



ISSUANCE AND LISTING OF SECURITIES VIA A PUBLIC OFFER

Capital Market Development Authority





CMDA

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What is a Public Offer?

A public offer is where an invitation to subscribe for securities is opened publicly (an invitation that is not a personalized invitation) by the Issuer, where any individual or entity will be allowed to subscribe, and the ownership of the securities can be changed without approval from the Issuer.¹

What are the requirements for opening a Public Offer?

1. Register a prospectus with CMDA as per [Regulation on Issuance of Securities \(Regulation No: R-126/2021\)](#)²
2. Obtain a listing approval from the licensed Stock Exchange as per the [Listing Rules](#)³.

What are the criteria for registering a Public Offer prospectus?

1. The Issuer should be a Public Limited Company, an Investment Fund or a SPE under a Securitization Scheme, registered under the relevant laws and regulations of the Maldives.⁴
2. The Issuer should submit audited financial statements of the past two years.⁵ The audited financial statement of the past financial year should not be more than 6 months old.⁶
3. The prospectus should be prepared with all the required disclosures in

accordance with appendix 1 of the Regulation on Issuance of Securities.

What are the criteria to register an Investor on the Viyana Platform?

Only entities/individuals with the capacity or resources to assess investment risks and make investment decisions shall register with the stock exchange, in accordance with the requirements of the Stock Exchange, for the purpose of investing in securities offered to selective invitees.²

What is the scope of the Private Securities Segment regulations?

Any issuance of securities by way of the private placement to more than 50 investors are mandatory to be registered with CMDA as a private placement offer. For less than 50 investors, it is voluntary. Additionally, any offer of securities that are made via the licensed Stock Exchange must be regulated by CMDA as a private placement listing.³

What are the criteria applicable on listing of securities via a Public Offer?

There are two listing boards enabled under the Listing Rules of the Stock Exchange; 1) Main Board and 2) Second Board, to list via a public offer.

1 Regulation on Issuance of Securities (section 17 (b)).

2 <https://beta.cmda.gov.mv/en/downloads/regulation-on-issuance-of-securities>

3 <https://mse.com.mv/files/regulations/Listing%20Rules%20Maldives%20Stock%20Exchange%20-%20Effective%2030%20June%202022.pdf>

4 Regulation on Issuance of Securities (section 18 (a)).

5 Regulation on Issuance of Securities (section 8 (b)).

6 Regulation on Issuance of Securities (section 8 (d) (2)).

Main Board Listing Criteria

To list on the Main Board with Equity Securities, following criteria must be met;

1. Capital Requirement:
 - a) The Issuer should have a minimum paid – up capital of MVR 10 million.⁷
 - a) Issuer should have a positive Net Asset Value (NAV) for the two financial years immediately preceding the date of application.⁸
2. Shareholding Spread & Distribution Requirement:
 - a) The offer to the public should the minimum criteria specified below:
 - i. The invitation opened to the public should be at least 10% of the issued and paid-up capital of the Issuer including the proposed offer; or⁹
 - ii. The invitation opened to the public should be for a minimum of 1 million shares or shares with a total face value of MVR 5 million.¹⁰
 - b) The offer open to the public must be subscribed up to 25% of the total offer or the minimum specified in (a)(ii) should be met (whichever is higher) for the Issuer to be eligible for listing on the Main Board.¹¹
3. An Issuer must meet the requirements under the Profit test and/ or the market capitalization test;
 - a) To meet the profit test, an Issuer must have an adequate trading record under substantially the same ownership as specified below:
 - i. A trading record of not less than 2 financial years, during which the profit attributable to shareholders must, in respect of the most recent year, be not less than MVR 2 million, and in respect of the two preceding years, be in aggregate not less than MVR 5 million.¹²
 - ii. Ownership continuity and control for at least the most recent audited financial year.¹³
 - b) To meet the market capitalization/revenue test, an Issuer must satisfy each of the following:
 - i. A trading record of not less than two financial years and a market capitalization of at least MVR 50 million at the time of listing.¹⁴
 - ii. Ownership continuity and control for at least the most recent audited financial year.¹⁵
 - iii. Revenue of at least MVR 25 million for the most recent audited financial year.¹⁶

7 Listing Rules (section 28 (a)).

8 Listing Rules (section 28 (b)).

9 Listing Rules (section 29 (a)(i)).

10 Listing Rules (section 29 (a) (ii)).

11 Listing Rules (section 29 (b)).

12 Listing Rules (section 30 (a)).

13 Listing Rules (section 30 (b)).

14 Listing Rules (section 31 (a) (i) and (ii)).

15 Listing Rules (section 31 (a) (ii)).

16 Listing Rules (section 31 (a) (iv)).

Second Board Listing Criteria

An Issuer can also be listed on the Second Board with Equity Securities if the following criteria is met;

1. Capital Requirement:
 - a) The Issuer should have a minimum paid – up capital of MVR 1 million.¹⁷
 - b) The Issuer should have a positive Net Asset Value (NAV) for the financial years immediately preceding the date of application.¹⁸
2. Shareholding Spread & Distribution Requirement:
 - a) The offer to the public in any issuance should meet the minimum criteria specified below:
 - i. The invitation opened to the public should be at least 10% of the issued and paid-up capital of the Issuer including the proposed offer; or¹⁹
 - ii. The invitation opened to the public should be for a minimum of 100,000 shares or shares with a total face value of MVR 500,000.²⁰
 - b) To meet the market capitalization/revenue test, the Issuer must satisfy each of the following:
 - i. A trading record of not less than 2 financial years and a market capitalization of at least MVR 25 million at the time of listing.²⁴
 - ii. Management continuity for at least the preceding financial years prior to the date of listing application.²⁵
 - iii. Revenue of at least MVR 5 million for the most recent audited financial year.²⁶
3. An Issuer must meet the requirements under the Profit test and/ or the market capitalization test;
 - a) To meet the profit test, the Issuer must have an adequate trading record under substantially the same management and ownership as specified below:
 - i. A trading record of not less than 2 financial years, during which the profit attributable to shareholders must, in respect of the most recent year, be not less than MVR 500,000.²¹
 - ii. Management continuity for at least the preceding financial years prior to the date of listing application.²²
 - iii. Ownership continuity and control for at least the most recent audited financial year.²³

To list Debt securities, Sukuk securities and Units of an Investment Fund on the Main Board via a public offer, the following criteria must be met:

13 Regulation on Issuance of Securities (section 26 (a)

14 Regulation on Issuance of Securities (section 12 (b) (1)).

15 Regulation on Issuance of Securities (section 12 (b) (2)).

16 Regulation on Issuance of Securities (section 12 (b) (3)).

17 Regulation on Issuance of Securities (section 12 (c)).

18 Regulation on Issuance of Securities (section 12 (d)).

19 Listing Rules (section 85 (a)).

20 Listing Rules (section 85 (b)).

Debt Securities

1. A trading record of not less than 2 financial years.²⁷
2. Profit of at least MVR 2 million in aggregate for the two audited financial years preceding the date of the application.²⁸
3. The nominal amount of debt securities for which listing is sought must be at least MVR 20 million.²⁹

Note: The Exchange may accept a shorter trading record and/or may vary or waive the profit or other financial requirements, where the issue is fully collateralized and/or guaranteed or subject to a credit rating by an approved credit rating agency.³⁰

Sukuk Securities

1. The nominal amount of Sukuk securities for which listing is sought must be at least MVR 20 million.³¹
2. The listing of sukuk should be in compliance with the Regulation on Issuance of Sukuk issued by CMDA.³²

Investment Funds

1. Be a close-ended Fund registered in accordance with the applicable [regulations of CMDA](#).^{33, 34}
2. A minimum asset size of at least MVR 50 million or equivalent in USD.³⁵ At least 10% of the investment fund's total number of Issued shares or units should be held by at least 100 shareholders.³⁶

²⁷ Listing Rules (section 34 (a)).

²⁸ Listing Rules (section 34 (b)).

²⁹ Listing Rules (section 34 (c)).

³⁰ Listing Rules (section 34 (e)).

³¹ Listing Rules (section 37 (a)).

³³ Listing Rules (section 38 (b) (i)).

³⁴ <https://beta.cmda.gov.mv/en/downloads/regulation-on-registering-and-operating-investment-funds>

³⁵ Listing Rules (section 40 (a)).

³⁶ Listing Rules (section 40 (b)).

³⁷ Regulation on Issuance of Securities (section 19).

³⁸ Listing Rules (section 67 (a)).

³⁹ Listing Rules (section 68 (f)).

⁴⁰ Listing Rules (section 68 (g)).

⁴¹ Listing Rules (section 68 (h)).

What are the requirements relating to publication of prospectus in a public offer?

Once the prospectus is registered and listing approval is obtained, the prospectus should be published on the official website of the Issuer at least 14 days prior to the date of opening of the public subscription, and circulated via at least 1 mainstream media.³⁷

What are the requirements relating to subscription, allotment and deposit of securities in a public offer?

1. Subscriptions should be open for a minimum of 15 days and a maximum of 30 days. If an extension is required, the Issuer can request the Exchange with reasoning.³⁸
2. Any oversubscription should be immediately informed to the Stock Exchange. Refunds should be paid to the investors within 30 market days.³⁹
3. Within Fourteen 14 market days or 30 days, whichever is shorter, from close of subscription, the Issuer should send the allotment list to the Securities Depository (MSD) and should publicly announce that the allotment for applications has been made.⁴⁰
4. The MSD will send a deposit request within fourteen 14 market days based on the allotment list sent by the Issuer.⁴¹

5. Within 5 market days from receiving the deposit requests from the MSD, the Issuer should approve and send the approved deposit list to the MSD.⁴²
6. The MSD will deposit the securities and send the confirmation of deposit to the Issuer within 5 market days.⁴³
7. Upon receiving confirmation from the MSD, the Issuer should inform the securities holders of the deposit within five 5 market days by way of a public announcement and shall send a copy of the announcement to the Stock Exchange and CMDA on the same day. The Issuer should also notify the securities holders in writing of the allotted number of securities and the MSD account number of the securities holder.⁴⁴
8. The securities will be admitted to the Official List of the Stock Exchange on the 3rd market day from the notification to Stock Exchange of the public announcement. This is the date that will be considered as the date of listing.⁴⁵

What are the ongoing compliance obligations of an Issuer listed on the Main or Second Board of the Stock Exchange via a public offer?

- Ongoing compliance with the Regulation on Continuing Disclosure Obligations of Issuers ([Regulation No: 2019/R-1050](#))⁴⁶ and with the [CG code](#)⁴⁷ of the CMDA.

What are the fees levied on the Issuer under the Listing Rules?

1. Listing application processing fee,
2. Annual listing fee.

How is the listing application processing fee charged?

Listing application processing fee is required to be paid upon submission of the listing application. And, fee is charged as follows:

1. For Equity Securities Listing

- a) Main Board – 0.05% of the value of securities for which the listing is sought. Subject to a minimum of MVR 100,000/- and maximum of MVR 250,000/-.
- b) Second Board – a fixed fee of MVR 50,000 per class of securities.

2. For Debt Securities Listing (including Sukuk)

- a) Main Board – 0.05% of the value of securities for which the listing is sought, subject to a minimum fee of MVR 100,000/- and a maximum fee of MVR 250,000/-.

⁴² Listing Rules (section 68 (j)).

⁴³ Listing Rules (section 68 (k)).

⁴⁴ Listing Rules (section 68 (k)).

⁴⁵ Listing Rules (section 68 (l)).

⁴⁶ <https://beta.cmda.gov.mv/en/downloads/securities-continuing-disclosures-and-obligations-of-issuers-regulation-6>

⁴⁷ <https://beta.cmda.gov.mv/en/downloads/corporate-governance-code>

How is the annual listing fee charged for the main board for equity securities?

Value of listed equity securities in millions of MVR	Annual Listing Fee in MVR
Not exceeding 100	55,350
200	92,250
400	147,600
600	184,500
1,000	221,400
2,000	258,300
5,000	295,200
10,000	350,550
20,000	442,800
30,000	498,150
40,000	553,500
Over 40,000	922,500

How is the annual listing fee charged for the second board of equity securities?

Value of listed equity securities in millions of MVR	Annual Listing Fee in MVR
Not exceeding 10	20,000
12	22,000
15	25,000
20	30,000
40	37,500
60	45,000
100	55,000
130	65,000
160	75,000
200	85,000

How is the annual listing fee charged for debt and Sukuk securities?

0.05% of the value of securities.

How is listing fees (i.e. application processing, additional listing & annual listing fees) charged for investment funds?

Main Board Equity fees will be applicable for investment funds.

