land area of those lands or islands which do not have a site plan or any land area record with the Tourism Ministry as referred to in Section 4(b) shall be considered, for the purpose of determining rent payable, as the land area determined by a survey for such purpose. Expenses incurred in determining the said land area, if any, shall be borne by the lessee of the land or island. The said survey shall be completed and the land area shall be registered with the Tourism Ministry within 3 (Three) months from the date of commencement of this Regulation.  
(d) The lessee of land or island shall, within 2 (Two) years from the date of commencement of this Regulation, submit to the Tourism Ministry to survey the land or island, review the land area referred to in Section 4(b), determine any changes to the land area and register the area so determined. Expenses incurred in determining the said land area, if any,

shall be borne by the lessee of the land or island.

- (e) Lessees of lands and islands with a land area determined in pursuance to Section 4(c) shall also comply with Section 4(d).
- (f) After registering the land area in pursuance to Section 4(d), rent shall be paid based on the newly registered land area, from the date of registration.
- (g) Registration of land area specified in Sections 4(c) and 4(d) shall be considered as such on the issuance of a written document to the lessee of the land or island by the Tourism Ministry, specifying the newly registered land area.
- (h) As per the land area determined in pursuance to Section 4(d), rent previously paid to the Government shall not be altered whether paid in excess or in short.
- (i) After registration of land or island area in pursuance to this Regulation, natural land loss and growth affecting the size of the land area shall not have any effect on the rent payable from the land or island to the Government.
- (j) Rent payable before 01 January 2011 from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses if deferred for the lessee of the land or island, such amount shall be paid in accordance with an agreement made for such a deferral. And any rent taken in advance by the Government shall be dealt in accordance with the lease agreement of the island or land.
- (k) If the last quarter for the rent from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses payable before 01 January 2011 ends after 01 January 2011, any overpayment of rent for the days beginning 01 January 2011 shall be deducted from the rent payable under this Regulation.
- (l) If the land or island area has been increased with the authorisation from the Tourism Ministry, after the land or island area has been registered pursuant to this Regulation, such a change in the area of the land or island shall result in the rent from that island or land being altered accordingly, and the increase of land with the authorisation from the Tourism Ministry, once completed shall be registered with the Tourism Ministry within 7 (Seven) days.
- (m) If the land or island area has been increased without the authorisation from the Tourism Ministry after the land or island area has been registered pursuant to this Regulation, rent shall be altered for the increased area of land or island, whether or not permission to use the

increased area had been obtained.

- (n) Reclamation of land adjoining the islands or lands leased to build tourist resorts, tourist hotels and tourist guesthouses or reclamation of land separately, for the purposes of this Regulation, shall be considered as an increase of that land area.

**Payment of rent**

- 5. (a) Pursuant to the Maldives Tourism Act (Act Number 2/99), rent from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses shall be paid in accordance with the provisions of 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) Pursuant to Section 7 of the Maldives Tourism Act (Act Number 2/99), rent payable under this Regulation shall be paid starting from 1 January 2011 and from that date onwards the previous procedure on the payment of rent from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses shall cease.
- (c) Rent payable to the Government from land leased for the purpose of building tourist resorts, tourist hotels and tourist guesthouses shall be made in United States Dollars or any other foreign currency stipulated by the Government.
- (d) Upon commencement of this Regulation, rent year for the purpose of making rent payments from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses shall be from 1 January to 31 December of each year.

- (e) Annual rent payable from lands and islands leased to build tourist resorts, tourist hotels and tourist guesthouses shall be paid in four quarters and rent due accordingly shall be paid before the start of each quarter. To give effect to this Regulation, payment for the quarter beginning on 01 January 2011 shall be open until 15 January 2011.
- (f) After the commencement of this Regulation, if a person paying rent for the first time is required to pay rent in the middle of a quarter, rent payable for that quarter shall be calculated as follows.  
  
Annual rent/365 x number of effective days remaining in the quarter
- (g) If rent payable to the Government from a tourist resort, tourist hotel or tourist guesthouse is not paid on or before the due date for payment, a fine of 0.5% (Zero Point Five Per Cent) calculated on the rent due, for each day of delay shall be paid.
- (h) If rent payable to the Government from a tourist resort, tourist hotel or tourist guesthouse is not paid or partially paid on or before the date due for payment, a fine of 0.5% (Zero Point Five Per Cent) calculated on the outstanding rent, for each day of delay shall be paid.
- (i) If rent owed to the Government by a tourist resort, tourist hotel or a tourist guesthouse, or fine for failure to pay rent by the deadline, is not settled, before the commencement of making rent payments in pursuance to this Regulation, such rent and fine charged in relation to the failure to pay rent, shall be dealt in accordance with the Agreement signed to lease the island or land.

- 6. Determining the rent payable under this Regulation by tourist resorts, tourist hotels and tourist guesthouses, receiving of rent, implementation of this Regulation with the changes to rent, and enforcement of rent and fines payable to the Government from the said establishments shall be the responsibility of Maldives Inland Revenue Authority pursuant to Section 3(b) of the Tax Administration Act (3/2010).

**Definitions**

- 7. Unless the context requires otherwise, in this Regulation:

“Tourism Act” refers to the Maldives Tourism Act (Act Number 2/99).

“Tourism Ministry” or “Ministry” refers to the Ministry of Tourism, Arts and Culture.

“Land Area” in the case of an island refers to dry land within the “Mean Tide Line” determined by the Tourism Ministry. And in the case of part of an island or land, the area within the marked boundaries.

“Site plan” refers to a plan drawn to a scale showing how the buildings to be developed relating to the project are arranged, in conformity with the

standards specified by the Tourism Ministry.

8. This Regulation shall commence from the date of publication of this Regulation in the Government Gazette.

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**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 Tourism Land Rent Regulation, the latter shall prevail for all given purposes. Therefore, it is advised that both the *Dhivehi* text and its English translations be read concurrently.