

**Regulation on Registration of Shariah Advisors  
(2013/R-54)**

**\*Second Amendment (2022/R-254)**

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| Introduction   | 1. This Regulation is enacted by the Capital Market Development Authority pursuant to Section 9 and Section 60 of Law No. 2/2006 (Maldives Securities Act).   |
| Objective  | 2. The objective of this Regulation is to govern the registration of Shari'ah Advisors and all administrative works for the same. The scope of registered Shari'ah Advisors includes providing services such as advising on sukuk structuring and Islamic capital market products.  |
| Interpretation                                       | <p>3. The words and expressions referred to in this Regulation shall mean the following unless the context clearly indicates otherwise.</p> <p>“Approved List” shall mean the list of registered Shari'ah Advisors approved by the Authority under the Regulation.</p> <p>“Shari'ah Advisor” shall mean any person registered as a Shari'ah Advisor approved by the Authority under the Regulation.</p> <p>“Authority” shall mean Capital Market Development Authority established under Law no. 2/2006 (Maldives Securities Act).</p> <p>“Corporate Proposal” shall mean any proposal submitted to the Authority for approval in relation to issuance, offer for subscription or offer for sale of securities. (This includes information memorandum and other documents required under the Regulation).</p> |
| Criteria for individuals to act as a Shairah Advisor | <p>4. Applicants seeking to be registered as a Shari'ah Advisor shall meet the following requirements.</p> <p>(a) The applicant should have a degree from a recognized institution by the Maldives Qualification Authority in Shariah (particularly in Fiqh Muamalah or Usool al-Fiqh) or attained a degree in Shariah and Law, or attained a Bachelor of Law degree with acceptable subjects to the Authority from a recognized institution by the Maldives Qualification Authority.</p>   |

		<ul style="list-style-type: none"> <li>(b) At least 1 (one) year work experience in a field related to Sharia advisory. The fields recognized by the Authority include teaching and research in the field of Sharia or working in the relevant section or department of an institution providing Sharia-related services. OR</li> <li>(c) Sharia Advisory License from a competent foreign body recognized by the Authority. If such a license exists, the requirements set forth in subsections (a) and (f) of this section are not required to be met.</li> <li>(d) Meet the 'fit and proper' requirement set by the Authority.</li> <li>(e) Must be a Muslim</li> <li>(f) Permit to do business as a sole trader (valid)</li> </ul>
Criteria for legal entities to act as a Shariah Advisor	4-1	<p>Legal entities seeking to be registered as a Shari'ah Advisor shall meet the following requirements.</p> <ul style="list-style-type: none"> <li>(a) Must be a company or partnership registered or re-registered in Maldives.</li> <li>(b) Must have a Sharia Advisor licensed by the Authority.</li> <li>(c) In case of a company, all directors and all members of senior management must meet the "fit and proper" requirements set by the Authority.</li> <li>(d) In case of a partnership, all partners must meet the "fit and proper" requirements set by the Authority.</li> </ul>
Exemption from license under this regulation	4-2	<p>An Islamic bank, or Islamic banking window of a bank, or Islamic financial institution, or Islamic financial window of a financial institution licensed by the Maldives Monetary Authority shall be exempt from licensing if it has established an in-house Sharia council with a full-time Sharia advisor licensed by the Authority.</p>
Registration, renewal of registration and fees	5.	<ul style="list-style-type: none"> <li>(a) To be registered as a Shari'ah Advisor on the Approved List, an applicant is required to submit to the Authority, the application form prescribed in the Schedule of the Regulation.</li> <li>(b) Upon receiving the application, if the Authority is satisfied that the applicant meets the criteria as set in the Regulation, the Authority shall issue confirmation of registration to the applicant and include the applicant's name in the Approved List.</li> </ul>

- (c) The Approved List shall be maintained by the Authority. Any amendments to the list shall be published on the Authority's website immediately.
- (d) An annual fee of MVR 1,200 (Maldivian Rufiyaa One Thousand Two Hundred) shall be payable to the Authority. (Pro-rata basis for the first year).
- Responsibilities of the Shariah Advisors 6. (a) Registered Shari'ah Advisors must at all times maintain the confidentiality of all the information obtained or received from the clients.
- (b) Shari'ah Advisors shall ensure that there are no conflicts of interests in undertaking projects for the clients.
- (c) Upon undertaking a project for a client, Shari'ah Advisors must inform the same to the Authority in writing.
- (d) Shari'ah Advisors shall cooperate with the Authority in reviewing Corporate Proposals.
- (e) An Islamic finance program recognized by the Authority shall be completed every three years.
- (f) Every Sharia Advisor shall submit an annual report to the Authority in accordance with a specified format to be prescribed by the Authority within 4 (four) months of the end of the financial year.
- (g) The certificate of the training programe, which shall be completed once every 3 (three) years, shall be submitted to the Authority within 1 (one) month of completion of the programe.
- Review of Shari'ah Advisors 7. The Authority may undertake a review of the conduct of a registered Shari'ah Advisor to assess whether he/she complies with the requirements under the Regulation.
- Removal from the Approved List 8. (a) A Shari'ah Advisor may be removed from the Approved List if he/she fails to continuously comply with the requirements under the Regulation.
- (b) A Shari'ah Advisor may be removed from the Approved List where the Authority is satisfied that he/she is not fit for the role. However, such removal shall only be made after giving the advisor a reasonable opportunity to respond to the Authority and upon serving a written explanation of such removal from the Approved List.

Power of the Authority to 9.  
issue directions

Where the Authority deems it necessary for the protection of the public interest, or for the integrity of the capital market, or for any other reason, the Authority may issue a direction to the Shari'ah Advisors in writing.

Amendments to the 10.  
Regulation

Any amendments to this Regulation shall be made by the Authority. The amendments shall take effect only upon publication in the Gazette of the Republic of Maldives.

Implementation 11.

This Regulation shall take effect from the date of its publication in the Gazette of the Republic of Maldives.

## **Schedule**

### **Application form for registration/renewal of registration of a Shari'ah Advisor**

(a) Information of the applicant

- (1) Full name:
- (2) Identity card number or passport number:
- (3) Permanent address:
- (4) Current Address:
- (5) Contact number(s):
- (6) Email address:
- (7) Educational qualification and experience:
- (8) Employment history:

(b) Declaration

I ....., (National ID card number .....), hereby declare that all information given in this application are true and accurate to the best of my knowledge, and that I would abide by the Regulation on Shari'ah Advisors.

I have read the Law No: 2/2006 (Maldives Securities Act) and the Regulations made under the Act, and I understand that it is an offense to furnish untrue or misleading information in an application made to the Authority.

Name:

Signature:

Date:

(c) Documents to be submitted with the application form:

- (1) Curriculum vitae (CV)
- (2) 2 (two) passport size photos
- (3) Copy of National Identity Card or Passport
- (4) Accredited or attested copies of educational and training certificates
- (5) Completed record clearance form (form can be obtained from the Authority)