

Capital Market Development Authority (CMDA)

First Amendment to the Regulation on Capital Market Shariah Advisory Council

Regulation Number: 2023/R-126

(Unofficial Translation)

The following amendments are to be brought to the Regulation on Capital Market Shariah Advisory Council (Regulation Number: 2020/R-63):

1. Subsection (a) of the section 5 of the Regulation to be amended as follows;

5. (a) Council members shall be appointed and dismissed by the Board of Directors of the Authority.

2. Subsection (b) of section 5 of the Regulation to be amended as follows;

5. (b)

- 1)** In accordance with section 5(a) of this Regulation, each individual appointed as a member of the Council shall receive a certificate of appointment. This certificate will specify the term of appointment, outline the details of their allowance, and describe the responsibilities of the member.
- 2)** Council members are appointed for a term of three (3) years, with the possibility of serving up to two (2) consecutive terms. However, the Board has the authority to reappoint members for an additional term after a break of one (1) term.

3. Subsection (a) of the section 6 of the Regulation to be amended as follows;

6. (a) The Council is formed by a total of 5 (five) members, consisting of 4 (four) members with expertise in Shariah and 1 (one) industry expert. Each member must fulfill the specified requirements.

4. Numberings of the subsection (a) of the section 6 of the Regulation to be amended and arranged as follows;

6. (a)

- 1) If appointed as a member with expertise in shariah, the appointee shall hold a Maldives National Qualifications Framework (MNQF) Level 7 certificate in Shariah or Shariah and Law or Fiqh or Usul al-fiqh and have at least 3 (three) years of work experience in a relevant field, or if the appointee is a Sharia advisor authorized or registered by an international securities commission, capital market regulator, regulatory authority, or a relevant international organization, and have at least 3 (three) years of work experience in a relevant field;
- 2) If appointed to the Council as an industry expert, the member shall hold an MNQF level 7 certificate in Finance/Business or Accounting or Economics and at least 3 (three) years of work experience in a relevant field;
- 3) The appointee should neither be a current member of the Board of Directors nor a permanent employee of the Authority; they should not have held a position on the Board within the past 1 (one) year, nor be a member of the Board of Directors or a permanent employee of an entity regulated by the Authority;
- 4) The appointee should not be an individual currently regulated by the Authority, or a regulated individual or a member of the Sharia Advisory Council of an issuer of Islamic securities listed in the Maldives within the past 1 (one) year;
- 5) The appointee must not be a registered Sharia Advisor with the Authority or have been registered as one in the past 1 (one) year.

5. Subsection (b) of section 6 of the Regulation to be amended as follows;

6. (b) A Chairperson shall be elected annually by a majority of the members of the Council. A person elected as a Chairperson shall hold office for a maximum of 3 (three) consecutive years. The main responsibilities of the Chairperson shall be to set the agenda of the meetings and to preside over the meetings.

6. Subsection (c) of section 6 of the Regulation to be amended as follows;

6. (c) The Council is considered to have a quorum when at least 3 (three) members are present. However, in matters related to Shariah, a decision may only be reached if the majority of the quorum consists of members possessing expertise in Shariah.

7. Repeal section 6 (d) of the Regulation.

8. This regulation will come into effect on the date the regulation is published in the Gazette.
