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# Leasing of Islands under the Cross-Subsidy Arrangement

The Cross-Subsidy Regulation (2022/R-125) issued under the Maldives Tourism Act has established a framework for interested developers to directly approach the Government to lease islands and lagoons of their preference for tourism development.





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In reciprocation of acquiring the lease, lessees are required to commit funds towards strategic development projects published by the Government which are eligible for the cross-subsidization model. This undertaking not only assists the government in the realization of its pledged developmental objectives but also provides the flexibility for developers to choose the most ideal locations for their tourism properties.

There are a number of development options in structuring your tourism property.

## **Integrated Tourism**

A single developer is allowed to develop multiple tourist properties and/or other supporting businesses on a single plot of land. The developer will be able to sublease individual sub-plots for the development of tourist properties such as resorts or hotels in addition to supporting facilities such as dive schools, restaurants and bars to different investors.

## **Strata Villas**

Individual villas and/or rooms in a resort can be leased out long term on strata basis to individual investors.

Strata sales are facilitated in the Maldives Tourism Act.

## **Private Islands**

Investors are open to approach the Government with their interest to acquire lease of private islands or lagoon spaces to develop private islands.

Private islands are a residential product targeted for private use by the investor rather than a traditional tourism product.

## **Attractive Incentives:**

- Excellent return on investments (average 7-10 years)
- On arrival visa for tourists
- Corporate resident visa
- Import duty concessions for project development
- 100% foreign direct investments allowed
- Free repatriation of capital and profits

Interested investors are invited to submit proposals to [planning@tourism.gov.mv](mailto:planning@tourism.gov.mv)

Detailed information is available at [www.tourism.gov.mv](http://www.tourism.gov.mv)