

MALDIVES MONETARY AUTHORITY

General FAQs Regarding the Regulation on Foreign Currency (2024/R-91)

In this FAQ you will find answers to commonly asked questions regarding the Regulation on Foreign Currency.

October 2024

(Updated on 25th November 2024)



For inquiries please contact:
+960 3012121
foreignexchange@mma.gov.mv

Q1: Is it prohibited to use a currency other than Maldivian Rufiyaa for the transactions conducted in Maldives?

Yes. However, the transactions specified under Section 4 (d) are exempted.

Q2: Can a business pay their supplier in foreign currency?

Yes. As per Section 4(d)(8), if you are a business entity that earns foreign currency you can make payments for goods and services in foreign currency.

Q3: Can a business pay their employees' salaries and benefits in foreign currency?

Yes. As per Section 4(d)(11), if you are a business entity that earns foreign currency you can pay salary and benefits to employees in foreign currency.

Q4: Who is required to register with the MMA?

All entities registered for Tourism Goods and Services Tax (TGST) at Maldives Inland Revenue Authority (MIRA).

Q5: What is the registration deadline?

All entities registered with MIRA for TGST before 1st October 2024 are required to register with the MMA before 30th October 2024. All entities that newly register for TGST with MIRA are required to register with the MMA within 30 days from the date of registration at MIRA.

Q6: How to register with the MMA?

Please visit the following link for registration: [Foreign Exchange \(mma.gov.mv\)](https://mma.gov.mv)

For more details, please refer to the User Guide on how to complete the FX Portal Registration Form (available in the link provided above).

Q7: Who should select 'Green Tax Liable' on the FX Portal Registration Form?

You should select 'Green Tax Liable' if you are an entity registered with MIRA for Green Tax under the Green Tax Regulation (2015).

Q8: If I select 'Green Tax Liable', which Green Tax Category does my entity belong to?

You should select the category which is applicable to your establishment as per the table below.

Green Tax Categories	
Category A	Tourist resort
	Integrated tourist resort
	Tourist hotel
	Resort hotel
	Hotel (located on an uninhabited island, or has more than 50 registered rooms)
	Tourist Vessel
Category B	Hotel (located on an inhabited island and has 50 or fewer registered rooms)
	Tourist guesthouse (located on an uninhabited island, or has more than 50 registered rooms)
	Tourist guesthouse (located on an inhabited island and has 50 or fewer registered rooms)

Q9: What should I do if the Island is not included in the drop-down list?

Please email to foreignexchange@mma.gov.mv requesting to add the respective Island.

Q10: Am I required to register with the MMA if the tourist establishment is under development?

Yes, you are required to register with the MMA if you are registered with MIRA for TGST. Please select V15 – Resort under development (under Type of Tourist Establishment).

Q11: What should I do if the tourist establishment being developed is in an island that is currently not registered (example: lagoon)?

Please email to requesting to foreignexchange@mma.gov.mv add the coordinates of the respective location of the island. Once the island is registered, please update the relevant information.

Q12: Who is the Responsible Person and how is the responsible person authorized?

Responsible Person is the person appointed as the point of contact between MMA and the respective tourist establishment for all correspondences and inquiries related to the registration process and will assume responsibility of reporting and fulfillment of the requirements specified in the Regulation. The Responsible Person is authorized by the tourist establishment via a letter (sample letter provided in the FX Portal Registration Form). For additional details, please refer to the User Guide on how to complete the FX Portal Registration Form.

Q13: What if the Responsible Person changes?

If the Responsible Person changes, you are required to inform the MMA within 7 working days via email foreignexchange@mma.gov.mv

Q14: What is considered as a 'business that earns income in foreign currency'?

'Business that earns income in foreign currency' specified in numbers 1-12 under Section 4 (d), is considered as any business that earns income in foreign currency. It is not mandatory to earn a certain percentage of their income in foreign currency, and therefore if any amount of income is earned in foreign currency, the business shall be considered as a business that earns income in foreign currency.

Q15: Can insurance companies sell policies in foreign currency under Section 4 (d)(4)?

Under Section 4 (d)(4), insurance companies can only sell insurance policies in foreign currency to tourism goods and service providers.

Q16: What does 'other transactions' with shareholders mean under Section 4 (d)(9)?

'Other transactions' specified under Section 4 (d)(9), include all other transactions except payment of dividends between that business and its shareholders, including but not limited to making payments, fees, loans and buying and selling of foreign currency.

Q17: Who are 'Other related persons' of businesses that earn income in foreign currency, under Section 4 (d)(9)?

1. A person with more than 25% shares of the business
2. A partnership in which one of the partners owns more than 25% shares in the business
3. If such a business is a partnership, companies of which a partner of that partnership owns more than 25% shares
4. The following persons within the corporate group of that business:
 - (i) Companies of which such business owns more than 25% shares (subsidiary companies)
 - (ii) A person with more than 25% shares of that company (owner)

- (iii) Other companies in which the person specified in (ii) owns more than 25% shares (sister companies)
- (iv) Other companies in which the companies specified in (iii) own more than 25% shares (subsidiary companies of sister companies)

Q18: Which foreign currency sales proceeds should be transferred/deposited to a local bank?

Total realized sales proceeds received in foreign currency for Tourism Goods and Services sold or provided should be transferred/deposited to an account opened in a local bank.

Q19: What is considered as realized sales proceeds?

The realized sales proceeds comprise of the total amount of foreign currency received for the sale of Tourism Goods and Services within the month, irrespective of the period the sale proceeds correspond to. For example, if the price of the goods and/or service provided amount to USD 1,000, but the proceeds received for such sales amount to USD 900, then the realized sales proceeds will be USD 900.

Q20: What is the deadline to transfer/deposit the total realized sales?

Total realized sales for the month must be transferred/deposited to a bank by 28th day of the third subsequent month. For example, the total realized sales of October 2024 should be transferred/deposited to a local bank account by 28th January 2025.

Q21: In which currency should I deposit my realized sales proceeds at the commercial bank?

You may deposit the realized sales proceeds in either US dollars or any other currency accepted by the commercial banks and approved by the MMA.

Q22: Who is required to convert foreign currency income?

All entities registered with MIRA for Green Tax are required to convert their foreign currency income based on the Green Tax Category (please refer to table above).

Q23: How much should be converted?

Tourist establishments under Category A shall convert USD 500 and tourist establishments under Category B shall convert USD 25, for every tourist arriving to that establishment during a calendar month.

Q24: Which type of tourists should be excluded with respect to the conversion obligation?

- A tourist who spend less than 12 hours within a 24-hour block
- Children under 2 years of age
- Tourists who stay on a complementary basis (including but not limited to FAM trips)

Q25: Are foreign tourist vessels registered abroad exempt from the conversion obligation?

Yes.

Q26: What is the deadline to convert foreign currency income?

Foreign currency income for the month should be converted to a local bank account by 28th day of the third subsequent month. For example, if the tourist establishment is under Category A (USD 500) and the number of tourist arrivals for the month of October 2024 is 10, the total amount of USD 5,000 must be converted to a local bank account by 28th January 2025.

Q27: In which currency can I fulfil the conversion obligation?

You may fulfil the conversion obligation in either US dollars or any other currency accepted by the commercial banks and approved by the MMA.