



FOREIGN CURRENCY ACT
Law number: 32/2024

(Effective 1 January 2025)

TABLE OF CONTENTS

CHAPTER ONE

INTRODUCTION

Introduction and citation	3
Objectives	3

CHAPTER TWO

TRANSACTIONAL CURRENCY IN THE MALDIVES

Transacting in Maldivian Rufiyaa.....	3
Transacting in Foreign Currency.....	4
Prohibition on obligating Maldivians to make payments in Foreign Currency	5

CHAPTER THREE

FOREIGN CURRENCY

Foreign Currency	5
------------------------	---

CHAPTER FOUR

DEPOSIT OF FOREIGN CURRENCY INCOME

Deposit of Foreign Currency income to a Bank account.....	6
Provision of information by State institutions	6

CHAPTER FIVE

CONVERSION OF FOREIGN CURRENCY INCOME

Persons obligated to convert Foreign Currency income.....	7
Converting part of Foreign Currency income	8
Circumstances and Persons exempted from Foreign Currency conversion.....	9
Review of the Foreign Currency conversion amount.....	9

Sale of converted Foreign Currency to the Authority by Banks 10

CHAPTER SIX

INVESTIGATION AND PENALTIES FOR NON-COMPLIANCE

Power to investigate non-compliant Persons 10
Penalty for non-compliance 11
Temporary suspension of permits of Persons who fail to pay fine 12
Collection of fines 12

CHAPTER SEVEN

OTHER MATTERS

Registration with the Authority 12
Reporting and record retention 13
Responsibilities and powers of the Authority 14
Confidentiality 14
Transitional arrangements 14
Repealed law and regulation 16
Issuing and enforcing regulations 16
Entry into force 16
Definitions 16

FOREIGN CURRENCY ACT

CHAPTER ONE

INTRODUCTION

Introduction and citation

1. (a) This Act prescribes the transactions that can be carried out in Foreign Currency in the Maldives, the rules on depositing and conversion to Banks of income received in Foreign Currency by businesses, and other matters related to Foreign Currency.
- (b) This Act shall be cited as the "Foreign Currency Act".

Objectives

2. The main objectives of this Act are as follows.
 - (a) Facilitate availability of Foreign Currency in the Maldives;
 - (b) Prescribe the transactions that can be carried out in Foreign Currency in the Maldives, including the transactions conducted through Bank accounts;
 - (c) Prescribe rules on depositing income received in Foreign Currency by businesses to a Bank account;
 - (d) Prescribe rules on converting part of the income received in Foreign Currency to Maldivian Rufiyaa.

CHAPTER TWO

TRANSACTIONAL CURRENCY IN THE MALDIVES

Transacting in Maldivian Rufiyaa

3. (a) Unless expressly specified otherwise in this Act or any other law, all monetary transactions or obligations carried out in the Maldives shall be offered and settled in Maldivian Rufiyaa.
- (b) It is prohibited to offer and settle any transaction or obligation in the Maldives in Foreign Currency, except

the transactions expressly specified as allowed to be conducted in Foreign Currency in this Act or any other law.

Transacting in Foreign Currency

4. Notwithstanding section 3, the following transactions and obligations may be offered and settled in Foreign Currency.
- (a) Making payments to or acceptance of payments by, the Government or a State institution in a Foreign Currency, where permitted under a law or regulation.
 - (b) Services provided by Banks and Financing Companies and transactions between the said institutions and their customers;
 - (c) Transactions between Remittance Service Providers and their customers;
 - (d) Transactions between Insurance Companies and their customers and transactions between insurance intermediaries and customers, in relation to insurance policies sold to Tourism Goods and Service providers by Insurance Companies and any other transactions conducted by Insurance Companies, prescribed in the regulation made under this Act.
 - (e) Transactions conducted in the securities market of the Maldives;
 - (f) International Transactions;
 - (g) Accepting payments in Foreign Currency for goods sold and services provided to Tourists;
 - (h) Accepting payments in Foreign Currency for export of goods and services;
 - (i) Business earning income in Foreign Currency opting to make payments in Foreign Currency for goods bought and services obtained, and accepting payment in Foreign Currency by providers of such goods and services;

- (j) Business earning income in Foreign Currency opting to pay dividends to shareholders, and other transactions between such business and their shareholders and transactions between such business and other related Persons;
- (k) Sale and purchase of shares of a business earning income in Foreign Currency, issuance of bonds and sukuk by such business and transactions between such business and their bond or sukuk holders;
- (l) Business earning income in Foreign Currency opting to pay salary and allowances to their employees in Foreign Currency, and employees accepting salary and allowances in Foreign Currency;
- (m) Accepting payment in Foreign Currency for goods sold and services provided to Tourists by duty free shops and Tourists making such payments in Foreign Currency;
- (n) Foreign Currency payment obligations ordered under a judgment or order of a court, or a decision of a tribunal or arbitration or similar adjudicative body;
- (o) Any other obligation and transaction prescribed in the regulation made under this Act.

Prohibition on obligating Maldivians to make payments in Foreign Currency

5. Notwithstanding section 4, except for transactions prescribed to be conducted in Foreign Currency under applicable laws by the Government, State institutions and Financial Institutions, a Maldivian cannot be obligated to make payments in Foreign Currency for goods bought and services obtained in the Maldives.

CHAPTER THREE

FOREIGN CURRENCY

Foreign Currency

6. (a) For the purpose of this Act, Foreign Currency means currency of any country other than the Maldives.

- (b) It is permitted to bring Foreign Currency in and out of the Maldives, hold and use Foreign Currency in the Maldives and invest in Foreign Currency in the Maldives, in accordance with the law.
- (c) It is permitted to open and operate a Foreign Currency Bank account as determined by a Bank.

CHAPTER FOUR

DEPOSIT OF FOREIGN CURRENCY INCOME

**Deposit of Foreign
Currency income to a
Bank account**

7. (a) The following Persons shall transfer or deposit to a Foreign Currency account opened at a Bank, the total sales proceeds realised in Foreign Currency in a calendar month, for goods sold and services provided by them, before the 28th day of the third subsequent month after that month.

- (1) Tourism Goods and Service providers; and
- (2) Except the Persons mentioned in subsection (a) (1) and Financial Institutions, Persons that earn a minimum equivalent to United States Dollars 15,000,000.00 (fifteen million) in Foreign Currency within the previous calendar year, for goods and services sold or provided.

- (b) The Foreign Currency to be deposited under subsection (a) can be deposited in any Foreign Currency in which a Bank account can be maintained at the Bank where the deposit is made and in any Foreign Currency that is permitted by the Authority.

**Provision of
information by State
institutions**

8. (a) Notwithstanding any provision in any other law, MIRA shall provide to the Authority upon request, to the extent required to achieve the objectives of this Act, information required for the implementation and enforcement of this Act, and the information and financial statements of the Persons stated in section 7.

- (b) The Ministry regulating the tourism sector shall provide to the Authority within 1 (one) month from the effective date of this Act, the information of the tourist resorts, integrated tourist resorts, private islands, resort hotels, tourist vessels, tourist hotels, tourist guesthouses and any other similar establishments that were registered under Law No.: 2/99 (Maldives Tourism Act) at the time this Act came into force.
- (c) The Ministry regulating the tourism sector shall provide to the Authority, the information of the tourist resorts, integrated tourist resorts, private islands, resort hotels, tourist vessels, tourist hotels, tourist guesthouses and any other similar establishments that are registered under Law No.: 2/99 (Maldives Tourism Act) after this Act comes into force, within 1 (one) month from the registration of such establishments.
- (d) Notwithstanding any provision in any other law, the Registrar of Companies shall provide to the Authority, the information required by the Authority to enforce this Act.
- (e) Any information received by the Authority under subsections (a), (b), (c) and (d) shall not be used for any purpose other than the enforcement of this Act and to achieve the objectives of this Act.

CHAPTER FIVE

CONVERSION OF FOREIGN CURRENCY INCOME

- Persons obligated to convert Foreign Currency income**
- 9. The following Persons are required to convert Foreign Currency as prescribed in section 10.
 - (a) “Category-A Tourism Establishment”: Tourist resorts, integrated tourist resorts, private islands, resort hotels and any other similar establishments registered under Law No.: 2/99 (Maldives Tourism Act) and operated in the Maldives will fall under this category.

- (b) "Category-B Tourism Establishment": Tourist vessels, tourist hotels and tourist guesthouses registered under Law No.: 2/99 (Maldives Tourism Act) will fall under this category.
- (c) Except the establishments mentioned in subsections (a) and (b) and Financial Institutions, Persons that earn a minimum equivalent to United States Dollars 15,000,000.00 (fifteen million) in Foreign Currency within the previous calendar year, for goods and services sold or provided.
- Converting part of Foreign Currency income**
10. (a) Operators of Category-A Tourism Establishments shall convert the determined amount of Foreign Currency to Maldivian Rufiyaa to a Bank, in accordance with one of the following options which such establishment chooses.
- (1) An amount equivalent to the total number of Tourist arrivals during a calendar month, at the rate of 500 (five hundred) United States Dollars for each Tourist; or
- (2) 20% (twenty per cent) of the gross sales received in Foreign Currency by the establishment within a calendar month.
- (b) Operators of Category-B Tourism Establishments shall convert the determined amount of Foreign Currency to Maldivian Rufiyaa to a Bank, in accordance with one of the following options which such establishment chooses.
- (1) An amount equivalent to the total number of Tourist arrivals during a calendar month, at the rate of 25 (twenty five) United States Dollars for each Tourist; or
- (2) 20% (twenty per cent) of the gross sales received in Foreign Currency by the establishment within a calendar month.

-
- (c) Persons specified in subsection (c) of section 9, shall convert to a Bank, 20% (twenty per cent) of the gross sales received in Foreign Currency in a calendar month to Maldivian Rufiyaa, for goods and services sold or provided by such Persons.
- (d) Monthly conversions to Banks required under subsections (a), (b) and (c) shall be completed before the 28th day of the third subsequent month.
- Circumstances and Persons exempted from Foreign Currency conversion**
11. (a) For the purpose of subsections (a) (1) and (b) (1) of section 10, the following Persons shall be excluded when calculating the number of Tourist arrivals at a tourism establishment.
- (1) Tourists who do not stay for more than 24 (twenty four) hours at that tourism establishment;
- (2) Tourists who are under the age of 12 (twelve);
- (3) Persons who stay at the tourism establishment for free of charge or on a complementary basis;
- (4) guests who visit under special privileges from the Government.
- (b) From the tourist vessels specified in subsection (b) of section 9, tourist vessels that are registered and operated in a foreign country are exempted from this Act.
- Review of the Foreign Currency conversion amount**
12. (a) After calculating the amount of Foreign Currency required to be converted in accordance with section 10, if Persons mentioned in section 9 submit to the Authority stating that if such an amount is converted, then the Persons will not have sufficient Foreign Currency to fulfill the following Foreign Currency obligation(s), and where the Authority believes that such Persons will not have sufficient Foreign Currency, then the Authority may permit conversion of a lesser
-

amount than required under section 10, for a period determined by the Authority.

- (1) Tax payable in Foreign Currency and obligations payable to the Government in Foreign Currency;
- (2) debt payable in Foreign Currency to a foreign financial institution that is operated in the Maldives or in a foreign country;
- (3) Foreign Currency payment obligations due under a judgment or court order, or a decision of a tribunal or arbitration or similar adjudicative body; or
- (4) any other Foreign Currency obligations approved by the Authority.

- (b) The submission for authorisation under subsection (a), shall include the details of the Foreign Currency payment obligations and any other information and documents determined by the Authority.

Sale of converted Foreign Currency to the Authority by Banks

13. (a) A Bank shall sell to the Authority, a percentage of Foreign Currency determined by the Authority, from the Foreign Currency received by the Bank under section 10, within such duration determined by the Authority.
- (b) A Bank shall provide to the Authority, the details of the Foreign Currency received by the Bank within a month under section 10, in the manner and duration determined by the Authority.

CHAPTER SIX

INVESTIGATION AND PENALTIES FOR NON-COMPLIANCE

Power to investigate non-compliant Persons

14. (a) The Authority has the power to investigate and take enforcement measures against Persons who are believed to have failed to comply with this Act or any regulation made under this Act, and who are believed

to have falsified records and information in fulfilling the obligations under this Act and who have failed to comply with the directives issued by the Authority under this Act.

- (b) The rules and powers of the Authority in carrying out the investigations stated in subsection (a), shall be included in the regulation made under this Act.

Penalty for non-compliance

- 15. (a) The Authority has the power to impose a fine not exceeding 0.25% (point two five per cent) of the total Foreign Currency required to be deposited by a Person for a month, on Persons who fail to transfer or deposit Foreign Currency or fail to deposit the total determined amount required, to a Foreign Currency account opened at a Bank, in accordance with section 7. When imposing a fine, the Authority may at its discretion, impose a fine chargeable on a per day basis, not exceeding 0.25% (point two five per cent) of the Foreign Currency required to be deposited that month, until the violation is rectified or compliance is obtained.
- (b) The Authority has the power to impose a fine not exceeding 0.5% (point five per cent) of the total Foreign Currency required to be converted by a Person for a month, on Persons who fail to convert Foreign Currency to Maldivian Rufiyaa or fail to convert the total determined amount required, in accordance with section 10. When imposing a fine, the Authority may at its discretion, impose a fine chargeable on a per day basis, not exceeding 0.5% (point five per cent) of the Foreign Currency required to be converted that month, until the violation is rectified or compliance is obtained.
- (c) Except the measures specified in subsections (a) and (b), based on the severity of the non-compliance, the Authority has the power to impose a fine of an amount between 10,000 (ten thousand) Maldivian Rufiyaa and 1,000,000 (one million) Maldivian Rufiyaa on a Person

who fails to comply with this Act, a regulation made under this Act or a directive issued by the Authority under this Act or a regulation made under this Act.

- (d) The Authority may at its discretion, impose fines under subsections (a) and (b) in Foreign Currency.

Temporary suspension of permits of Persons who fail to pay fine

16. Where the Authority decides to impose a fine on a Person under this Act and that Person has been notified to pay the fine but has failed to pay it within 90 (ninety) days from the notification, the Authority has the power to instruct relevant State institutions to suspend the business permits issued to such Person for a specific period, as prescribed in the regulation made under this Act.

Collection of fines

17. (a) In addition to imposing the measures stated in section 16 against Persons who have been fined by the Authority and have been notified to pay it but have failed to do so, the Authority has the power to file a case at a court of law claiming for the fined amount and recover the unpaid amount as such.
- (b) Before submission of a claim to the court against a Person who has not paid the fined amount as stated in subsection (a), the Authority has the discretionary power to grant flexibility in making payments for the fined amount as prescribed in the regulation made under this Act.
- (c) Any case filed to the court under subsection (a) shall be decided by the court within 180 (one hundred and eighty) days from the date of submission.

CHAPTER SEVEN

OTHER MATTERS

Registration with the Authority

18. (a) Providers of Tourism Goods and Services at the time this Act becomes effective, shall submit to register with the Authority within 10 (ten) days from the effective date of this Act.

- (b) Persons registered under Regulation No.: 2024/R-91 (Regulation on Foreign Currency) with the Authority for the purpose of that Regulation at the time this Act becomes effective, shall be deemed as registered under subsection (a).
- (c) Persons that meet the criteria stated in subsection (a) (2) of section 7 at the time this Act becomes effective, shall submit to be registered with the Authority within 30 (thirty) days from the effective date of this Act.
- (d) Persons who commence provision of Tourism Goods and Services after the effective date of this Act, shall submit to be registered with the Authority within 30 (thirty) days from the date of commencement of such business.
- (e) Except providers of Tourism Goods and Services and Financial Institutions, Persons that commence other businesses after the effective date of this Act, and receive income in Foreign Currency in a calendar year for goods sold and services provided, that is equivalent to or more than United States Dollars 15,000,000.00 (fifteen million), shall submit to be registered with the Authority before the end of January of the subsequent calendar year.
- (f) The information and documents required to be submitted for registration under this section, and the rules on submission and the procedure for registration shall be provided in the regulation made under this Act.

Reporting and record retention

- 19.** (a) To obtain information required by the Authority under this Act or the regulations made hereunder, Persons required to comply with this Act shall provide to the Authority the information, documents and reports including all the details and in the manner requested by the Authority.

- (b) Persons required to comply with this Act shall retain the information and financial statements determined by the Authority for such duration determined by the Authority.
- (c) This section does not prohibit retaining records in the electronic form for the purpose of subsection (b).
- Responsibilities and powers of the Authority** 20. (a) This Act shall be implemented and enforced by the Authority.
- (b) The Authority has the following powers in the implementation and enforcement of this Act.
- (1) To formulate and implement policies required for the adequate development and maintenance of the Foreign Currency market in the Maldives;
- (2) to formulate regulations, circulars, rules, instructions, directives, procedures and guidelines, and monitor compliance in order to implement and enforce this Act;
- (3) determine the transactions that can be conducted in Foreign Currency in the Maldives, including the transactions that are made through Bank accounts; and
- (4) to do all things necessary to achieve the objectives of this Act or to implement and enforce this Act.
- Confidentiality** 21. Unless required by law for a court or to perform the responsibilities and obligations under their role at the Authority, any present or past board member of the Authority or any present or past employee of the Authority, agent, or consultant shall not disclose any information of any Person received by the Authority under this Act, to any other Person.
- Transitional arrangements** 22. (a) As provided in subsection (a) of section 7 of the Regulation No.: 2024/R-91 (Regulation on Foreign Currency), Tourism Goods and Service providers shall

transfer or deposit to a Foreign Currency account opened at a Bank, the total Foreign Currency received (realised sales proceeds) for the months of October, November and December of 2024 as prescribed in that Regulation.

- (b) Operators of the Category A Tourism Establishments stated in the Regulation No.: 2024/R-91 (Regulation on Foreign Currency) shall convert (Foreign Currency) to Maldivian Rufiyaa at the rate of United States Dollars 500.00 (five hundred) for the total number of Tourist arrivals during the months of October, November and December of 2024, to a Bank, as prescribed in that Regulation.
- (c) Operators of the Category B Tourism Establishments stated in the Regulation No.: 2024/R-91 (Regulation on Foreign Currency) shall convert (Foreign Currency) to Maldivian Rufiyaa at the rate of United States Dollars 25.00 (twenty five) for the total number of Tourist arrivals during the months of October, November and December of 2024, to a Bank, as prescribed in that Regulation.
- (d) Until the obligations under subsections (a), (b) and (c) are met, submission of information determined to be submitted to the Authority relating to Foreign Currency deposit and conversion and other matters stated in the Regulation No.: 2024/R-91 (Regulation on Foreign Currency) shall remain in force as stated in that Regulation.
- (e) Until the relevant regulation is made under this Act and in force, this Act does not prohibit acting in accordance with any regulations made and in force under any other relevant law, prior to the commencement of this Act, for the purpose of organising and implementing a measure specified in this Act, provided that such regulations are not contrary to the relevant standards and rules in this Act.

- Repealed law and regulation**
23. (a) Subsections (d) and (e) of section 24 of the Law No.: 6/81 (Maldives Monetary Authority Act 1981) shall be repealed with effect from the date on which this Act comes into force.
- (b) Except the measures provided in subsections (a), (b) and (c) of section 22, Regulation No.: 2024/R-91 (Regulation on Foreign Currency) shall be repealed with effect from the date on which this Act comes into force.
- Issuing and enforcing regulations**
24. (a) The regulations required to be made under this Act shall be made and enforced by the Authority.
- (b) Regulations required to be made pursuant to this Act shall be made by the Authority and published in the Government Gazette within 2 (two) months from the date on which this Act comes into force.
- Entry into force**
25. This Act shall come into force on 1 January 2025.
- Definitions**
26. Unless a word or a term in this Act can be specifically interpreted otherwise based on the context, the following words and terms shall have the meanings assigned to them below.
- (a) "Remittance Service Provider" means a Person licensed under Law No.: 8/2021 (National Payment System Act) to provide remittance service.
- (b) "International transaction" means any transaction that results in the transfer of Foreign Currency to or from Maldives.
- (c) "Bank" means any Person with a license or permit under Law No.: 24/2010 (Maldives Banking Act) to conduct banking business or provide banking service or carry out a banking activity as stated in the said Act.
- (d) "Foreign Currency" means currency of a country other than Maldives.

- (e) "Insurance Company" means a company licensed by the Authority to conduct insurance business in the Maldives.
- (f) "Authority" means the Maldives Monetary Authority established under Law No.: 6/81 (Maldives Monetary Authority Act 1981).
- (g) "Financing Company" means a company licensed by the Authority to conduct financing business in the Maldives.
- (h) "Person" includes both natural and legal persons.
- (i) "MIRA" means the Maldives Inland Revenue Authority established under Law No.: 3/2010 (Tax Administration Act).
- (j) "Financial Institution" means a Person with a license issued by the Maldives Monetary Authority or the Capital Market Development Authority.
- (k) "Capital Market Development Authority" means the Capital Market Development Authority established under Law No.: 2/2006 (Maldives Securities Act).
- (l) "Tourism Goods and Services" means goods and services prescribed as tourism goods and services under Law No.: 10/2011 (Goods and Services Tax Act).
- (m) "Tourists" mean foreigners who enter the Maldives with a tourist visa.
- (n) "Business that earns income in Foreign Currency" means any business that earns income in Foreign Currency. It is not mandatory that they earn a certain percentage of their income in Foreign Currency. A business shall be considered as a business that earns income in Foreign Currency if any amount of income is earned in Foreign Currency.

- (o) "State institutions" mean all institutions and offices administered under the executive power, all institutions and offices administered under the legislative power, independent commissions and independent offices established under the Constitution and the law and all institutions and offices administered under the said commissions and offices and all institutions, offices and places administered under the judicial power.