## Membership Prospectus



# **About MATI**

The Maldives Association of Tourism Industry (MATI) is a non-governmental, non-profit organisation formed on the 12th of August 1982, for the purpose of promoting and developing tourism in the Maldives. Four decades of MATI's service has been provided to almost all the travel and tourism related issues which arise in the Maldives.

## Motto

Driving Sustainable

Tourism.

Vision

Making Maldives the World Leader in Sustainable Tourism.

## Mission

Continuously monitor the internal and external environment for the tourism sector and proactively strive to minimise challenges and maximise opportunities within the industry through engagement and mediation.

## **Areas of Focus**



# What Do We Do?

A key function of MATI is coordinating with all mandatory government policy making bodies to align new laws and regulations to Tourism Industry best practices.

Additionally, we represent the industry internationally and locally by attending different seminars, organising and providing research and offering professional consultation to governmental, private and international organisations.

Education and Training

Environment and Culture

# Why Become a Member?



1

MATI can confidently offer the promise of providing our members the opportunity to directly address the challenges they face.

2

MATI is a key organisation providing consistent stakeholder consultation for the Ministry of Tourism, Maldives Marketing and Public Relations Corporation and other branches of the Government of the Republic of Maldives.

3

## 4

MATI is a platform of local knowledge, expertise and advice for investors and stakeholders which is easily and readily accessible. Through MATI, members can contribute to align new laws and regulations to Tourism Industry best practices.

5





Exclusive access to resources and industry data:

- Analysis of monthly reports of the Ministry of Tourism (MOT).
- Analysis of monthly reports of Maldives Inland Revenue Authority (MIRA).
- Access to daily and monthly ATMs (air traffic movements) and PAX reports of Maldives Airports Company Limited (MACL).
- Access to UNWTO World Tourism Barometer reports.

## Milestones

#### 1. Lease Extensions

- When tourism commenced in Maldives, the first ever resorts were leased for a period of 5 years. However the founders of MATI played an instrumental role in advocating on behalf of the industry to increase the lease period to ensure a viable return on investment and to attract more investments.
- Therefore, for the drafting of the first ever Tourism Act in 1979, our founder's efforts were realised in extending the lease to a minimum period of 21 years and a maximum period of 35 years.
- Furthemore, MATI also played an instrumental role in extending the lease period again to a minimum period of 25 years and a maximum period of 50 years (provided certain conditions are met) under the new Maldives Tourism Act (Law No. 2/99) in 1999.
- Under the 2nd amendment to the Maldives Tourism Act (Law No. 2/99) in 2010 resort leases were extended to a minimum period of 50 years and an extended period of 99 years (provided certain conditions are met), which is in effect today.
- Finally, under the 7th amendment to the Maldives Tourism Act (Law No. 2/99) passed in 2015 the conditions for extending the lease period to a maximum period of 99 were relaxed. Companies applying for a lease extension up to a maximum of 99 years as previously stipulated now do not have to be publicly listed companies registered overseas or in Maldives with share sales to the public.

#### 2. Labour Relations

- MATI played an instrumental role in the realisation of a revision to quota of foreign employment at resorts upto 55% of total staff.
- MATI also advocated for the inclusion of a clause regarding dissemination of "Service Charge" beneficial to employees in the Employment Act 2/2008.

#### 3. Taxation

- MATI ensured that a lower T-GST tax rate than what was initially proposed was implemented.
- MATI also advocated for the upper limit set for this tax to not be increased during the next 3 years.
- In relation to the T-GST increment in 2014, MATI proposed to the Government that any increment to the T-GST should come into effect only after October 2014 as most of the Tour Operator contracts run from 1st October to 31st October.
- MATI also advised the Government that any future changes to the tax rulings should be made after giving the industry an advance notice of 1 year.

#### 4. Remittance Tax

- MATI played a key role in shaping the regulation to meet industry best practices including ensuring that no tax to be levied on hand carried cash by departing passengers.
- 5. Withholding Tax (WHT) and T-GST on **OTA Bookings**
- Efforts by MATI resulted in MIRA amending the rules governing WHT and T-GST payments regarding OTA bookings. Under the revised regulation WHT will be applicable when local establishments transfer OTA commission after collecting the payment from the client.

#### 6. Green Tax

- MATI advocated on behalf of the industry to reduce the Green Tax which was originally set at USD 10 per person per day to USD 6 per person per day.
- MATI also proposed for the Green Tax to be charged on a per day basis and not charged on a check-in basis as a lot of guests may check-in to two or more places on a given day.
- MATI also advocated to make sure that the Green Tax which was to be introduced late 2014 to be delayed by 1 year to make sure the industry had time to adjust to the new tax.

#### 7. Tourism Development and Promotion

 The founder's of MATI advocated for and initiated the practice of creating National Tourism Masterplans in 1983, adopted by the Ministry of Tourism.

#### 8. Speargun Fishing and Harpooning Ban

To preserve and ensure greater protection of our marine ecosystems, the founders of MATi advocated for and succeeded in implementing a complete ban on Speargun Fishing and Harpooning towards the end of 1972.

#### **9.Other Laws and Regulations**

- MATI played a key role in the drafting of the new Safety Regulation for Tourist Establishments to meet industry best practices, to be published towards the end of 2018 by the Ministry of Tourism.
- MATI played a key role in the drafting of the new Fire and Safety regulation to be published towards the end of 2018 by the Ministry of Tourism.

#### 10.Ensuring an end to the open-burning and fire of K. Thilafushi that prolonged for decades

- The issue of open-burning and smoke constantly being generated from K. Thilafushi was a decades long issue that was unresolved. MATI had been consistently advocating on behalf of the entire Tourism Industry for the Government to find a permanent solution to this problem.
- Finally, in early 2021, the open-burning of K. Thilafushi was stopped permanently and in September of 2021, the fires deep beneath the waste mounds of the Thilafushi dumpsite were completely extinguished.

#### 11.Deferment of Tourism Land Rent of Q3 and Q4 of 2020

- In 2020, in relation to the financial difficulties faced by resorts during the COVID-19 pandemic, MATI advocated for the deferment of Tourism Land Rent of Q2, Q3 and Q4 of 2020.
- On the 20th of May 2020, His Excellency President Ibrahim Mohamed Solih announced the deferment of Tourism Land Rent for Q3 and Q4 of 2020.

# Membership **Tiers** And Fees



#### Members of honour

Members of honour are MATI members who are awarded lifetime membership by a unanimous decision of the executive board, honor members are chosen on the basis of outstanding services to the tourism industry of Maldives and for such services to the Association. The Honorary members do not have the right to vote and are not liable for any membership fees. The other class of members may apply and may be admitted upon terms and conditions to be determined by the Executive board.

#### Contact us

## **Associate Members**

Organisations that are directly and indirectly involved in the Tourism sector of the Maldives or those who provide an ancillary service to the Tourism Industry of Maldives.

Annual Fee: MVR 20.000 Admission Fee: MVR 1,000

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Maldives Association of Tourism Industry (MATI)







