

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



Ministry of Economic Development  
Male',  
Republic of Maldives



Ref No: (IUL)101-BR/1/2021/33

8 February, 2021

### **Notice to Foreign party(s) engaging in projects to comply with applicable government policies**

As per the Law No. 18/2014 (Business Registration Act), foreigners are required to seek foreign investment approval under the Law No. 25/79 (Law on Foreign Investment) and enter into a Foreign Investment Agreement with the Ministry of Economic Development, prior to carrying out any business activity in the Maldives.

FDI Policy, enacted on 11<sup>th</sup> February 2020, under the Law No. 25/79 (Law on Foreign Investment), stipulates the sectors in which foreigners can engage in, and mandates seeking foreign investment approval prior to carrying out any business activity in the Maldives.

Enclosed herewith is the list of Foreign Investments with a valid Foreign Investment Agreement.

This Ministry has been receiving complaints of foreign parties soliciting and engaging in activities that have not been approved under the Law No. 25/79 (Law on Foreign Investment).

Foreign investment approval given to the respective investor authorizes the investor to engage only in the business activities/projects approved and stated in the Foreign Investment Agreement, within the period given for them to invest in the Agreement. If any foreign entity engages in any business activity without obtaining the approval or beyond the approved business activities, the party would be in violation of Section 1, subsection (b) of the Law No. 25/79 (Law on Foreign Investment), and Section 6 of the Law No. 18/2014 (Business Registration Act).

Therefore, the foreign entity in violation of the FDI Policy will be penalized under Section 24 of the Law No. 18/2014 (Business Registration Act) and the Ministry will also take action against the party who has engaged the foreign entity in the unapproved business activity or project.

Furthermore, if any registered Foreign Investor is in violation of the laws of the Maldives, the Ministry will issue an enforcement notice to the Foreign Investor, prescribing a compliance period. In the event the Foreign Investor fails to comply in accordance with the Ministry's enforcement notice, the Ministry will request to suspend the business and terminate the Foreign Investment Agreement.

Each and every Foreign Investment listed in the list published along with this announcement, has been approved to engage in a specific business activity or carry out specific approved projects. Therefore, if an existing Foreign Investment is seeking to carry out any new business activity or project that is not approved and not included in the Foreign Investment Agreement, it is mandatory for the respective





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entity to seek approval from the Ministry prior to engaging in the respective business activity or project.

If an existing Foreign Investor wishes to partake in projects availed by the Government, State Owned Enterprises, or Private Sector firms, the Foreign Investor is required to seek prior approval from the Ministry.

For this purpose, Foreign Investors shall submit the foreign investment application form requesting to seek the necessary approvals.

If any Foreign Entity is engaging in any business activity or project that have not been approved, the entity will be blacklisted, and details of the entity will be published on the Ministry's website.

If you have any queries regarding this announcement, please contact [fiu@trade.gov.mv](mailto:fiu@trade.gov.mv), or 3333 148

