

Information Package
Regulation on Investment Advisers

Types of Licenses to be issued under the regulation:

1. Investment Advisers License
2. Investment Adviser Representatives license

Eligibility Requirement

1. Requirements set under Section 30 of the Maldives Securities Act (2/2006)

- a)
 1. A dealer's license or an investment adviser's license shall only be granted or renewed provided the applicant meets such financial requirements as may be prescribed by this Act and Regulations made thereunder.
 2. No person shall be granted a license under this Act unless the person satisfies the conditions laid down in this Act and within the last 10 years has not been convicted of any offence involving fraud or dishonesty, or where the applicant is a company provided none of the directors of the company has been convicted of any such offence.
 3. Where the license is issued to an individual he should not have been adjudged a bankrupt in the Maldives or elsewhere, or if a company, it should not be wound up or an order or resolution for winding up has not been made.
- b) Where the Authority thinks fit, by written notice they may vary a licensing condition or may impose additional conditions in relation to a license.

2. Requirements set under Section 31 of the Act

- a) The Authority may renew a license on such terms and conditions as may be prescribed by the Authority under this Act.
- b) A person who, in connection with an application for a license or for renewal of a license, willfully or knowingly makes a statement which is false or misleading or omits to state relevant matters is guilty of an offence punishable on conviction by a fine not less than Rufiyaa 25,000 and not exceeding Rufiyaa 100,000 or imprisonment for a term of not less than 3 months and not longer than 1 year together with a fine of Rufiyaa 75,000.
- c) Where on an application for a license or renewal of a license, the Authority refuses to grant or renew the license the aggrieved party may appeal to the Minister within 30 days of decision of Authority. The Minister's decision on the matter shall be final and binding and the Authority shall act in accordance with that decision.
- d) Where the Authority revokes a license, the aggrieved party may apply to court within 30 days of that decision.

3. Additional requirements under the regulation

a) Requirements for Corporate Advisers

1. Has not been convicted of theft, embezzlement, robbery or fraud within 10 years immediately preceding the date of application.
2. Has not been adjudged bankrupt
3. Satisfy the fit and proper criteria set by the Authority

b) Requirements for Individual Advisers

1. Satisfy the criteria set forth in section 4 of these regulations
2. Has passed an examination set by the Authority for the Investment Advisers and investment Advisers' Representatives, or has passed any such examination acceptable to the Authority

Applying for Licenses

In order to apply for licenses, applicants must complete and submit the following documents, and pay application processing fee to the Authority.

1. Documents
 - a. Application Form
 - b. Clearance Forms
 - c. Application Checklist
2. Fee
 - a. Application processing fee

Procedure:

1. When an application is received to the authority with processing fee, initial check will be conducted to see if all required documents are submitted with the application.
2. An application for a corporate investment adviser shall be accompanied by at least one application for Investment Advisers' Representative license.
3. After examining the application, the Authority will inform the applicant of its decision regarding the application within 45 days (inclusive of weekends and public holidays) from the date of receipt.
4. If the application is incomplete or the Authority requires further information with regards to the application, then the above mentioned 45 days will be counted from the date of receipt of such documents.
5. Licenses issued or renewed under this regulation shall be valid for a period of two years from the date of the issuance or renewal as the case may be.
6. Actions may be taken under section 32(b) of the Maldives Securities Act (2/2006), against any person who, in connection with an application for license or renewal of license, willfully or knowingly makes a statement which is false or misleading, or omits to state the relevant matters.

Fees:

Licensees are required to pay fees on or before the due date communicated by the Authority.

#	Name	Amount	Remarks
1.	Application processing fee	Investment Advisers MVR 500/-	This fee must be paid together with the initial license application and any subsequent license renewal application.
		Investment Adviser Representatives MVR 100/-	
2.	Annual Licensing Fee	Investment Advisers MVR 10,000/-	The Authority will invoice the licensee on 1 st January each year.
		Investment Adviser Representatives MVR 5,000/-	

Licensing conditions:

1. License conditions are stipulated in the Investment Advisers Regulation.
2. Licensees are required to comply with all the licensing conditions of the Authority at all times.
3. Authority may, under section 32 of the Act, attach conditions to license and by written notice, may vary such conditions or may impose additional conditions under section 31 of the Act.

Disclaimer: The information provided herein is purely for dissemination of information and creating awareness among individuals about licensing regulations. Although due care and diligence has been taken in compiling of this document, the Capital Market Development Authority shall not be responsible for any loss or damage resulting from any action or decision taken by a person on the basis of the contents of this document.

It may also be noted that laws/regulations governing the capital market are continuously updated/changed, and hence an individual should familiarize himself with the latest laws/regulations by regularly visiting the relevant websites or contacting the relevant regulatory body.