

Capital Market Development Authority (CMDA)

First Amendment to the Regulation on Dealers and Dealers Representatives (Brokers) Licensing
2022/R-15

Regulation Number: 2024/R-59

(Unofficial Translation)

The following amendments are to be brought to the Regulation on Dealers and Dealers Representatives (Brokers) Licensing (Regulation Number: 2022/R-15);

1. Subsection (a) of section 4 is to be amended as follows:

4. (a) Companies registered under the Maldives Companies Act shall only be eligible for registration as a dealer.

2. The first part of subsection (b) of section 4 is to be amended as follows:

4. (b) The dealer's representative shall fulfill the following criteria when applying for the license and throughout its validity.

3. A new number (7) to be added following section 4(b)(6) as follows:

4. (b) (7) The applicant should not currently hold a position as a board member or senior management member of the Authority, a securities depository, or a stock exchange licensed under the Maldives Securities Act 2/2006, any listed company, or any other role that could lead to a conflict of interest when applying for the license. If the applicant has previously held such a position, at least 6 months must have passed since they last held that position.

4. A subsection (e) is to be inserted after section 7(d), as follows:

7. (e) If the license is temporarily withheld under section 14-1 of these regulations, no fees shall be applied for the duration of the withholding period.

5. The following sections are to be added after Section 14:

14-1 Revocation or Temporary Suspension of License

The Authority has the discretion to revoke or temporarily suspend the license of the dealer or their representative in any of the following circumstances.

- (a) Occurrence of a circumstance mentioned in the Maldives Securities Act 2/2006 in which a license may be revoked or suspended;
- (b) The licensee fails to meet the eligibility criteria stated in section 4(b) of this regulation throughout the licensed period;
- (c) The licensee fails to fulfill its obligations under these regulations;
- (d) The licensee fails to adhere to directives issued by the Authority within the specified timeframe; or
- (e) The licensee has not conducted any securities business for a period exceeding 12 (twelve) months.

14-2 Duration for License Suspension

- (a) The Authority has the power to temporarily suspend the license for a period determined by the Authority, within the validity period of the license.
- (b) The Authority shall determine the duration of the temporary suspension of the license, as it considers appropriate based on the circumstances presented.

14-3 Application for License Revocation

- (a) The dealer or the dealer's representative may submit an application to the Authority for the revocation of their license.
- (b) The request for license revocation must specify the license details and provide the reasons for the revocation.

14-4 Application for License Following Revocation

If the applicant reapplies for the license within 5 (five) years of the previously issued and revoked license under Section 14-1 or Section 14-3, they will be exempt from the training and examination specified herein.

14-5 Cooling-Off Period

If the license is revoked due to an appointment to a position that creates a conflict of interest, the license may be reissued 6 (six) months after the individual held the position.

6. These regulations shall come into effect on the date of its publication in the Gazette.
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