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CAPITAL MARKET DEVELOPMENT AUTHORITY

MALE', REPUBLIC OF MALDIVES

CIRCULAR

NO : 179-CIR/2008/22
FROM : Capital Market Development Authority
TO : All Audit Firms operating in Maldives
CC : Licensed Entities
DATE : 30th November 2008

SUBJECT : Duties of the Auditor under the Maldives Securities Act

The Maldives Securities Act 2006 and Licensing Regulations imposes various financial and disclosure requirements on companies licensed by CMDA to act as financial intermediaries.

Those auditors who audit the financial statements of entities licensed by CMDA should comply with their obligations under the Maldives Securities Act 2006.

As such, it is brought to your attention that the Maldives Securities Act (clause 52) mandates the Auditors to notify the Stock Exchange and CMDA, without delay, the following:

1. Any matter which, in his opinion, may adversely affect the financial position of the dealer;
2. Any matter which, in his opinion, may constitute a breach of any provision of the Maldives Securities Act or shall constitute fraud or dishonesty; and
3. Any irregularity that constitutes a contravention of regulations that may have a material effect on the funds and property of clients of the dealer or that may have an impact on the accounts of the business.

CMDA would like to urge all Auditors to abide by the Maldives Securities Act and Regulations thereunder.

