

UNOFFICIAL TRANSLATION

BUSINESS REGISTRATION REGULATION

Ministry of Economic Development
Male', Republic of Maldives

BUSINESS REGISTRATION REGULATION

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| Introduction and Citation | 1. | The Regulation is issued pursuant to Section 29 of the Law Number 18/2014 (Business Registration Act). This Regulation shall be cited as “Business Registration Regulation”. |
| Definitions | 2. | <p>Unless specified otherwise, the words and phrases stated below shall bear the meanings ascribed below.</p> <p>(a) “Capital” shall mean the total authorized capital determined at the time of the application to register the business, by foreign investors applying to carryout business in the Maldives.</p> <p>(b) “Franchise” shall mean provision of goods and services in the Maldives, by a business established outside the Republic of Maldives, pursuant to an agreement granting rights to use a name of a business carrying out activities in a foreign country.</p> <p>(c) “Ministry” shall mean the government ministry that has the mandate to implement Economic Policies.</p> <p>(d) “Registrar” shall mean the Registrar of Businesses referred to in Section 3 of the Business Registration Act (Law Number 18/2014).</p> |
| Registration of Businesses | 3. | <p>Every person shall, before carrying out any business activities in the Maldives, register the business entity in one of the prescribed forms for registration specified hereunder:</p> <p>(a) a company registered under Law No.10/96 (Companies Act); or</p> |

- (b) a partnership registered under Law No. 13/2011 (Partnerships Act); or
 - (c) a cooperative society registered under Law No. 2/2007 (Cooperative Societies Act); or
 - (d) a sole proprietorship registered under Law No. 19/2014 (The Sole Proprietorship Act).
- Determination of Types of Businesses that can be carried out by Foreigners**
4. (a) The Ministry shall ensure that the following criteria are complied with, in determining whether the conditions, in respect of types of businesses that can be carried out by foreigners, stipulated under Section 6 of the Law Number 18/2014 (Business Registration Act) are met.
- (i) the business is in the legal sector, health sector, accounting sector, taxation sector, financial services sector or other business that is within the list of other technical profession determined and published by the Ministry;
 - (ii) the capital of the business is greater than USD 1,000,000 (United States Dollars One Million) and pays to an account nominated by the Ministry of Finance and Treasury, a security deposit of USD 100,000 (United States Dollars One Hundred Thousand) within 30 days from receipt of the Approval to Register the Business; or
 - (iii) the business is in wholesale trade; or
 - (iv) Ensure that a document stating that the persons conducting the business are trustworthy is provided by a bank acceptable to the Government of Maldives. Such a document shall be issued by a bank duly licensed by the Central Bank of that country, addressed to the Registrar. The form of the document that can be used for this purpose is provided herein under **Annex 2**.
- (b) The Ministry shall publish a list of the types of businesses engaged by small and retail Maldivian businesses/traders, in any area of the Maldives. Regardless of whether the conditions stated under sub-section (a) is complied with, foreign investors will be permitted to carry out businesses that are not included in the list published by the Ministry.

- (c) The Maldivian Government has the discretionary authority to stop any businesses carried out by foreigners in the Maldives, in a manner determined by a court of law, if it is found in their view such businesses causes harm to Maldivian business, or to the interests of Maldives. Under such circumstances, assets of such businesses can be taken out of the Maldives, in accordance with the laws and regulations.
- (d) In the event Businesses carried out by foreigners, or foreigners in partnership with Maldivians, are found to repeatedly contravene the laws and regulations of the Maldives, the Government of the Maldives has the discretionary authority to forfeit the deposit paid under this Regulation, and to confiscate the assets of the business such persons carried out in Maldives, in the manner determined by a court of law.
- (e) Businesses carried out pursuant to a Franchise, is not included in the small and retail businesses referred to under sub-section (b) of this Section.

Exclusion of Investments in Financial Securities from Foreign Businesses

5. Section 4 of this Regulation does not govern foreign investments in Financial Securities listed in the Stock Exchange licensed in the Maldives.

Reserving the Business Name

6. Business Names can be reserved for a period of 14 (fourteen) days, from the date of approval of the application requesting approval of a Business Name. If an application is not filed to register such names within such period, the Registrar may allow another party to use that Business Name.

Registration of a Business Name

7. The applicant may submit a complaint in writing to the Ministry, in the event there is a dispute in respect of Registration of the Business Name, further to an application to register the business name. A decision on registration of the business name shall be made within 2 working days of submission of such complaint, and the outcome shall be notified to the applicant in writing.

Request to Order Change of Name

8. Registered businesses have the right to submit a request seeking to change a name, due to such name falling within the criteria stated in sub-sections (1) through (6) under Section 14 (a) of the Business Registration Act. A decision on registration of the business name shall be made within 7 days of submission of such complaint by

the party seeking the name change, and the outcome shall be notified to the applicant.

Establishing the Registry of Business

9.

The following information shall be notified to the Registrar within 7 (seven) days from the date the relevant government authority provides the permit to carry out the business. The Registrar shall establish a Registry of this information. Out of the information received, the Ministry shall make arrangements to provide information determined by the Registrar, to the public in electronic form.

- (a) Name of the Place of Business, Registered address,
- (b) Name of the Business,
- (c) Registered address of the Business,
- (d) Name of the Owner of the Business and Identification Card Number,
- (e) Type of Business and Sector,
- (f) Place of main operations of the Business, and
- (g) Business Permit Number

Existing Businesses

10.

Businesses that exist at the time of enactment of Law Number 18/2014 (Business Registration Act) shall submit an application to register such businesses within 9 months from the date of the Act came in to force, in the manner stipulated in this Regulation.

Delegation of Administrative Functions

11.

The Regulation does not preclude the delegation of administrative functions of the Ministry towards provision of the services stipulated pursuant to this Regulation, to another entity by executing an agreement with the Ministry, in order to provide such services to the citizens of all areas of Maldives in an efficient manner.

Complaints related to Suspected Unregistered Businesses

12.

Any person may file a written complaint to the Registrar, where it is suspected that a business is being operated without registration as required under the Business Registration Act.

Charging Fees

13.

Fees shall be charged in accordance with the Schedule of Fees stated in **Annex 1** of this Regulation.

Actions

14.

Any person engaged in the following is carrying out an act that in contravention to Law Number 18/2014 (Business Registration Act). The Registrar has the discretionary authority to impose a fine on any such person found to be in contravention to this Regulation in the sums stated below.

Contravening Act		Amount of Fine
(a)	Operating a Business without Registration of Business Name	MVR 2,000 (Two Thousand Rufiya)
(b)	In addition to registration of places of business pursuant to Section 4 of the Act, failure to register business activities carried out of such places pursuant to Section 10 of the Act	MVR 5,000 (Five Thousand Rufiya)
(c)	Failure to submit the information related to the business after registration of under Section 10 of the Act	MVR 5,000 (Five Thousand Rufiya)
(d)	Obstruction of an inspection of a place of business	MVR 10,000 (Ten Thousand Rufiya)
(e)	Carrying out business without registration as a place of business	MVR 10,000 (Ten Thousand Rufiya)

Regulations

15.

The Ministry shall formulate and administer this Regulation.

Commencement

16.

The Regulation shall come in to force on the date it is published in the Gazette.

Annex 1: Schedule of Fees

Changing the business name	100.00 (hundred) Rufiyaa
Registering the business name after registration of the Business	100.00 (hundred) Rufiyaa
Revising any details included in the Registry	100.00 (hundred) Rufiyaa

Annex 2: Form of Letter

Letter of Financial Credibility

A bank of either investor's home country or domiciled country should issue a letter of financial credibility. The letter should be issued on the letterhead of the bank. The original copy of the letter should be submitted to the Registrar of Business. The content of the letter should at least cover the following.

Registrar of Business
Ministry of Economic Development
Boduthakurufaanu Magu
Male', Maldives
20-095

Dear Sir/Madam,

This is to certify that Mr/Mrs/Ms/ (or company)_____ with a permanent address/registered office situated in _____(city)_____ (country) has/have been doing transaction with us since_____. We have so far found his/her/their business transaction with us satisfactory.

(Name of Certifying Person)
(Designation of Certifying Person)
