



Annex II: Transition Arrangements on Foreign Investment Entry Requirements

This Annex forms part of the *Announcement on the Revised Foreign Investment Entry Requirements* (IUL)101-IM/PRIV/2025/2 issued by the Ministry of Economic Development and Trade.

The Annex outlines transition periods applicable for existing investments that have been made in the newly restricted and closed sectors. The Ministry wishes to note that the proposed periods outlined, and the scope of application have been developed following extensive consultations with the Business Council—a consultative body established by the Ministry comprising representatives from the private sector across all key economic sectors and industry associations—as well as with investors in restricted sectors and members of the legal community representing foreign investors.

These arrangements are designed to provide affected businesses with adequate time to restructure operations and implement the necessary changes to comply with the new entry requirements endorsed by the Cabinet. They are aligned with international best practices and aim to ensure the credibility of the revised policy framework.

Note: This Annex applies only to existing foreign investors in sectors affected by the revised entry requirements.

Transition Periods (Sector-Based)

Transition periods will be granted based on sector, project type, and investment outlay:

ID	Category	Transition Period	Path to Exit						
A1	<ul style="list-style-type: none">• General Sales Agent• Cargo Sales Agent• Passenger Sales Agent	1 year	1 year						
A2	Accounting and Auditing Services	1 year	1 year						
A3	Service-based Businesses	1 year	1 year						
B1	Sea Transport	3–7 years	<div>Established and implemented investments in the ranges of:<table><tr><td>< US\$ 5m</td><td>3 years</td></tr><tr><td>Between US\$ 5m and US\$ 10m</td><td>5 years</td></tr><tr><td>> US\$ 10m</td><td>7 years</td></tr></table><div>Transition provisions apply only to the currently approved scope. No new expansions in restricted or closed areas will be permitted during this period</div></div>	< US\$ 5m	3 years	Between US\$ 5m and US\$ 10m	5 years	> US\$ 10m	7 years
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Between US\$ 5m and US\$ 10m	5 years								
> US\$ 10m	7 years								
B2	Domestic Logistics Services	3–7 years	<div>Established and implemented investments in the ranges of:<table><tr><td>< US\$ 5m</td><td>3 years</td></tr><tr><td>Between US\$ 5m and US\$ 10m</td><td>5 years</td></tr><tr><td>> US\$ 10m</td><td>7 years</td></tr></table><div>Transition provisions apply only to the currently approved scope. No new expansions in restricted or closed areas will be permitted during this perio</div></div>	< US\$ 5m	3 years	Between US\$ 5m and US\$ 10m	5 years	> US\$ 10m	7 years
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Between US\$ 5m and US\$ 10m	5 years								
> US\$ 10m	7 years								

ID	Category	Transition Period	Path to Exit
B3	Businesses with Substantial Investments	3–7 years	Established and implemented investments in the ranges of:
			< US\$ 5m
			Between US\$ 5m and US\$ 10m
			> US\$ 10m
			3 years
			5 years
			7 years
			Transition provisions apply only to the currently approved scope. No new expansions in restricted or closed areas will be permitted during this period
C.	Real Estate Projects: Residential Real Estate	Based on project duration	Existing investments will be granted transition periods in accordance with the terms of the executed project agreements.
D.	Wholesale & Retail Trade	1 year maximum	1 Year
			No new expansions and opening of new outlets will be permitted during the transition period.

Note: For verified investments substantially above USD 10 million, the Transition Committee established under the Ministry may grant a transition period exceeding 7 years only if valid documentation demonstrates that an extended period is necessary for investment viability, such as to recoup investment costs or service loans.

Process Flow for Transition Applications

Foreign investors operating in closed/restricted sectors will undergo the following process:

Step	Process	Actions Involved
1	Application Submission	<ul style="list-style-type: none"> Investor submits a Transition Application Form to the Ministry at fiu@trade.gov.mv Investor to provide supporting documentation (audited accounts, shareholding structure, contracts, tax clearance, project commitments, etc.).
2	FIU Preliminary Assessment	<ul style="list-style-type: none"> Ministry acknowledges receipt of application and provides case reference numbers. Ministry verifies the completeness of the application and prepares a summary report. Ministry will check for standard due diligence requirements in terms of tax and regulatory compliances.
3	Internal Transition Committee Review	<ul style="list-style-type: none"> Internal Transition Committee vets the report. Committee may seek further documentation or invite the investor to present their case as and when needed.
4	Decision-Making	<ul style="list-style-type: none"> Committee issues a decision based on sector, investment scale, and commitments as per the transition periods and positions outlined under Section IV. A final decision by the committee requires consensus. If consensus is not reached, a majority vote will decide recommendation.
5	Communication of Decision	<ul style="list-style-type: none"> Upon final decision at the committee, Ministry issues a Transition Arrangements Letter to the investor, detailing permitted continuation period and conditions.
6	Appeal / Re-evaluation	<ul style="list-style-type: none"> If the investor seeks to appeal the decision of the Committee, the investor may submit for re-evaluation with additional documentation or representation before the Committee.

Additional information can be accessed from our website: [Invest Maldives - Ministry of Economic Development & Trade](#)