

GUIDANCE NOTE ON PREPARATION OF SUPPLEMENTARY AND LISTING PROSPECTUS FOR GOVERNMENT SECURITIES

30th October 2025

1 Purpose of this Guidance Note

This Guidance Note has been developed by the Capital Market Development Authority (CMDA) to assist the **Ministry of Finance** in preparing a *Supplementary and Listing Prospectus* for Treasury Bonds that are to be listed on the **Maldives Stock Exchange (MSE)**.

The Guidance Note outlines the structure, contents, and disclosure standards expected by CMDA under the *Regulation on Government Securities in the Secondary Market (2023/R-181)*. It also includes a model **template supplementary and listing prospectus** to guide the preparation.

2 Background and Rationale

- The existing Treasury Bond prospectuses issued by the Ministry of Finance were designed primarily for **primary market issuance** and do not fully meet the disclosure, investor protection, or procedural requirements for **listing and secondary market trading** under the 2023 Regulation.
- The Regulation (Section 5(b)) allows previously issued government securities to be listed through a **supplementary document or addendum** provided to investors and for obtaining their consent.
- Accordingly, CMDA advises using a *Supplementary and Listing Prospectus* to provide the necessary disclosures and procedural details for listing, without repealing or altering the original issuance prospectuses.

3 Scope and Application

This Guidance Note applies to all Government securities issued by the government are intended for listing on the Maldives Stock Exchange (MSE).

Each Supplementary Prospectus must be:

- Submitted to CMDA and MSE along with the Master Prospectus and any accompanying documents that were utilized in the primary issuance;
- Approved prior to listing; and
- Published for investor information.

4 Recommended Approach

CMDA recommends the following steps when preparing a Supplementary and Listing Prospectus for existing Treasury Bonds:

1. **Maintain the validity of original prospectuses** – The original prospectuses remains as it is. The Supplementary Prospectus does not replace these documents.
2. **Prepare a Supplementary and Listing Prospectus** – This document should provide enhanced disclosures and confirm compliance with Regulation 2023/R-181. It should clearly state that it *supplements* the original issuance prospectus.
3. **Convert existing holdings to dematerialized form** – Listing requires all government securities to be traded in electronic form through the Maldives Securities Depository (MSD).
4. **Notify existing bondholders** – An addendum or notice should be issued to bondholders informing them of the listing, conversion to dematerialized form, and that all rights and obligations remain unchanged.



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5. **Submit the Supplementary Prospectus to CMDA** – Before publishing or listing, the document should be reviewed and cleared by CMDA for regulatory compliance.

5 Recommended Structure of the Supplementary and Listing Prospectus

Below are the suggested structure and core content areas that should be included in the Supplementary Prospectus. Each section should be customized with bond-specific details and vetted by CMDA prior to issuance.

Section 1 – Introduction

- State that the document supplements the original Treasury Bond prospectus.
- Identify the purpose of listing and reference Regulation 2023/R-181.

Section 2 – Instrument Information

Include detailed bond information, typically in tabular form, covering:

- Issuer (Government of Maldives / Ministry of Finance)
- Type of Security (Treasury Bond)
- ISIN / Security Code (to be assigned by MSD)
- Currency, Face Value, Issue and Maturity Dates, Tenor, Coupon Rate, Payment Frequency, Redemption Terms
- Listing Venue (MSE), Depository (MSD), Form (Dematerialized)
- Tax treatment, Governing Law, and Jurisdiction



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Section 3 – Purpose of Listing

Explain that the listing aims to facilitate secondary market trading, improve transparency, and enhance liquidity for government securities.

Section 4 – Status of the Bonds

Confirm that the Bonds are direct, unconditional obligations of the Government, and that the full faith and credit of the Government is pledged for all payments.

Section 5 – Disclosure of Payment Delays and Events of Default

An Event of Default occurs if the Government fails to make payment within the specified grace period or breaches any material obligation under the bond terms. All such events shall be disclosed publicly through the Ministry's official website.

Section 6 - Rights of Bondholders

Outline the key investor rights, including entitlement to coupon and principal payments, rights of transfer, and access to information.

Section 7 – Risk Factors

List the key risks relevant to investors, including but not limited to sovereign, interest rate, liquidity, operational, and regulatory risks.

Section 8 – Secondary Market Trading and Accrued Interest

Explain trading procedures through MSE, settlement via MSD, and dematerialization requirements. Clarify that no physical certificates will be issued.

Accrued Interest Disclosure: Until formal MSE/MSD rules are adopted, all Treasury Bond trades shall be executed on a clean price basis, with accrued interest computed from the last coupon payment date up to (but excluding) the settlement date. The buyer shall pay the seller the accrued interest amount in addition to the clean price. The Maldives Securities Depository (MSD) shall calculate and confirm the total settlement amount (clean price + accrued interest) and facilitate its settlement on behalf of both parties. Payment of accrued interest shall not affect coupon entitlement, which remains with the holder of record on the coupon date.

Section 9 – Transfer of Bonds

The Treasury Bonds are transferable only in dematerialized form through the Maldives Securities Depository (MSD). Transfers must comply with the MSE and MSD rules. Upon settlement, MSD shall update the bondholder register and confirm ownership to the new holder.

Section 10 – Disclosure and Reporting Obligations

The Ministry of Finance, as the issuer of the Treasury Bonds, shall ensure prompt disclosure and reporting of:

- Any delay or default in coupon or principal payments;
 - Any material changes in the terms or conditions of the bonds; and
 - Any event that could reasonably be expected to affect investors' decisions or the market price of the bonds.
- to the CMDA, MSE and the investors.

Section 11 – Addendum to Existing Bond Holders

The Supplementary and Listing Prospectus forms part of, and should be read together with, the original Treasury Bond Prospectus. Existing bondholders' rights and obligations remain unchanged, though they are encouraged to review this document for information on listing and secondary market trading.

Section 12 – Investor Protection and Dispute Resolution

Investors are protected under the *Securities Act (Law No. 2/2006)* and related regulations. Any disputes arising from trading or ownership shall be handled under MSE and MSD rules, with oversight by CMDA, or referred to the courts of the Republic of Maldives as applicable.

Section 13 – Legal and Regulatory Clearance

The Supplementary and Listing Prospectus has been prepared in accordance with the *Securities Act (Law No. 2/2006)*, the *Regulation on Government Securities in the Secondary Market (2023/R-181)*, and the *MSE and MSD rules*. It has been reviewed by CMDA and approved for listing by the Maldives Stock Exchange (MSE).

Annex 1: Supplementary and Listing Prospectus Template

The template in the annex 1 of this guidance note provides an example layout and content for the supplementary and listing prospectus for government securities.



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Annex 1

SUPPLEMENTARY AND LISTING PROSPECTUS FOR GOVERNMENT SECURITIES

Issued by: The Government of the Republic of Maldives
(Represented by the Ministry of Finance)

Date: [Insert Date]



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1 Introduction

This Supplementary and Listing Prospectus (the “Supplementary Prospectus”) has been prepared by the Ministry of Finance for the purpose of listing the Government of Maldives Treasury Bonds (the “T-Bonds”) on the Maldives Stock Exchange (MSE) in accordance with the *Regulation on Government Securities in the Secondary Market (2023/R-181)* issued by the Capital Market Development Authority (CMDA).

This document supplements and updates the original issuance prospectuses of the Treasury Bonds dated [insert relevant dates] and is issued to meet the disclosure and procedural requirements for listing. The terms and conditions of the original issuance remain valid and binding; this document provides additional disclosures for the secondary market and investor protection. The “invitation to subscription” and the Master Original Prospectus” provided in the primary issuance is annexed with this supplementary prospectus which contains the original terms of the offer and the information of the instrument being issued, which remains unchanged except explicitly stated “repealed” or “updated” in Supplementary and Listing Prospectus.

These Bonds were previously issued through private placements and are now being listed to facilitate secondary market trading and enhance liquidity.

1 Instrument Information

Item	Description
Issuer	Government of the Republic of Maldives (represented by the Ministry of Finance)
Type of Security	Treasury Bond (Fixed Income Government Security)
ISIN / Security Code	[To be assigned by Maldives Securities Depository (MSD)]
Currency	Maldivian Rufiyaa (MVR) / United States Dollar (USD)
Face Value	[Insert Face Value]
Total Issue Size	[Insert total amount outstanding for this series]
Issue Date	[Insert Date]
Maturity Date	[Insert Date]
Tenor	[Insert Tenor in Years]
Coupon Rate	[Insert Rate] % per annum (Fixed/Floating)
Coupon Frequency	Semi-annual / Annual
Interest Payment Dates	[Insert Dates]
Day Count Convention	[Insert Day Count Convention]
Redemption	100% of face value on maturity date
Listing Venue	Maldives Stock Exchange (MSE)
Depository	Maldives Securities Depository (MSD)
Form of Security	Dematerialized (Scripless)
Trading Lot Size	As per MSE trading rules
Minimum Transfer Amount	[Insert MTA]
Taxation	Subject to applicable Maldivian tax laws
Governing Law	Laws of the Republic of Maldives
Jurisdiction	Courts of the Republic of Maldives

2 Purpose of Listing

The purpose of this Supplementary Prospectus is to make previously issued Treasury Bonds available for trading in the secondary market through the Maldives Stock Exchange. The listing supports the development of a transparent and efficient government securities market and provides investors with liquidity and price discovery opportunities.

3 Status of the Bonds

These Treasury Bonds are direct, unconditional, and general obligations of the Government of the Republic of Maldives. The Government pledges its full faith and credit for the due and punctual payment of principal and interest.

4 Disclosure of Payment Delays and Events of Default

The Issuer (Government of the Republic of Maldives, represented by the Ministry of Finance) shall promptly notify the Capital Market Development Authority (CMDA), the Maldives Stock Exchange (MSE), and the Maldives Securities Depository (MSD) and the investors of any event or circumstance that constitutes, or may reasonably be expected to constitute, a Payment Delay or Event of Default under these Treasury Bonds.

An Event of Default includes any failure to pay principal or interest on the due date, or any formal action by the Government to restructure, reschedule, or suspend payments under the Treasury Bonds.

A Payment Delay includes any administrative or operational delay in making coupon or principal payments within the prescribed payment window. The Ministry of Finance shall make a public disclosure of such events.



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5 Rights of Bondholders

Bondholders shall have the following rights:

- To receive interest (coupon) payments and principal repayment on the due dates. All entitlements, including interest (coupon) payments and principal repayment, shall be determined based on the bondholders' records as at the declared book closure date. *Include the predetermined book closure dates as part of the payment schedule. Alternatively, unless otherwise notified, book closure dates for the purposes of any entitlements associated with the Bonds shall be set 7 market days prior to the respective due date.]*
- To transfer ownership through the MSE in accordance with CMDA and MSE rules.
- To access information on bond holdings and transactions via the MSD.
- To require consent of bondholders on "Material" changes to the prospectus and to require timely notification of any amendments or material changes affecting their holdings.
- To legal recourse in case of breach under Maldivian law.

6 Risk Factors

Investment in Treasury Bonds involves the following potential risks:

- Sovereign Risk: While the Bonds are backed by the Government, delays in payment due to fiscal or operational factors are possible.
- Interest Rate Risk: Changes in market interest rates may affect the market value of the Bonds.
- Liquidity Risk: Secondary market trading volumes may initially be limited.
- Operational Risk: Settlement delays or system disruptions may occur.
- Regulatory Risk: Future policy or regulatory changes could impact trading or taxation.

7 Secondary Market Trading and Accrued Interest

- All trading of these Treasury Bonds shall be conducted in dematerialized form through the Maldives Stock Exchange (MSE) in accordance with:
 - *Regulation on Government Securities in the Secondary Market (2023/R-181)*, and
 - *MSE Trading Rules and MSD Settlement Procedures*.
- No physical certificates will be issued. Settlement and clearing shall be managed through the Maldives Securities Depository (MSD). Therefore, [insert reference to the relevant section in the Master Original Prospectus which state the “Authority” or the “Ministry” as the registrar] shall be considered repealed.
- Accrued Interest: all Treasury Bond trades shall be executed on a clean price basis, with accrued interest computed from the last coupon payment date up to (but excluding) the settlement date. The buyer shall pay the seller the accrued interest amount in addition to the clean price. The Maldives Securities Depository (MSD) shall calculate and confirm the total settlement amount (clean price + accrued interest) and facilitate its settlement on behalf of both parties. Payment of accrued interest shall not affect coupon entitlement, which remains with the holder of record on the coupon date.

8 Transfer of Bonds

Transfers must comply with the minimum denominations and multiples specified in this prospectus. All transfers and ownership records shall be maintained electronically by MSD.



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9 Disclosure and Reporting Obligations

The Ministry of Finance, as the issuer of the Treasury Bonds, shall ensure prompt disclosure and reporting of:

- Any delay or default in coupon or principal payments;
- Any material changes in the terms or conditions of the bonds; and
- Any event that could reasonably be expected to affect investors' decisions or the market price of the bonds.

to the CMDA, MSE and the investors.

The Ministry of Finance, as the Issuer, shall provide the CMDA and MSE with any information deemed necessary regarding these listed securities, including:

- Coupon and maturity payment schedules;
- Notices of redemption or restructuring;
- Amendments to bond terms or conditions;
- Any material information affecting investors' interests.

Such information shall be published by the Ministry of Finance.

10 Addendum to Existing Bondholders

This Supplementary Prospectus serves as an addendum to existing bondholders, notifying them of the conversion of their holdings to dematerialized form and their eligibility for secondary market trading. All rights and obligations under the original issuance terms remain unchanged.

11 Investor Protection and Dispute Resolution

- Investors may submit grievances or inquiries regarding bond trading or settlement to MSE or MSD.
- The CMDA shall oversee regulatory compliance to ensure transparency and investor protection.
- Any dispute arising in connection with the Bonds shall be governed by Maldivian law and resolved in the courts of the Maldives.

12 Legal and Regulatory Clearance

This Supplementary Prospectus has been prepared in compliance with the *Regulation on Government Securities in the Secondary Market (2023/R-181)* issued by the Capital Market Development Authority. The proposed listing and contents of this Prospectus have obtained legal clearance from the Ministry of Finance and regulatory clearance from CMDA.

13 Directory

Issuer:

Ministry of Finance

Email: ---

Website: ---

Regulator:

Capital Market Development Authority (CMDA)

Website: www.cmda.gov.mv

Stock Exchange:

Maldives Stock Exchange (MSE)

Website: www.mse.com.mv

Depository:

Maldives Securities Depository (MSD)

Website: www.msd.com.mv