

# **The Listing Rules of the Maldives Stock Exchange**

*Effective from 21<sup>st</sup> December 2015*

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## **Introduction**

The Listing Rules (LR) are made by the Maldives Stock Exchange (MSE) in accordance with the powers vested in it by section 24 of the Maldives Securities Act 2/2006 (MSA 2006).

These rules govern the admission of securities to the Official List, quotation of securities and disclosure. A listed company must agree to abide by the Listing Rules to gain admission to the Official List and to remain listed. These rules create obligations, which are additional and complementary to statute.

The MSE under its discretion may accept or reject any listing application in the administration of these rules, subject to Capital Market Development Authority's (CMDA) approval.

Reference to any statute and statutory provision shall be construed as those in force from time to time.

Chapter headings, section headings and the titles and numbers of rules are for guidance and ease of reference only.

These rules shall be construed in accordance with, and governed by, the laws of the Republic of Maldives. The MSE shall not be liable in damages for anything done or omitted in the discharge of these rules provided that the act or omission was done in good faith.

A listed company is expected to comply with the spirit and the letter of the Listing Rules.

## CHAPTER 1

### CRITERIA FOR ADMISSION

#### 1.1 Discretion and refusal of applications

1.1.1 An application for listing will be considered on its own merit. Under the MSA 2006, the MSE may also refuse an application for admission if it considers:

- (a) admission of the securities would be detrimental to investors' interests; or
- (b) for securities already listed in another stock exchange, the issuer has failed to comply with any obligations under that listing.

1.1.2 MSE may, where it deems appropriate to do so, may require amendments to the documents accompanying the application, for the purpose of ensuring compliance with the Listing Rules, and for protection of investors.

#### 1.2 Methods of Listing

1.2.1 A company may obtain a listing for a security by one, or a combination of more than one, of the methods described below:

- a. **Offer for Subscription:** An offer for subscription is an offer to the public by a company of its own securities;
- b. **Offer for Sale:** An offer for sale is an offer to the public of securities by one or more of the existing holders of securities; or
- c. **Introduction:** An introduction is where the MSE would grant a security issued by a company a listing without the requirement of a public offering of its securities. The listing by way of introduction shall be considered by the MSE only in very exceptional circumstances<sup>1</sup>.

#### 1.3 Equity

1.3.1 An application for a listing of equity on the First Board may be considered if the company meets the following criteria:

- a. it has an issued and paid up capital of a minimum of MVR5, 000,000;
- b. the shareholders' funds are the same or greater than its equity; and
- c. the subscription open for public should not be less than any of the following:-
  - a. A minimum of 10% of issued and paid up share capital including the proposed offer
  - b. A minimum of 250,000 shares or shares with total face value of MVR 500,000

1.3.2 An application for a listing of equity on the Second Board may be considered if the company meets the following criteria:

- a. the issued and paid up capital has to meet the minimum capital requirements of a public company, as stated in the Companies Act 1996; and
- b. the shareholders' funds are the same or greater than its equity.
- c. the subscription open for public should not be less than any of the following:-
  - a. A minimum of 5% of issued and paid up share capital including the proposed offer
  - b. A minimum of 100,000 shares or shares with total face value of MVR 50,000

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<sup>1</sup> Guideline on exceptional circumstance on APPENDIX 6

- 1.3.3 An application for a listing of equity on the Start up Board may be considered if the company meets the following criteria
- a. is limited to offer for subscription as stated in 1.2.1 (a) of the listing rules, and
  - b. the issued and paid up capital has to meet the minimum capital requirements of a public company, as stated in the Companies Act 1996.
- 1.3.3.1 Existing shareholders prior to the date of initial listing application, will not be allowed to sell on the exchange for a period of 24 months from the date of listing of entity.

## **1.4 Debt**

1.4.1 An application for a listing of Debt on First Board may be considered if the company meets the following criteria:

1.4.1.1 An application for a listing of debentures may be considered for such a listing depending whether the security is secured by collateral or guaranteed as regards payment of interest and return of capital.

1.4.1.2 The issuer of debt securities shall meet the following conditions:

- a. the issuer must have completed at least three financial years of trading;
- b. the issuer must have realised profit for the last two consecutive financial years; and
- c. the issuer must not be in procedure for declaring liquidation or insolvency.

1.4.1.3 The issuer of debt securities must comply with the following conditions:

- a. the issuer must provide MSE financial statements of the last three years;
- b. the debt securities to be issued must be either secured by collateral or guaranteed as regards to the interest and principal payment;
- c. the issuer must confer on subscribers or holders of its securities unconditional right to receipt of principal or interest due;
- d. the issuer must obtain a credit rating for the issue of debt securities from a Credit Rating Agency licensed or approved by CMDA;
- e. the principal and interest must be paid when due;
- f. interest payments must be on dates fixed in advance. In the event any of these dates fall on a non-Business Day, the respective payment must be effected on the next Business Day; and
- g. the number of months between two interest payments must be the same for the entire period of the debt security.

1.4.2 An application for a listing of Debt on the Start up Board may be considered if the company meets the following criteria:

1.4.2.1 The issuer of debt securities shall meet the following conditions:

- a. the issuer must not be in procedure for declaring liquidation or insolvency.

1.4.2.2 The issuer of debt securities must comply with the following conditions:

- a. the issuer must provide MSE financial statements of the last three years of operation if any;
- b. the debt securities to be issued must be either secured by collateral or guaranteed as regards to the interest and principal payment or rated by a Credit Rating Agency licenced or approved by CMDA;
- c. the issuer must confer on subscribers or holders of its securities unconditional right to receipt of principal or interest due;
- d. the principal and interest must be paid when due;
- e. interest payments must be on dates fixed in advance. In the event any of these dates fall on a non-Business Day, the respective payment must be effected on the next Business Day; and
- f. the number of months between two interest payments must be the same for the entire period of the debt security.

### 1.4.3 Sukuks

- a. An application for sukuk listing shall include the approved documents by CMDA for the structure of the sukuk proposed
- b. Structuring of sukuks shall comply with CMDA's guidelines on issuance of sukuk securities
- c. Notwithstanding anything in the rules to the contrary, the requirements of the Sukuk agreement shall be complied with all sukuk transactions conducted through the Exchange. Sukuks may be exchanged off market in so far as provided in the sukuk agreements.

## 1.5 Memorandum & Articles of Association

- 1.5.1 A company seeking admission of securities to the Official List shall be required to incorporate into its Memorandum and Articles of Association provisions to comply with the requirements of these Rules.

## 1.6 Listing Undertaking

- 1.6.1 A company applying for admission of securities on the Official List shall enter into an undertaking with the MSE under the common seal of the company to comply with:
  - a. all the Listing Rules which shall be in force from time to time; and
  - b. that it shall not, without the prior approval of the MSE withdraw its listing.

- 1.6.2 The format of the listing undertaking is in Appendix 1.

## 1.7 Initial Listing Application

- 1.7.1 A company seeking admission of securities to the Official List shall submit an application for initial listing in accordance with Chapter 2 of the Listing Rules.

## 1.8 Prospectus

- 1.8.1 A company seeking admission of securities shall issue a prospectus, which shall comply with the prospectus requirements of the Companies Act 1996 and any other regulation regarding issue or offer of securities to the public, and the requirement of these Rules
- 1.8.2 Approval for the prospectus shall be obtained from CMDA and Registrar of Companies before the opening of the subscription list.

## 1.9 Opening and Closing of the Subscription List

- 1.9.1 The list for subscribers shall be kept open for minimum fifteen (15) market days and to a maximum of thirty five (35) market days from the date of opening.
- 1.9.2 The MSE may vary this period in appropriate circumstances where it is in the best interest of the investors.

## 1.10 Allotment of Securities

- 1.10.1 Allotment against applications for securities offered to the public shall be made fairly and the basis of allotment of securities shall be stated in the prospectus.

## 1.11 Underwriting

- 1.11.1 Where an issue is stated as underwritten, the entity that underwrote the issue shall furnish evidence of its financial capability to purchase the shares in the event, it is called to do so. An entity that underwrites securities shall be an institution duly authorised to underwrite securities by the CMDA.
- 1.11.2 In the event the issue is not underwritten, the prospectus should state what action the issuer shall take to obtain alternate funding to proceed with the project in the event of an under subscription.

## **1.12 Listing of Entire Class**

- 1.12.1 A company seeking an admission of securities should seek a listing for all the securities of the class for which admission is sought.

## **CHAPTER 2**

### **INITIAL LISTING APPLICATION**

#### **2.1 General**

- 2.1.1 A company wishing to list shall complete the initial listing application in Appendix 2 and the undertaking in Appendix 1, and shall submit it to the MSE. The company shall not open the subscription list until the MSE has given its approval.
- 2.1.2 MSE has the authority to refuse the admission of securities of a company which has breached the Listing Rules, the MSA 2006, the Companies Act 1996 or any regulations made thereunder.
- 2.1.3 In the event, after the date of approval of prospectus but during the duration of subscription and allotment, an event occurs which might have an effect on the price of the security opened for subscription, the company shall disclose details of the event or occurrence to the MSE and make a public announcement to give the information to the general public.

#### **2.2 Listing for Offer for Sale or Offer for Subscription<sup>2</sup>**

- 2.2.1 The listing process for an Offer for Sale or Offer for Subscription is as follows:
- a. Completed application together with the supporting papers shall be submitted to the MSE for evaluation and decision;
  - b. MSE may grant approval following evaluation of such application; and
  - c. copies of prospectus and application forms shall be made available to the public at least fourteen (14) market days before the date of opening of the subscription list.
- 2.2.2 The company shall inform the MSE on agreed intervals and at the close of the issue, the status of the issue open to public with regard to subscription levels.
- 2.2.3 The company shall inform the MSE immediately if the issue is oversubscribed at any time before the closing date of the subscription list. Once informed, MSE will advise the company on closing the issue before the published closing date as per the prospectus
- 2.2.4 The company shall make refunds due to over subscription and rejection of applications for securities within Thirty (30) market days from the date of closure of the issue. Applicants shall be entitled to the

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<sup>2</sup>Submissions required under these rules shall be lodged with MSE



bank rate of interest or the agreed compensation stated in the prospectus on any refunds not made within this period.

- 2.2.5 Within Fourteen (14) market days or 30 days, whichever is shorter, of the closure of the issue, the company shall allot and send the allotment list to MSD and shall publicly announce that the allotment for applications has been made.
- 2.2.6 MSD will process the allotment lists<sup>3</sup>sent from the company and generate a deposit request within fourteen (14) market days.
- 2.2.7 Within five (5) market days from receiving the deposit requests<sup>4</sup>from MSD, the company shall approve the deposits and send the approved deposit list to MSD.
- 2.2.8 MSD to upload the approved deposit list received from the listed company to the individual investors' MSD accounts and send the confirmation of deposit to the company within Five (5) market days.
- 2.2.9 Upon receiving confirmation from MSD, the company shall inform the shareholders of the lodgement of shares into MSD accounts within 5(five) market days by way of a public announcement and shall send a copy of the announcement to MSE and CMDA on the same day. The company shall also notify the shareholders in writing the allotted number of shares and MSD account number of the shareholder.
- 2.2.10 The securities will be admitted to the Official List of the MSE on the 3rd (Third) market day from the notification to MSE, of the public announcement. This is the date which will be considered as the date of listing.
- 2.2.11 The company shall submit the affidavit of compliance (Appendix 4) to MSE.

### **2.3 Documents for Initial Listing**

- 2.3.1 An initial application for listing shall consist of the following:
  - a. the application prepared in accordance with Appendix 2; and
  - b. the supporting documents specified in clause 2.4.

### **2.4 Supporting Documents**

- 2.4.1 The following supporting documents shall accompany the application for a listing:
  - a. a certified copy of the Memorandum and Articles of Association in Dhivehi or English or both;
  - b. a certified copy of the Certificate of Incorporation and the Certificate to Commence Business, if any;
  - c. a Prospectus approved by the Registrar of Companies and CMDA, the contents and form of which shall comply with and include the requirements laid down in the Companies Act 1996 and the prospectus regulations;
  - d. the MSE at its own discretion may recommend any additions as it deems fit and approve such application subject to such amendments;

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<sup>3</sup>Allotment list: Final allotment after any new issue of shares

<sup>4</sup> Deposit requests: List of allotted shareholders after any new issue which will get deposited to individual MSD accounts of shareholders

- e. Applications for the start-up board should include forecasted Financials (profit and loss statements, balance sheet, cash flow statements, notes and assumptions) for a minimum of 3 years.
- f. an undertaking in the form set out in Appendix 1 of the Listing Rules duly executed under the common seal of the company; and
- g. a copy of the signed agreement with the MSD for dematerialised trading.
- h. Where the issue relates to issue of sukuk securities, a declaration by the issuer of sukuk securities that the proposed sukuk is in compliance with CMDA's sukuk guidelines, or that arrangements are in place to ensure compliance with sukuk guidelines.

## **CHAPTER 3**

### **CONTINUING LISTING REQUIREMENTS**

#### **3.1 General**

- 3.1.1 It is the duty of the Board of Directors of a company to ensure that all the requirements are met on a continuing basis so long as its securities remain on the Official List.
- 3.1.2 While a company remains as a listed company, it shall comply with the following requirements and such requirements as may be introduced from time to time by the MSE and the CMDA.

#### **3.2 Notification of Books close Dates**

- 3.2.1 A listed company shall publicly announce events to which registered members have rights of participation.
- 3.2.2 The announcement shall include the date and time that the register of members will close for the purposes of determining which members are entitled to participate (to be known as the books close date). The company shall deliver a copy of the announcement to the MSE on the day the announcement is made.
- 3.2.3 Announcements must be made at least seven (7) days before the books close date.

#### **3.3 Transfer of Listed Securities**

- 3.3.1 Transfer of listed securities shall be through the MSD.
- 3.3.2 All off market transfers of listed securities of a public listed company shall comply with the Regulation on Off-Market Transfer of Securities of CMDA.

#### **3.4 Dividends Payable from Profits Only**

- 3.4.1 No dividend shall be payable to a shareholder of a listed company except out of profits.
- 3.4.2 'Profits' for the purpose of Section 3.4.1 shall mean, profit realised during the year or period and retained earnings to the extent not previously distributed or capitalised, less accumulated losses.

#### **3.5 Circulation of Annual Report**

- 3.5.1 A listed company shall prepare the Annual Report and submit to CMDA and MSE, subsequent to making it available to the public and make an announcement through the media including at least one TV channel, one radio channel and one newspaper within four months from the close of the financial year.
- 3.5.2 The financial statements of a listed company shall be prepared and presented in accordance with the IFRS. Where the company is a holding or a parent company, financial statements for the company and the group must be prepared and presented.

### **3.6 Contents of Annual Report**

- 3.6.1 Annual Report must include:
- a. details of the Directors of the company during the financial year;
  - b. principal activities of the company and its subsidiaries during the financial year and any changes therein;
  - c. the share structure of the company giving the percentage of shares held by the general public; and
  - d. a Corporate Governance report.
- 3.6.2 For equity securities, the following financial and securities information:
- a. earnings per share;
  - b. dividend per share;
  - c. net assets value per share;
  - d. market value per share;
  - e. highest and lowest values recorded during the financial year; and
  - f. value as at end of financial year.
- 3.6.3 For debt securities (if listed), the following financial and securities information:
- a. debt/equity ratio;
  - b. interest cover;
  - c. the market prices during the year (ex interest);
  - d. highest and lowest values recorded during the financial year; and
  - e. last traded price (as at DD/MM/YY); and
  - f. interest yield as at date of last trade (DD/MM/YY).

### **3.7 Annual General Meeting**

- 3.7.1 The Annual General Meeting shall be held each year within five months from the end of financial year.
- 3.7.2 The company shall publicly announce the date of the meeting at least 14 days prior to the date. A copy of the announcement shall be sent to MSE immediately in writing.

## CHAPTER 4

### SECONDARY LISTINGS

#### 4.1 General

- 4.1.1 The company should be listed at a recognised stock exchange, which is a member of International Organisation of Securities Commission (IOSCO). If not listed as a member of the IOSCO, MSE may approve the application based on individual merits of the exchange and in consultation with CMDA. All documents submitted to MSE must translate into English and notarised.

#### 4.2 Compliance to Rules

- 4.2.1 The company shall comply with the listing criteria and obligations of the Listing Rules.
- 4.2.2 The company shall also comply with the rules of the exchange it is already listed and provide the MSE with the following information (in English or Dhivehi):
- a. any waiver or ruling obtained by the issuer;
  - b. copies of any notice given by the issuer to its home exchange or any other exchange on which it is listed;
  - c. copies of any material changes in the listing rules of the exchange it is already listed and relevant law in that jurisdiction; and
  - d. any changes in the issuer's Memorandum and Articles of Association, address and contact details, any new issues of securities and particulars of such securities and any major transaction.

#### 4.3 Application for Listing

- 4.3.1 An application for secondary listing at MSE should provide the following documents (in English or Dhivehi):
- a. certified copy of the company's Memorandum and Articles of Association;
  - b. certified copy of the Certificate of Incorporation and the Certificate to Commence Business (where relevant);
  - c. particulars of number and nature of securities to be issued; or to be offered;
  - d. the number and nature of securities to be listed; and
  - e. a letter of advice from exchange on which the company is already listed, stating that the issuer is in good standing under the listing rules of that exchange and providing particulars of any waivers or other concessions granted to the issuer and of any outstanding requisitions.

## CHAPTER 5

### FURTHER ISSUANCE OF SECURITIES

#### 5.1 General

- 5.1.1 Chapter 5 of the Listing Rules may not apply to ordinary debt securities listing except if the company is issuing debt securities with right to conversion into equity.

- 5.1.2 Compliance with the requirements laid down in the Listing Rules may not of itself ensure approval of the additional listing application. Each application shall be considered on its individual merits. The requirements under Chapter 5 are not exhaustive. The MSE reserves the right to impose such conditions as it may think proper.
- 5.1.3 The disclosure of additional information, according to the particular nature of the issuer and of the securities for which a quotation is sought, shall be included to the extent necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to such securities, notwithstanding the fact that such information is not specifically required by Chapter 5 or any other chapter of the Listing Rules.
- 5.1.4 A company is not permitted to issue additional securities of a class for which a quotation has been obtained from the MSE or any securities with rights of conversion to securities of a class for which a quotation has been obtained until the company has submitted an additional listing application and such application has been approved by the MSE.
- 5.1.5 Additional listing application must be prepared in the format specified in Appendix 3.
- 5.1.6 The following documents shall be attached to the application:
- a. a draft copy of the circular to shareholders;
  - b. a specimen of the:
    - I. provisional letter of allotment or letter of allotment;
    - II. letter of acceptance and registration;
    - III. form of renunciation if the right of renunciation is given;
    - IV. form of application for additional securities, in case of a rights issue, if this right is to be given; and
    - V. share certificate.
  - c. a certified copy of the board resolution authorizing the issue;
  - d. a certified copy of the Memorandum and Articles of Association; and
  - e. a statement of the last audited financial statements of the company.

## **5.2 Rights Issues**

- 5.2.1 A company intending to make a rights issue shall immediately notify the MSE and submit the application within seven (7) market days from the date of notification. Following submission of the application, the matters relating to the issue shall be conducted in accordance with the guidance given by the MSE.
- 5.2.2 No dates shall be fixed for closing of books, entitlement, provisional allotment, splitting and renunciation until the application for such an issue is approved by the MSE.
- 5.2.3 Provisional allotment in the case of a rights issue shall be at least ten (10) market days after receiving approval from the MSE but not later than twenty (20) market days.
- 5.2.4 The securities shall be allotted within Fourteen (14) market days of the closure of the issue, on the basis of allotment determined in prospectus.
- 5.2.5 MSD will process the allotment lists sent from the company and generate a deposit request within fourteen (14) market days.

- 5.2.6 Within five (5) market days from receiving the deposit requests from MSD, the company shall approve the deposits and send the approved deposit list to MSD.
- 5.2.7 MSD shall upload the approved deposit list received from the listed company to the individual investors' MSD accounts and send the confirmation of deposit to the company within Five (5) market days.
- 5.2.8 Upon receiving confirmation from MSD, the company shall inform the shareholders of the lodgement of shares into MSD accounts within five (5) market days by way of a public announcement. The company shall also notify the shareholders in writing the allotted number of shares and MSD account number of the shareholder.
- 5.2.9 The company shall submit the affidavit of compliance (Appendix 4) to MSE.
- 5.2.10 A rights issue once announced cannot be cancelled or varied except with the prior permission of the MSE. Such permission will not be granted by the MSE except in instances where no trading has taken place in the securities concerned between the date of announcement of the rights issue and the date on which the request for cancellation or variation is made or in other exceptional circumstances.

### **5.3 Contents of Offering Circular for a Rights Issue**

- 5.3.1 The offering circular for a rights issue shall include:
  - a. the date of the circular;
  - b. the reasons and purpose of the issue: this shall include:
    - i. a statement or an estimate of the net proceeds of the issue; and
    - ii. a statement as to how the proceeds are intended to be applied.
  - c. the last traded price of a share; and
  - d. a description of the history and business of the company.

### **5.4 Bonus Issues**

- 5.4.1 The following procedure shall be followed by a company proceeding with a bonus issue:
  - a. the company shall inform the MSE immediately after the meeting as to the intention of the Board to proceed with a Bonus Issue;
  - b. the company shall submit the application to the MSE within seven (07) market days from the date of notification, or seven (07) market days from the date on which the shareholders approve it in a general meeting of shareholders; and
  - c. the company shall allot the securities within Five (5) market days from the date of approval by the MSE.
- 5.4.2 The company shall send the allotment list to MSD and shall publicly announce that the allotment for applications has been made within Five (5) Market Days from the date of the closure of the issue.
- 5.4.3 MSD will process the allotment lists sent from the company and generate a deposit request within five (5) market days.

- 5.4.4 Within five (5) market days from receiving the deposit requests from MSD, the company shall approve the deposits and send the approved deposit list to MSD.
- 5.4.5 MSD shall upload the approved deposit list received from the company to the individual investors MSD accounts and send the confirmation of deposit to the company within Five (5) market days.
- 5.4.6 Upon receiving confirmation from MSD, the company shall have to inform the shareholders of the lodgement of shares into MSD accounts within five (5) market days by way of a public announcement. The company shall also notify the shareholders in writing the allotted number of shares and MSD account number of the shareholder.
- 5.4.7 The company shall submit the affidavit of compliance outlined in Appendix 4 to the MSE.

## **5.5 Letter of Allotment, Form of Acceptance and Registration Form of Renunciation**

- 5.5.1 If renunciation facilities are given, letters of allotment shall contain provision for splitting. Split letters shall be certified by an official of the company or the registrars to the issue.
- 5.5.2 Where a right of renunciation is given the period for renunciation shall be twenty one (21) days from the date of issue of the letters of allotment or provisional letters of allotment while the period for splitting shall not exceed fourteen (14) days provided that such time periods may be extended in exceptional circumstances, to a maximum of six (6) weeks and three (3) weeks respectively.

## **5.6 Further Issues**

- 5.6.1 A further issue of securities with a right of conversion to equity, to persons other than existing holders shall require the approval of the MSE.
- 5.6.2 A further issue of securities shall be sanctioned by a special resolution passed at a general meeting of the members of the company.

# **CHAPTER 6**

## **CORPORATE DISCLOSURE**

### **6.1 Standard of Disclosure**

- 6.1.1 A listed company has an obligation to fully disclose to the public, the information necessary to make informed investment decisions. The listed company should secure the immediate release of information, which might be reasonably expected to have a material effect on the market activity and price of its quoted securities. This would ensure the maintenance of a fair and orderly securities market and help to ensure that all investors have simultaneous and equal access to the same information.

### **6.2 Immediate Disclosure of Material Information**

- 6.2.1 Immediate disclosure should be made of information about the affairs of a listed company or about events or conditions in the market for the securities of the listed company in either of the following circumstances:

- a. where the information is likely to have a significant effect on the price of any of the quoted securities of the listed company; or
- b. where such information is likely to be considered important, by a reasonable investor in determining choice of investment.

6.2.2 Material information is any information of a factual nature that has a bearing on the value of the securities of the listed company or on investor decisions as to whether or not to invest or trade in such securities. Material information includes, but is not limited to the following:

- a. information known to the company concerning the company's property;
- b. business financial conditions and prospects;
- c. mergers and acquisitions;
- d. dealings with employees, suppliers, customers and others; and
- e. information concerning a significant change in ownership of the company's securities owned by insiders or representing control of the company.

6.2.3 The following events require prompt announcement of disclosure:

- a. a proposed joint venture, merger, acquisition or take-over;
- b. a decision either to declare or not declare a dividend;
- c. any decision to change the capital structure of the company. This includes a rights issue or a bonus issue;
- d. change in the Directors, Company Secretary, Registrars or Auditors of the company;
- e. a change in control;
- f. change of address of the registered office of the company or of any office at which the register of the securities of the company is kept;
- g. resignation, suspension or removal of the Chief Executive Officer or Managing Director or person who is performing these roles; and
- h. occurrence of any event that would result in the winding up of the company or any of its subsidiaries or the appointment of a receiver or liquidator for the company or any of its subsidiaries.

6.2.4 The following list includes matters that would require a prompt announcement of disclosure if considered to be material in the opinion of the Board of Directors:

- a. the acquisition or loss of a contract;
- b. a new product or discovery;
- c. the borrowing of funds;
- d. the public or private sale of additional securities;
- e. the purchase or sale of an asset;
- f. a change in capital investment plans;



- g. any changes in the corporate purpose and any alterations in the company's activities or the initiation of new ones;
- h. any investment that will have a significant impact on the company;
- i. judicial or quasi-judicial actions of any nature initiated by or against the company;
- j. any licensing or franchising agreement or its cancellation which may affect the issuer's operations;
- k. any occurrence of an event of default under the terms and conditions of any issue of debentures, promissory notes, bonds or any other security issued by the company;
- l. any penalties imposed by state authorities;
- m. any acquisition of voting rights which results in the company becoming the holding company; and
- n. any other information which in the opinion of the Board of Directors is material.

6.2.5 Announcements mentioned in Chapter 6 shall be communicated to the MSE in writing signed by an authorised officer of such company.

6.2.6 The following circumstances where disclosures can be withheld and constitute an infrequent exception to the normal requirement of immediate public disclosure:

- a. when immediate disclosure would prejudice the ability of the company to pursue its corporate objectives;
- b. when the facts are in a state of flux and a more appropriate moment for disclosure is imminent; and
- c. when the listed company is holding negotiations and has not reached an agreement.

6.2.7 Whenever the material information is being temporarily withheld, strict confidentiality must be maintained. If rumours concerning such information develop, immediate public disclosure is required.

6.2.8 In cases of doubt, the presumption must always be in favour of disclosure.

### **6.3 Thorough Public Dissemination**

6.3.1 Public disclosure of material information should be notified to the MSE. To facilitate the dissemination of this information, an announcement shall be made through the media including at least one TV channel, one radio channel and one newspaper by the company. This information shall be displayed on the company's website.

6.3.2 Under no circumstances should disclosure of material corporate developments be made on an individual or selective basis to analysts, shareholders or other persons unless such information has previously been disclosed and disseminated to the public.

### **6.4 Clarification or Confirmation of Rumours and Reports and Response to Unusual Trading Activity**

6.4.1 Where unusual price movement or trading activity, or both occurs without any apparent publicly available information the listed company shall respond promptly to any inquiries made by the MSE and CMDA.

6.4.2 A listed company should respond promptly to any inquiries made by the MSE and CMDA concerning rumours or reports regarding the company.

## **6.5 Trading by Connected Persons**

6.5.1 Connected persons should not trade on the basis of material information that is unknown to the investing public. Moreover, connected persons should refrain from trading even if the information has been released to the MSE for a period of at least two (2) market days, to permit thorough public dissemination and evaluation of the information. In computing this period of two (2) market days, the day on which disclosure is made will be excluded.

6.5.2 For the purposes of this rule, an individual is connected with a company if, and only if:

- a. the individual is a director of that company or a related company; or
- b. the individual occupies a position as an officer (other than director) or employee of that company or a related company or a position involving a professional or business relationship between the individual (or the employer or a company of which the individual is a director) and that company or a related company such that the individual may reasonably be expected to have access to information which is price sensitive.

## **CHAPTER 7**

### **CORPORATE GOVERNANCE**

#### **7.1 Compliance**

7.1.1 A listed company in First board and Second board is required to comply with a code of corporate governance approved by the CMDA. Additionally, it's strongly recommended for companies on the Start Up Board to strive to comply with this code as well.

## **CHAPTER 8**

### **LISTING FEES**

#### **8.1 Listing Fee**

8.1.1 The Issuer shall pay the listing fees as prescribed in Appendix 5 of the Listing Rules.

8.1.2 The Issuer shall pay fees and fines accordingly with the Fee and Fine Schedule of MSE. The MSE may introduce fees and fines from time to time subject to CMDA's approval.

## **CHAPTER 9**

### **ENFORCEMENT**

#### **9.1 Violation or Non Compliance of the Listing Rules**

- 9.1.1 In the event of any violation or non-compliance with any of the Listing Rules by any listed company, the MSE, may take any or all of the following actions:
- a. publicly reprimand such company
  - b. Impose a fine as prescribed in the fees and fine schedule of the MSE
  - c. suspend trading of securities of such company for a period of time till the non-compliance or violation persists;
  - d. delist the securities of such company from the official list; or
  - e. Impose any other condition on the listed company as deem fit.

#### **9.2 Fines for Failure to Comply with the Listing Rules**

- 9.2.1 Where MSE imposes a fine for violation of these rules, or where such fine imposed by these rules, the company shall pay such fines as prescribed in the Fee and Fine Schedule of MSE.

#### **9.3 Trading Halts and Suspensions**

- 9.3.1 The MSE may at its discretion impose a trading halt on the securities of a listed company in the following instances:
- a. prior to an announcement of any price sensitive information;
  - b. pending obtaining clarification from the company on a rumour or report;
  - c. when an unusual movement in price or volume of a security is noted;
  - d. if MSE deems it necessary for the purpose of disseminating information; and
  - e. the duration of a trading halt will be determined by the MSE and may be extended beyond one (1) market day.
- 9.3.2 The MSE may at any time suspend the trading of securities of a listed company in any of the following circumstances:
- a. the company is unable or unwilling to comply with or violates a listing rule; or
  - b. the Listing Rules require such suspension

## **CHAPTER 10**

### **TRANSFER TO ANOTHER BOARD**

#### **10.1 Transfer of a Company Listed on the Second Board to the First Board**

- 10.1.1 A company listed on the Second Board shall be transferred to the First Board provided the following conditions are satisfied:

- a. the Company has been listed on the Second Board for a period of not less than one year and the company has continued its business in accordance with the prospectus issued to the public; and
  - b. the criteria set for the First Board admission under rule 1.3.1.
- 10.1.2 A company listed on the Second Board which satisfies the requirements set forth in rule 10.1.1(a) may make an application to MSE to be listed on the First Board.
- 10.1.3 MSE has the discretion to accept or reject any application made under Chapter 10 of the Listing Rules in the administration of the Listing Rules.

## **10.2 Transfer of a Company Listed on the Start-up Board to the Second or First Board**

- 10.2.1 A company listed on the Start-up Board shall be transferred to the Second Board or First Board provided the following conditions are satisfied:
  - a. the Company has been listed on the Start-up Board for a period of not less than one year and the company has continued its business in accordance with the prospectus issued to the public; and
  - b. the criteria set for the Second Board admission under 1.3.2 or First Board admission under rule 1.3.1.
- 10.2.2 A company listed on the Start-up Board which satisfies the requirements set forth in rule 10.2.1(a) may make an application to MSE to be listed on the Second Board or First Board.
- 10.2.3 MSE has the discretion to accept or reject any application made under Chapter 10 of the Listing Rules in the administration of the Listing Rules.

**APPENDIX 1**

**UNDERTAKING REQUIRED TO BE GIVEN BY A COMPANY AT THE TIME OF ADMISSION OF ITS SECURITIES TO THE OFFICIAL LIST**

To: Maldives Stock Exchange Company Pvt. Ltd.

We.....  
Of.....

In consideration of the Maldives Stock Exchange ("the MSE") granting the company's application for admission of its securities to the official list of the MSE ("the official list") and for official quotation of the securities, we **HEREBY ACKNOWLEDGE** that the securities shall remain on the official list, and official listing of any of the company's securities shall be continued at the will and pleasure of the MSE and **HEREBY UNDERTAKE AND AGREE** to comply with the listing requirements of the MSE and be bound by the rules of the MSE and CMDA which shall be in force from time to time in so far as the same shall apply to the company.

We further undertake that securities of the company shall not be withdrawn from the official list without prior approval of the MSE.

Given under the common seal of the company on.....

Signature

Signature

Director

Director

Date

Date

Stamp

APPENDIX 2

INITIAL LISTING APPLICATION

Name of the company .....

Address .....

Date .....

To:  
CEO Maldives Stock Exchange

Dear Sir/Madam

**Application for a quotation of securities**

We hereby apply for a quotation for the under-mentioned securities issued/to be issued by this company and agree and undertake in the event of our application being accepted to conform to the rules of the MSE and CMDA and any amendments that may be made thereto from time to time.

**The particulars of securities to be quoted are as follows:**

Types of securities to be quoted: (e.g. shares, debentures, etc.) .....

Number of securities to be quoted: .....

Number of securities to be offered to the public: .....

**Type of offering:**

Offer for Subscription       Offer for Sale       Introduction

**The particulars of capital are as follows:**

Name of the company:.....

Date of incorporation:.....

Place of incorporation:.....

Address of registered office:.....

Authorized capital (MVR):.....

Issued capital (MVR): .....

Capital proposed to be raised by this offering (MVR):.....

Names and addresses of all directors:.....

This application is accompanied by the relevant documents (\*)

The particulars contained herein and in the attached documents are correct.

Yours Faithfully

Signature.....

Stamp

Name of Director/Secretary: .....

Company Name: .....

(\*) List of relevant documents is given in section 2.4 of Listing Rules

**APPENDIX 3**

**APPLICATION for listing of further securities**

Name of the company .....

Address .....

Date .....

To:  
CEO Maldives Stock Exchange

Dear Sir/Madam

**Application for a quotation of securities**

We hereby apply for a quotation for the under-mentioned securities issued/to be issued by this company and agree and undertake in the event of our application being accepted to conform to the rules of the MSE and CMDA and any amendments that may be made thereto from time to time.

**The particulars of securities to be quoted are as follows:**

Types of securities to be quoted: (e.g. shares, debentures, etc.) .....

Number of securities to be quoted: .....

Type of offering:.....

**The particulars of capital are as follows (excluding that for which the present application is made):**

Authorized capital (MVR):.....

Issued capital (MVR): .....

Unissued capital (MVR):.....

The shares will become identical in all respects with existing shares (if not identical give details).

The particulars contained herein and in the attached documents are correct.

Yours Faithfully

Signature.....

Stamp

Name of Director/Secretary: .....

Company Name: .....

**APPENDIX 4**

**AFFIDAVIT OF COMPLIANCE**

We ..... and  
.....directors of .....PLC (hereinafter called "The company") do solemnly  
and sincerely declare/make oath and state as follows:

1- That all documents required by the Companies Act to be filed with the Registrar of Companies in respect of the company have been duly filed and that compliance has been made with all other legal requirements in connection with the issue/offer of its securities.

2-That.....shares/debentures of MVR.....each has been subscribed for cash and duly allotted/transferred to the subscribers.

3- That the issue/offer price was as follows (and all money due to the company in respect thereof has been received by it).

(Here give details of shares/debentures comprised in the issue, namely number, class, nominal amount, issue/offer price)

4-Shareholders have been informed that shares would be lodged in MSD accounts latest by

5-\*That completion has taken place of the purchase by the company of all property shown in any prospectus or circular to members to have been purchased or agreed to be purchased by it and that the purchase consideration for all such property has been duly satisfied.

6-That all the further shares of each class for which quotation have been granted are in all respects identical with those that were already quoted.

7- That there is no other fact bearing on the company's application for quotation which, in our opinion, should be disclosed to the MSE.

Sworn/Declared at ..... This .....day of .....20....

Yours faithfully,

Signature .....

Stamp

Name .....

Chief Executive Officer / Managing Director

\*To be adapted as necessary



## APPENDIX 5

### 1. Listing Fee and Fines for Breach of Rules

Main Board				
Fee	Amount (MVR)	Market Capitalization	Due Date	Fine
Listing Application Processing Fee <sup>5</sup>	0.05% of the amount to be listed. With a min of MVR 100,000/- and Max of MVR 250,000/-	-	-	-
Annual Listing Fee (based on market capitalization)	45,000	Up to 100,000,000	on or before 15th January each year	MVR 150 per day after the due date
	75,000	100,000,001 to 200,000,000		
	120,000	200,000,001 to 400,000,000		
	150,000	400,000,001 to 600,000,000		
	180,000	600,000,001 to 1,000,000,000		
	210,000	1,000,000,001 to 2,000,000,000		
	240,000	2,000,000,001 to 5,000,000,000		
	285,000	5,000,000,001 to 10,000,000,000		
	360,000	10,000,000,001 to 20,000,000,000		
	405,000	20,000,000,001 to 30,000,000,000		
	450,000	30,000,000,001 to 40,000,000,000		
		750,000 + 0.01% on excess over 40,000M		

<sup>5</sup>Chargeable for initial and additional applications

Second Board				
Fee	Amount (MVR)	Market Capitalization	Due Date	Fine
Listing Application Processing Fee <sup>1</sup>	0.05% of the amount to be listed. With a min of MVR 75,000/- and Max of MVR 250,000/-	-	-	-
Annual Listing Fee	45,000	Up to 100,000,000	on or before 15th January each year	MVR 150 per day after the due date
	75,000	100,000,001 to 200,000,000		
	120,000	200,000,001 to 400,000,000		
	150,000	400,000,001 to 600,000,000		
	180,000	600,000,001 to 1,000,000,000		
	210,000	1,000,000,001 to 2,000,000,000		
	240,000	2,000,000,001 to 5,000,000,000		
	285,000	5,000,000,001 to 10,000,000,000		
	360,000	10,000,000,001 to 20,000,000,000		
	405,000	20,000,000,001 to 30,000,000,000		
	450,000	30,000,000,001 to 40,000,000,000		
	750,000 + 0.01% on excess over 40,000M	40,000,000,001 and above		

Start Up Board				
Fee	Amount (MVR)	Market Capitalization	Due Date	Fine
Listing Application Processing Fee <sup>1</sup>	0.05% of the amount to be listed. With a min of MVR 25,000/- and Max of MVR 250,000/-	-	-	-
Annual Listing Fee	25,000	Up to 100,000,000	on or before 15th January each year	MVR 150 per day after the due date
	75,000	100,000,001 to 200,000,000		
	120,000	200,000,001 to 400,000,000		
	150,000	400,000,001 to 600,000,000		
	180,000	600,000,001 to 1,000,000,000		
	210,000	1,000,000,001 to 2,000,000,000		
	240,000	2,000,000,001 to 5,000,000,000		
	285,000	5,000,000,001 to 10,000,000,000		
	360,000	10,000,000,001 to 20,000,000,000		
	405,000	20,000,000,001 to 30,000,000,000		
	450,000	30,000,000,001 to 40,000,000,000		
	750,000 + 0.01% on excess over 40,000M	40,000,000,001 and above		

#### Market Capitalization Calculations for Annual Listing Fee

##### *Listed Companies*

Market Capitalization = Sum of Daily Market Capitalization for the year / Number of trading days for the year

##### *New Listings (First Year Only)*

Market Capitalization = Total Issued Shares x Issued Share Price

##### Note:

- For currently listed companies, the fees will be charged starting from 1st January 2013
- If a quotation is granted during the year, the annual listing fee payable shall be pro-rated.

## 2. Debt Securities

First Board				
Fee	Organization		Due Date	Fine
Listing Application Processing Fee	Central Government debt securities	0.03% of issued face value of total issue to be listed with a min of MVR 50,000/- and max of MVR 250,000/-.	-	As specified in the Listing Rules
	Local Government and Corporate debt securities	0.05% of issued face value of total issue to be listed with a min of MVR 100,000/- and max of MVR 250,000/-.	on or before 15th January each year	
Annual Listing Fee	Central Government debt securities	0.03% of issued face value of outstanding bonds		
	Local Government and Corporate debt securities	0.05% of issued face value of outstanding bonds.		

Start Up Board				
Fee	Organization		Due Date	Fine
Listing Application Processing Fee	Local Government and Corporate debt securities	0.05% of issued face value of total issue to be listed with a min of MVR 25,000/- and max of MVR 250,000/-.	on or before 15th January each year	As specified in the Listing Rules
Annual Listing Fee	Local Government and Corporate debt securities	0.05% of issued face value of outstanding bonds.		

### Market Capitalization Calculations for Annual Listing Fee

#### Listed Companies

Market Capitalization = Sum of Daily Market Capitalization for the year / Number of trading days for the year

#### New Listings (First Year Only)

Market Capitalization = Total Issued Shares x Issued Share Price

Note:

- If a quotation is granted during the year, the annual listing fee payable shall be pro-rated.
  - i. Maximum Transaction Fee (To dealing company) 0.30% of the transaction value
  - ii. Maximum Transaction Fee (To MSE) 0.1% of the transaction value

## 3. Fines for Breach of Rules

(Extract of the Fine Schedule relating to Listed Companies)

Fine	Amount (MVR)
Delay in dispatching share allotment list to MSD	2,500.00 per day for the first 10 days after due date
	5,000.00 per day starting from the 11th day after due date
Delay in dispatching audited accounts	500 per day
Except for the above, general fines for breaching timelines set in the Listing Rules (applicable where a specific fine is not defined in Rules or in this Schedule)	500 per day

## APPENDIX 6

### Guideline on exceptional circumstance

A public limited company may list on the Maldives Stock Exchange as a company who proposes to issue securities within a period of 3 years following an introductory listing. An introductory method of listing will allow the listed company to commence compliance with relevant laws and regulations applicable to issuers. The objective of such listings is to showcase potential companies and enable them to adhere to regulatory requirements prior to issuance of securities.

- Companies listed via introduction will be listed in a new category called “FANSAAS” irrespective of whether they meet criteria of listing on the first board.
- Companies apply to transfer to first board after they make a Public Offering.

#### YEAR 1

Details	Requirements
1. Requirements	<ul style="list-style-type: none"> <li>a. Must be a Public Limited company.</li> <li>b. Submit an application for initial listing in accordance with Chapter 2 of the Listing Rules.</li> <li>c. Deposit all shares with MSD.</li> </ul>
2. Documents required for listing application.	<ul style="list-style-type: none"> <li>a. Application form prepared in accordance with Appendix 2 of Listing requirements.</li> <li>b. Memorandum and Articles of Association in Dhivehi or English</li> <li>c. Certified copy of the Certificate of Incorporation and the Certificate to Commence Business</li> <li>d. Forecasted financials* for a minimum of 3 years and a letter of good standing from the Registrar of Companies</li> <li>e. Copy of the signed agreement with the MSD for dematerialized trading.</li> <li>f. Board resolution authorizing listing at MSE</li> </ul>
3. Listing Application processing fees	0.05% of the amount to be listed. With a minimum on MVR 25,000/- and maximum of MVR 250,000/-
4. Annual Listing fees*	No Annual fees for the 1 <sup>st</sup> year
5. Custody Fees (MSD)	50% of custody charges
6. Disclosure Requirements	Relaxed disclosure requirements based on the No. of securities holders such as the following: <ul style="list-style-type: none"> <li>• &lt; 20 No disclosure requirements to the public, only to holders of securities and MSE.</li> <li>• 20 – 50 Bi-annual reporting to holders of securities and MSE</li> <li>• &gt;50 Quarterly reporting to the public as per the listing rules (all disclosure requirements will be mandatory)</li> </ul>

\* Forecasted Financials (Profit and Loss statements, balance sheet, cash flow statements, notes and assumptions)

\* Annual Listing Fees: If a quotation is granted during the year, the annual listing fee payable will be pro-rated.

## **YEAR 2**

<b>Details</b>	<b>Requirements</b>
1. Annual Listing fees	Annual Listing fees charged as per start up board fees from 2 <sup>nd</sup> year onwards. Companies with a paid up capital of MVR 5 million or with net assets of MVR 50 million will be subject to full listing fees applicable to companies listed in the main board.
2. Custody Fees	50% of custody charges
3. Disclosure Requirements	Relaxed disclosure requirements based on the No. of securities holders such as the following: <ul style="list-style-type: none"><li>• &lt; 20 No disclosure requirements to the public, only to holders of securities and MSE.</li><li>• 20 – 50 Bi-annual reporting to holders of securities and MSE</li><li>• &gt;50 Quarterly reporting to the public as per the listing rules (all disclosure requirements will be mandatory)</li></ul>

## **YEAR 3**

All the requirements in the listing rules and depository rules will apply. A listing application shall be filed with the Maldives Stock Exchange with an approved prospectus. It is expected that the listed company open its public offer before the end of the year. If the company is not ready, under special circumstances approval of delay the public offer will be granted by listing committee of MSE.

## **General**

Fines for Breach of Rules as follows apply for the new companies listing by Introduction.

<b>Fine</b>	<b>Amount (MVR)</b>
1. Delay in dispatching share allotment list to MSD	- 2,500 per day for the first 10 days after due date - 5,000 per day starting from the 11 <sup>th</sup> day after due date.
2. Delay in dispatching audited accounts	500 per day
3. Except for the above, general fines for breaching timelines set in the Listing Rules (applicable where a specific fine is not defined in Rules or in this Schedule)	500 per day