



Unofficial translation of the

EIGHTH AMENDMENT TO THE MALDIVES

TOURISM ACT

13/2016

In accordance with Article 92 of the Constitution, the "Eighth Amendment Bill to the Maldives Tourism Act (Law Number 2/99)" passed in the 7th sitting of the 2nd Session of the People's Majlis held on Wednesday the 29th of June 2016, has become law and has been published in the Government Gazette upon its ratification by the President on Sunday the 10th of July 2016 (5 Shawwal 1437).

DISCLAIMER OF LIABILITY

This is the unofficial translation of the original Act in Dhivehi. 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.

EIGHTH AMENDMENT TO THE MALDIVES TOURISM ACT

The Maldives Tourism Act (Law Number 2/99) shall be amended as follows.

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

**Leasing of
islands, land and
lagoons for
tourism matters**

5. (a) Islands, land or lagoons shall be leased for tourism matters in one of the following two ways:
- (1) Lease to the party that submits the best proposal in a public tender held by the Tourism Ministry in accordance with pre-established procedures; or
 - (2) Notwithstanding subsection (a)(1), by way of a proposal submitted to the Tourism Ministry specifying the details of the project planned to be carried on at the island, land or lagoon, and leased in accordance with this Act and the Regulation made pursuant to this Act.
- (b) An island, land or lagoon shall be leased in accordance with subsection (a)(2) only upon fulfilment of the following criteria:
- (1) The island, land or lagoon is environmentally suitable for the proposed project; and
 - (2) Lump sum payment of the acquisition fee determined by the Tourism Ministry for the island, land or lagoon; and
 - (3) The person requesting to lease the island, land or lagoon is financially and technically capable of carrying out the proposed project.
- (c) Subsection (b) does not limit the Tourism Ministry from determining criteria in a Regulation made pursuant to this Act in addition to the criteria specified in subsection (b).
- (d) The Tourism Ministry shall act in accordance with the following procedure when leasing an island, land or lagoon pursuant to subsection (a)(2):

- (1) The proposals submitted for such islands, land and lagoons shall be assessed equally and openly and in accordance with a financial and technical standard determined in the Regulation made pursuant to this Act;
 - (2) Obtain permission from the President's Office prior to leasing the island, land or lagoon;
 - (3) Share detailed information of the lease in writing with the Anti-Corruption Commission and the Auditor General's Office, after the island, land or lagoon has been leased.
- (e) The regulation on leasing of islands, land or lagoons pursuant to subsection (a)(2) shall be made by the Tourism Ministry and published in the Government Gazette within 3 (three) months from the enactment of the Eighth Amendment to the Maldives Tourism Act (Law Number 2/99).
- (f) A list of the number and details of islands, land and lagoons that would be leased for tourism matters pursuant to this Section shall be compiled and publicized every fiscal year by the Tourism Ministry with the counsel of the President's Office. The Tourism Ministry shall have the discretion to make alterations to the list with the approval from the President's Office.
- (g) The Government shall have the discretion to sell its share in a joint venture company which was formed prior to the enactment of the Eighth Amendment to the Maldives Tourism Act (Law Number 2/99) for the purpose of investing in the development of tourist resorts on leased islands, land and lagoons jointly with the Government, to the other shareholder or shareholders in that joint venture, in accordance with the procedure determined by the Ministry of Finance and Treasury.
- (h) Notwithstanding anything to the contrary in another Act, islands, land or lagoons leased for tourism matters shall be leased pursuant to this Act.

2. Amend Section 9(d) of the aforementioned Act as follows:

9. (d) Persons who have not settled the fee specified in subsection (c) in full but whose lease period had been extended under subsection (b), and persons whose lease period is extended pursuant to subsection (b) after the enactment of the Eighth Amendment to the Maldives Tourism Act (Law Number 2/99), shall settle the fee specified in subsection (c) in full by 31 December 2017 in accordance with the procedure determined by the Tourism Ministry.

3. Amend Section 9(e) of the aforementioned Act as follows:

9. (e) Where an island or land whose lease period is or has been extended pursuant to subsection (b) does not settle the fee specified in subsection (c) in accordance with subsection (d), the lease period extension granted to that island or land shall be void. In such circumstance, the relevant clauses in the agreements made between the Government of Maldives and the person shall be void to the extent that it contradicts with this Section.

4. Amend Section 9(f) of the aforementioned Act as follows:

9. (f) Persons who wish to extend their lease period pursuant to subsection (b) shall make a submission requesting as such to the Tourism Ministry within 4 (four) months from the enactment of the Eighth Amendment to the Maldives Tourism Act (Law Number 2/99). Where such submission is complete, the Tourism Ministry shall extend the lease period for such persons within 1 (one) month.

5. Repeal the following Section 9(g) and (h) of the aforementioned Act, and renumber subsequent subsections:

9. (g) 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 wishes to extend the period of such lease, the extension shall be completed within 36 (thirty six) months.

- (h) Where requests are made by parties in the manner specified in subsections (e) and (f), the Tourism Ministry shall process them within 4 (four) months.

6. Amend Section 9(i)(1) of the aforementioned Act as follows:

- 9. (i) (1) Rent, fines, taxes and fees, if any, payable to the Government by the lessee of the island or land has been settled. This does not include rent and fines deferred by the Tourism Ministry pursuant to an agreement.

7. Amend Section 35(h) of the aforementioned Act as follows:

- 35. (h) The sum of 3 (three) United States Dollars shall be collected by the State as Green Tax from each tourist per day of stay at a tourist guesthouse operated in the Maldives, from 1 October 2016 onwards.

8. Insert the following subsection after Section 35(h) of the aforementioned Act:

- 35. (i) The operator of the establishment where the tourist stays shall be liable for collecting the tax referred to in subsection (g) and (h) from the tourist and paying it to the State.

9. Insert the following subsection after Section 50 of the aforementioned Act:

Charging fee for services rendered

- 51. A fee may be charged for services rendered by the Tourism Ministry in relation to tourism matters, in accordance with the regulation made pursuant to this Act. The regulation on the amounts and procedure for charging such fees for services shall be made and published in the Government Gazette within 3 (three) months from the enactment of the Eighth Amendment to the Maldives Tourism Act (Law Number 2/99).

10. Insert the following definitions to Section 52 of the aforementioned Act:

- 52. (j) "Tourism matters" refers to the construction, development and operation of tourist resorts, tourist hotels, tourist

guesthouses, training resorts, transit hotels, city hotels and yacht marinas, and the provision of diving, water sports, excursions and other such services exclusively to tourists visiting the Maldives.

- (k) “Acquisition fee” refers to the fee payable to the State to acquire the leasehold rights of an island, land or lagoon, which is determined by the Ministry of Tourism with the counsel of the Ministry of Finance and Treasury and based on the project which is proposed to be carried out on the island, land or lagoon leased out for tourism matters and on the prevailing market value.

11. Renumber the sections of the aforementioned Act after incorporating the insertions and deletions referred to in this Act.
12. This Act shall commence upon it being published in the Gazette of the Government of Maldives.