

KPMG Maldives

Tax News Flash

November 2024

Tax Alert

Amendment to the Laws

Dear Valued Clients,

The following Bills on new amendments to the laws were passed during the 44th sitting of the 20th Parliament held on 31 October 2024, and have become laws. These amendments were ratified by the President on 5 November 2024 and have been published in the Government Gazette.

1. The seventh amendment to the Goods and Services Tax (GST) Act
2. The fourteenth amendment to the Maldives Tourism Act
3. The second amendment to the Airport Taxes and Fees (ATF) Act

Overview of the Amendments:

1. The seventh amendment to the Goods and Services Tax (GST) Act

- Effective from **1 July 2025**, Tourism Goods and Service Tax (TGST) will be increased as follows

Tax Type	Current Tax	New Tax Rate
TGST	16%	17%

- Additionally amendment states that effective from **5 November 2024**, goods and services sold in **cafe's in tourist establishments** authorized by the Ministry of Tourism, **operating exclusively for the employees** of such establishments will be **subject GST at the rate of 8%**.

2. The fourteenth amendment to the Maldives Tourism Act

- Effective from **1 January 2025**, green tax payable per night is revised for Tourist resorts, integrated resorts, resort hotels, tourist vessels and Hotels, guesthouses located in uninhabited islands and Hotels and guesthouses located in inhabited islands (with more than 50 rooms) as follows:

Type of Accommodation	Current GRT (USD)	New GRT (USD)
Resorts	6	12

- Effective from **1 January 2025**, green tax payable per night is revised for Hotels and guesthouses located in inhabited islands (With 50 rooms or less) as follows:

Type of Accommodation	Current GRT (USD)	New GRT (USD)
Guest House (fewer than 50 rooms)	3	6

- Additionally, **effective from 1 January 2025, infants under the age of 2 will be exempted from Green Tax.**

3. The second amendment to the Airport Taxes and Fees (ATF) Act

Effective from **1 December 2024**, **Departure Tax** levied from passengers departing from the Maldives and **Airport Development Fee** charged from passengers departing from Maldives from Velana International Airport have been revised based on the travel class as below.

Travel Class	Maldivians (USD)	Foreigners (USD)
Economy	12 to (no change)	30 to 50
Business	60 to 120	60 to 120
First	90 to 240	90 to 240
Private Jet	120 to 480	120 to 480

Here with we have attached the amended acts (as published) for your review. Please do reach us if you require any further clarification.

Contact us

KPMG Tax Team

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