



REGULATION ON FOREIGN CURRENCY
Regulation number: 2024/R-91

(Effective 1 October 2024)

REGULATION ON FOREIGN CURRENCY

CHAPTER ONE

PRELIMINARY

- Introduction and title** 1. (a) This Regulation prescribes the transactions that can be carried out in Foreign Currency in the Maldives and other policies related to foreign exchange rate, for the implementation of the foreign exchange rate regime.
- (b) This Regulation is issued pursuant to Sections 24 and 38 of Law No.: 6/81 (Maldives Monetary Authority Act 1981).
- (c) This Regulation shall be cited as the “Regulation on Foreign Currency”.
- Commencement of the regulation and repealed regulation** 2. (a) This Regulation shall come into force on 1 October 2024.
- (b) The “Monetary Regulation” dated 1 March 1987 shall be repealed with effect from the date on which this Regulation comes into force.
- Definitions** 3. Unless otherwise specified in this Regulation, 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 licensed under Law No.: 24/2010 (Maldives Banking Act).
- (d) “Foreign Currency” means currency of a country other than Maldives.

- (e) "Category A Tourism Establishment" means tourist resorts, integrated tourist resorts, resort hotels, hotels, tourist vessels and other similar establishments operated in the Maldives, where Tourists who are required to pay green tax under Law No.: 2/99 (Maldives Tourism Act) stay at.
- (f) "Category B Tourism Establishment" means tourist guesthouses, and hotels operated in inhabited islands with 50 (fifty) or fewer registered rooms, where Tourists who are required to pay green tax under Law No.: 2/99 (Maldives Tourism Act) stay at.
- (g) "Insurance Company" means a company licensed by the Authority to conduct insurance business in the Maldives.
- (h) "Authority" means the Maldives Monetary Authority established pursuant to Law No.: 6/81 (Maldives Monetary Authority Act 1981).
- (i) "Financing Company" means a company licensed by the Authority to conduct financing business in the Maldives.
- (j) "person" includes both natural and legal persons.
- (k) "MIRA" means the Maldives Inland Revenue Authority established under Law No.: 3/2010 (Tax Administration Act).
- (l) "Business Day" means any day that is not a Government holiday.
- (m) "Tourism Goods and Service Providers" mean persons who provide Tourism Goods and Services prescribed in Law No.: 10/2011 (Goods and Services Tax Act).
- (n) "Tourism Goods and Services" means goods and services prescribed as tourism goods and services under Law No.: 10/2011 (Goods and Services Tax Act).
- (o) "Tourists" mean foreigners who enter the Maldives with a tourist visa.

CHAPTER TWO

TRANSACTIONAL CURRENCY

Transactional currency

4. (a) All transactions in the Maldives except the transactions specified in paragraph (d) of this Section, must be carried out in Maldivian Rufiyaa. Such transactions shall include, making and accepting payments for goods or services or work, fees and charges, rent and remuneration.
- (b) It is prohibited to offer the price of goods or services or work, fees and charges, rent and remuneration in a currency other than Maldivian Rufiyaa.
- (c) This Regulation does not prohibit holding and keeping of Foreign Currencies by any person.
- (d) The following transactions shall be exempted from the transactions required to be carried out in Maldivian Rufiyaa under paragraph (a) of this Section. The following shall also be exempted from the prohibition set forth in paragraph (b) of this Section.
- (1) Making payments to or acceptance of payments by, the Government or an institution of the State in a Foreign Currency, where permitted under a law or regulation.
 - (2) Services provided by Banks and Financing Companies, and transactions between the said institutions and their customers.
 - (3) Transactions between Remittance Service Providers and their customers.
 - (4) 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.
 - (5) International Transactions.
 - (6) Accepting payments in Foreign Currency for goods sold and services provided to Tourists.

- (7) Accepting payments in Foreign Currency for exports of goods and services.
- (8) In the instance, a business that earns income in Foreign Currency wants to make payment for goods bought and services procured by them in Foreign Currency, then making such payment, and acceptance of such payment by the person that sold the good or provided the service.
- (9) If a business earns income in Foreign Currency and wants, then making payment of dividends to shareholders by the business, and carrying out other transactions with its shareholders and other related persons.
- (10) Sale and purchase of shares of a business that earns income in Foreign Currency.
- (11) In the instance, a business that earns income in Foreign Currency wants to make payments of salaries and allowances in Foreign Currency, then making such payment, and the acceptance of payments of salaries and allowances by the employees in Foreign Currency.
- (12) Accepting payments for goods sold and services provided to Tourists by duty-free outlets and making of such payments by Tourists.

CHAPTER THREE

DEPOSITING AND CONVERSION OF FOREIGN CURRENCY INCOME

- Registration of Tourism Goods and Service Providers**
5. (a) All persons registered at MIRA as Tourism Goods and Service Providers at the time this Regulation comes into force, shall apply to the Authority for registration, within 30 (thirty) days from the date on which this Regulation comes into force.
- (b) Persons that register at MIRA as Tourism Goods and Service Providers after this Regulation comes into force, shall apply to the Authority for registration, within 30 (thirty) days from the date on which they register at MIRA.

- (c) Application for registration under paragraphs (a) and (b) of this Section must be made by submitting the registration form to the Authority together with the information and documents as may be specified in the registration form or by the Authority.

Submission of information of Foreign Currency income

- 6. Tourism Goods and Service Providers shall submit the details of sales of Tourism Goods and Services of a calendar month, to the Authority not later than on the 28th day of the subsequent month, in such manner as the Authority may prescribe.

Depositing of Foreign Currency income to a Bank account

- 7. (a) Tourism Goods and Service Providers shall transfer or deposit to a Foreign Currency account at a Bank, the total sales proceeds received (realised sales proceeds) in Foreign Currency, in a calendar month for Tourism Goods and Services sold or provided, not later than on the 28th day of the third month after that month. For example, the sales proceeds realised in October 2024 (regardless of the period of sales the proceeds correspond to) shall be transferred or deposited to a Bank account not later than on 28 January 2025.
- (b) Funds must be deposited under paragraph (a) of this Section in United States Dollars or any other Foreign Currency as the Authority may approve.
- (c) Tourism Goods and Service Providers shall, after transferring or depositing Foreign Currency to a Bank in accordance with paragraph (a) of this Section, submit related information and any other information as instructed by the Authority, in such manner determined by the Authority.

Conversion of Foreign Currency income

- 8. (a) A person operating a Category A Tourism Establishment shall convert (Foreign Currency) to Maldivian Rufiyaa to a Bank, 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. The conversion shall be made not later than on the 28th day of the third month after that month.
- (b) A person operating a Category B Tourism Establishment shall convert (Foreign Currency) to Maldivian Rufiyaa to a Bank, 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. The

conversion shall be made not later than on the 28th day of the third month after that month.

- (c) Where an operator of a Category A Tourism Establishment or a Category B Tourism Establishment requests the Authority specifying that the establishment will not have sufficient Foreign Currency to fulfill one or more of the obligations below, if it converts the amount specified in paragraph (a) or (b) of this Section, and if the Authority believes that the establishment will not have sufficient Foreign Currency, the Authority may allow to convert an amount less than what is specified in paragraph (a) or (b) of this Section.
 - (1) Taxes payable in Foreign Currency;
 - (2) repayment of debt to a financial institution, in Foreign Currency;
 - (3) Foreign Currency payment obligations ordered by a judgment of a court; or
 - (4) any other Foreign Currency obligations approved by the Authority.
- (d) The request submitted to the Authority under paragraph (c) of this Section shall include details of the Foreign Currency obligations together with any other information and documents determined by the Authority.
- (e) Every Bank shall sell to the Authority, 60% (sixty percent) of the Foreign Currency received by the Bank in a week pursuant to paragraph (a) or (b) of this Section, before Wednesday of the following week.
- (f) Every Bank shall submit details of Foreign Currency received by that Bank in a month, pursuant to paragraph (a) or (b) of this Section, within such period and in such manner determined by the Authority.
- (g) Operators of Category A Tourism Establishments and Category B Tourism Establishments shall submit to the Authority, details of Foreign Currency converted to a Bank in a month in accordance with paragraph (a) or (b) of this Section and any other information determined by the

Authority, within 10 (ten) Business Days from the end of that month, in such manner determined by the Authority.

Record keeping

9. Tourism Goods and Service Providers shall maintain information and documents as instructed by the Authority, relating to their Tourism Goods and Services, for at least 5 (five) years from the date on which such goods or services were sold.

CHAPTER FOUR

ADMINISTRATIVE ACTIONS AND ENFORCEMENT MEASURES

Administrative actions and enforcement measures

10. (a) The Authority may impose a fine of an amount between 10,000 (ten thousand) Maldivian Rufiyaa and 1,000,000 (one million) Maldivian Rufiyaa as specified in paragraph (e) of Section 24 of Law No.: 6/81 (Maldives Monetary Authority Act 1981), on any person who fails to comply with Section 4 of this Regulation.
- (b) The Authority may impose a fine of an amount between 5,000 (five thousand) Maldivian Rufiyaa and 1,000,000 (one million) Maldivian Rufiyaa as specified in paragraph (b) of Section 40 of Law No.: 6/81 (Maldives Monetary Authority Act 1981), on any person who fails to comply with any of the provisions from Section 5 till end of Section 9 of this Regulation. When imposing a fine, the Authority may at its discretion, impose a fine of not more than 5,000 (five thousand) Maldivian Rufiyaa on a daily basis, until the violation has ceased or compliance is obtained.