

## **REGULATIONS ON INSTITUTIONS PROVIDING CUSTODIAL SERVICES**

### **Consolidated English Translation**

Effective date: 9<sup>th</sup> May 2010

This Regulation is formulated pursuant to the powers conferred on the Capital Market Development Authority (hereinafter “the Authority”) by Section 38 and 60(a) of the Maldives Securities Act (Law No: 2/2006), and Section 19 (d) (1) of the Maldives Pension Act (Law No: 08/2009).

#### **Title and Application of Regulations**

1. These regulations may be cited as “Regulations on Institutions Providing Custodial Services.”
2. These regulations apply to institutions providing or seeking to provide Custodial Services in the Maldives.

#### **Commencement of Regulation**

3. This Regulation shall come into force on the date of its publication in the Government Gazette.

#### **Application for License**

4. All persons seeking to provide custodial services in the Maldives shall apply for and obtain a Custodian’s license from the Authority.
5. Any person providing custodial services or holding itself out to Customers or the public as a “Custodian”, without holding a license shall have committed an offence. Any person who contravenes this section is guilty of an offence punishable on conviction by a fine of not less than 75,000 Rufiyaa (Seventy five Thousand Rufiyaa) and not exceeding 150,000 Rufiyaa (One Hundred and Fifty Thousand Rufiyaa).
6. An Application for a Custodian’s License shall be made to the Authority in the prescribed Application Form, in accordance with the directions specified by the Authority.

#### **Application Fees**

7. An Application for a Custodian’s License must be accompanied with a non-refundable payment of an application processing fee of 10,000 Rufiyaa (Ten Thousand Rufiyaa)
8. A Custodian shall pay an annual license fee as specified below;
  - a. A custodian providing any custodial services shall pay an annual license fee of 120,000 Rufiyaa (One Hundred and Twenty Thousand Rufiyaa).

- b. A custodian holding a custodial license but not providing any custodial service shall pay an annual license fee of 10,000 Rufiyaa (Ten Thousand Rufiyaa).

### **Qualifications of Persons Seeking Custodian's License**

9. A Custodian's License shall be issued only to qualified persons.
10. Persons qualified to apply and obtain a Custodian's License are the following financial institutions:
  - (a) An institution licensed by the Maldives Monetary Authority, which is in compliance with the banking laws and regulations of the Maldives; or
  - (b) An institution licensed by the Authority and in compliance with the securities laws and regulations of Maldives; or
  - (c) A foreign financial institution that customarily holds financial assets including securities, for its Customers, provided that it;
    - i. holds a current license issued by a Foreign Financial Regulatory Authority, approved by the Authority
    - ii. maintains a business presence and is registered under the Companies Act (Law no.10/96)
    - iii. has been in the business of providing custodial services for not less than 3 (three) years.

### **Manner of Application for License**

11. An application for license shall be accompanied with:
  - (a) An authenticated copy of the instrument under which the applicant is organized;
  - (b) The address of the applicant's head office, and the name and address of every Directors and Key Management;
  - (c) Information regarding the education, training, and expertise of its principal officers, proposed management team, and other key management;
  - (d) Substantiation that it is an institution licensed in good standing in accordance with section 10, including letters from all relevant governmental authorities under which licensed to perform financial services stating that
    - i. no unpaid penalties assessed against it or an affiliate, and
    - ii. identifying all regulatory violations, supervisory or enforcement actions with respect to the institution or an affiliate thereof in the prior 5 (five) years.

- (e) Substantiation that it has satisfied the capital requirements set forth in this regulation;
  - (f) Full particulars of the business it proposes to do, including the nature of the custodial services and products it intends to provide or offer to Customers or potential Customers;
  - (g) Audited financial statements and annual reports for the prior 3 (three) financial years where applicable.
  - (h) Existing or proposed insurance and bonding arrangements related to liabilities of the proposed business and the responsibilities of its employees and agents;
  - (i) In the case of a foreign financial institution the Authority shall require a duly executed instrument in writing, appointing the agent of the institution to whom all process in any proceeding against it or cause of action arising out of a transaction with its places of business in Maldives, may be lawfully served.
12. The Authority may require an applicant to furnish it with such additional information as it considers necessary in relation to the application.
13. An applicant shall notify the Authority of any change of particulars.

#### **Consideration of Application and Determination Thereon**

14. Within forty five (45) days after the receipt of an application, or within an additional forty five (45) days after the receipt of any additional information required, the Authority shall issue a license, or inform the applicant that it refuses to issue a license, stating the grounds upon which the refusal is based.
15. The Authority may impose conditions to be satisfied by the applicant with respect to the business it proposes to operate and the services and products it intends to provide.

#### **Grounds to Reject Application for Custodian's License**

16. The Authority shall refuse to issue a Custodian's License for any of the following reasons:
- (a) Any director or key management of the applicant is not a fit or proper person to serve on the board of the applicant because he or she:
    - i. has been convicted of an offence involving fraud or dishonesty punishable on conviction to a term of imprisonment exceeding three months either in the Maldives or elsewhere, within a period of 10 (ten) years immediately preceding the date on which an application is made for a license;
    - ii. has been adjudged bankrupt by a court;

- iii. has been convicted of a breach a of law in Maldives or elsewhere;
  - iv. is precluded by an order from any regulatory authority either in the Maldives or elsewhere from engaging in transactions involving securities or handling trust or pension assets, or any assets or property in a fiduciary capacity; or
  - v. the person does not have relevant professional qualifications.
- (b) The conditions for conducting the operation of a custodial business, as stipulated by these regulations or other regulations, were not established.
- (c) The applicant does not have the technical expertise to establish, maintain or conduct custodial business of the scope and nature proposed in its Application.
- (d) The capital reserves are inadequate or the financial condition of the applicant is otherwise insufficient to operate the proposed custodial business properly or fulfill obligations to its Customers.

#### **Grounds to Revoke, Suspend, or Modify Custodian's License**

17. A Custodian's License may be revoked, suspended, or modified by the Authority for any of the following reasons:
- (a) The Licensee no longer fulfils the conditions imposed by this regulation;
  - (b) The Licensee has substantially and impermissibly departed from the scope and range of services and products which it had described on its application and which served as the basis upon which the license had been issued;
  - (c) The Licensee has failed to fulfill its obligations under these regulations.
  - (d) The Licensee has failed to comply with orders or requests of the Authority, or failed to do so in a timely manner.
  - (e) The Licensee has ceased to carry on custodial services covered by the License for more than 12 (twelve) months.
18. The Authority's revocation, suspension, or modification of a Custodian's License may apply to all or a part of the business operations, services or products of the Custodian.

#### **Capital Requirements & Capital Adequacy**

19. A Licensee who holds a license from the Maldives Monetary Authority is exempt from maintaining extra capital in relation to Permitted Custodial Services provided or undertaken under its Custodian's License. The Authority, however, may impose such requirements on such a Licensee case-by-case basis depending on the scope and nature of the Permitted Custodial Services.

- (a) A licensee under this regulation is required to have a minimum paid up & authorized capital as prescribed by the Authority
- (b) A licensee under this regulation is required to meet the capital adequacy requirements as prescribed by the Authority

### **Licensing Conditions**

- 20. The License issued under this Regulation is specific to an applicant to whom it is issued (“Licensee” or “Custodian”) and shall not be transferable.
- 21. A Custodian shall confine its activities to the safekeeping of assets for Customers and any other of the permitted Custodial Services included within the scope of the Custodian’s License. It shall not directly or indirectly enter any other business or offer, sell or provide any other services or products, whether or not ancillary to the provision of the custodial services for which it is licensed, without obtaining prior approval of the Authority, excepting those businesses that it was performing at the time the license was issued.
- 22. A Custodian must maintain, administer, record, account and render reports on custodial assets separately and apart from its own accounts and those of each and every other Customers account.
- 23. The custodian shall facilitate on-site surveillance and inspection and other regulatory activities undertaken by the Authority allowing access to the Custodian’s premises and provide support to designated Authority’s personnel.
- 24. A licensed Custodian shall abide by the Corporate Governance Code set by the Authority.
- 25. A Custodian must at all times comply with the relevant provisions in the Maldives Securities Act, Banking law, Pension Act, any law or regulations applicable to collective investment schemes, and all applicable regulations issued by the Authority.
- 26. A custodian must follow directions given under this regulation.
- 27. Any director or key management of a Custodian who may have access to Custodial Assets or Customer accounts, either directly or through authority to draw upon such funds to direct generally the disposition of such securities shall be bonded by a reputable insurance company against larceny and embezzlement in reasonable amounts reflecting his or her access to such assets and accounts.
- 28. The Authority retains the authority to impose additional conditions on its issuance of a Custodian’s License.

### **Notification of Changes in Particulars of Licensee**

- 29. Changes to shareholdings and the Key Management of the Licensee:

- (a) Except for licensees which are companies listed on the Maldives Stock Exchange, all Licensees must inform the Authority within seven days of any changes to the shareholding structure.
- (b) All Licensees shall inform the Authority of the consummation of a merger or acquisition, or any similar transaction, and the purchase or sale of business units in all cases where;
  - i. a significant portion of its operations is to be transferred,
  - ii. custodial assets or Customer accounts are to be transferred between two Custodians, or between a Custodian and another person, or
  - iii. the resulting capital structure or financial position of the Licensee will be materially different than presented in its application.
- (c) The Licensee must seek and obtain the approval of the Authority prior to making any changes to the directors and key management.

30. Each Custodian shall notify the Authority of any change of particulars not identified in the preceding sections from those submitted in the application for a license and any further material change to its business operations within 15 (Fifteen) days of the change.

31. Any Custodian who fails to notify the Authority of any change of particulars in the timeframes required shall be liable to pay a penalty of 1,000 Rufiyaa (One Thousand Rufiyaa) that the default subsists, and its Custodial License, and any other license issued by the Authority that it holds, may be suspended. If the person is holding a Custodial License or other license issued by the Authority, its license shall be suspended if the period of default exceeds 30 (thirty) days.

#### **Permitted Custodial Services under Custodian's License**

32. An applicant seeking a Custodian's License shall identify the services and products it plans to offer and provide under the license.

33. Custodian's licensed under this regulation shall be responsible for;

- (a) the safekeeping of all property a Customer may entrust, including securities, cash and other assets it may agree to safe keep in accordance with a Custodial Agreement and;
- (b) any of the additional Permitted Custodial Services it has identified on the application upon which the Custodian's License was issued and which it has agreed to provide to a particular Customer under a Custodial Agreement.

34. No Custodian shall agree to take responsibility for and perform any Permitted Custodial Services without such services having been included on its application for license, and

within the scope of the custodian's license issued to it. Regardless of proper licensing, no Custodian shall perform such services without having proper capacity to do so, and adequate risk management procedures, processes and internal controls in place such that it can reasonably ensure it can fully perform the agreed services.

### **Custodial Agreements**

35. No Custodian shall provide custodial services to a Customer unless it has a duly executed and effective Custodial Agreement with the Customer. A Custodial Agreement shall contain provisions that state the following:

- (a) The Custodian's duties and responsibilities and the manner by which the Custodian shall perform its duties and responsibilities;
- (b) Terms that require the portfolio securities if any to be segregated and marked in such a manner as to clearly identify them as the property of the Customer;
- (c) Remuneration of the Custodian and the manner by which fees and charges are determined and assessed and paid;
- (d) Procedure for the reversal of the transaction;
- (e) A general warranty that all requirements of all pertinent Maldivian laws and regulations are, and will be continually satisfied by the Custodian;
- (f) Frequency and nature of regular reports to the Customer on their accounts, as negotiated, but no less than quarterly;
- (g) Notice provisions for the Custodian's actions (or failures to act) that may violate the Custodial Agreement, in which timely written notice is to be provided to the Customer after the violation occurred;
- (h) Procedures and requirements for the termination of the Custodial Agreement and the time and manner by which the Customers' assets and all relevant records are transferred to a substitute or new Custodian; and
- (i) Any other provisions agreed by the Custodian and Customer.

### **Delegation**

36. Notwithstanding the non-transferability of a Custodian's License, the Licensee may delegate any function to any person to assist it in carrying out its responsibilities under these regulations or a Custodial Agreement, except the Custodian is prohibited from making any delegation that would:

- (a) violate this or any law or regulation;

- (b) breach its Custodial Agreement with its Customer, which may include negotiated limitations on delegation; or
  - (c) release, or result in the release of, documents into the possession of a third party without the consent of the Customer.
37. Any such delegation shall be in writing, and the person to whom responsibilities are delegated (hereinafter “Delegate”) must agree to exercise prudence and diligence, in accordance with industry best practices or a higher standard of care, in performing the delegated responsibilities.
38. A Custodian delegating under the preceding sections shall remain liable for the services, products, activities and obligations that it has delegated if the Delegate is an affiliated person of the Custodian or Customer.
39. Except as provided in section 38, a Custodian will not be responsible by virtue of this regulation for any act or omission of the Delegate, if the Custodian can show that;
- (a) it exercised due diligence in determining the Delegate’s competence to perform delegated functions,
  - (b) such delegation was prudent and reasonable,
  - (c) the Custodian had exercised diligence and taken reasonable care to ensure the Delegate remained competent to perform the delegated responsibilities at all times, and
  - (d) the Custodian had prudently monitored the Delegate’s performance.

### **Risk Management and Internal Controls**

40. Each Custodian shall establish and maintain internal controls, policies and procedures relating to the safekeeping of Custodial Assets and the Permitted Custodial Services that it has contractually agreed to provide to Customers.
41. Each Custodian shall designate and specifically identify to the Authority on its application for license a qualified person to serve as its Chief Compliance Officer (“CCO”). The designation of CCO does not preclude the CCO from holding any other position within the Custodian’s business, provided that the person can discharge the duties of a CCO in light of his or her other responsibilities.
42. The CCO shall be responsible for:
- (a) Establishing and maintaining the compliance manual described below and updating it on no less than an annual basis, and
  - (b) Providing to the Board of Directors of the Custodian (or the equivalent thereof) with a report documenting the Custodian’s compliance policies and procedures processes

for establishing, maintaining, enforcing, reviewing, testing, and modifying compliance policies and processes on no less than an annual basis

43. The internal controls, policies and procedures shall be set forth in writing in a compliance manual. The compliance manual shall -

- (a) Identify control and policy objectives, which shall be designed to take into account the nature and scope of services that the Custodian provides to its Customers, the services and standards of performance with which it holds itself out to the Customers and public;
- (b) Describe the internal controls, policies and processes established and how they are administered, including those controls, policies and processes relating to the safeguarding of cash and securities held on behalf of Customers, account set up and maintenance, processing of income and transactions, reconciliation of funds and security positions, and Customer reporting;
- (c) Identify the officers and supervisors employed by the Custodian who have responsibility for effectively carrying out the policy and executing the procedures and processes it describes, and;
- (d) Provide a process for monitoring and revising the internal controls, policies and processes.

44. The internal controls, policies and procedures shall be properly designed to mitigate against risks inherent in performing custodial services and the particular services and products the Custodian provides to its Customers, and to ensure;

- (a) the safeguarding of both the firm's and its Customer assets (including but not limited to custodial assets) against unauthorized use or disposition and the prompt detection of such misuses;
- (b) the maintenance of proper accounting and other applicable records, and the reliability of the information;
- (c) the prompt detection of misuses; and
- (d) compliance with all relevant legal and regulatory requirements.

45. Each Custodian shall have its Chief Executive Officer certify annually that it has in place processes to establish, maintain, review, test and modify written compliance policies and supervisory procedures reasonably designed to achieve compliance with applicable laws, regulations, and contractual obligations.

46. The Chief Executive Officer of the Custodian shall conduct meetings on no less than a quarterly basis with the CCO.

### **Books and Records to be maintained by Custodians**

47. The Custodian must keep such records as are necessary to enable it to comply with the rules in these Regulations and to demonstrate that it has achieved such compliance.

### **Appointment and Removal of Auditor**

48. A Custodian shall, within one month of obtaining a Custodian's License, appoint or confirm the appointment of an independent qualified auditor acceptable to the Authority to audit the financial accounts of the Custodian.

49. A Custodian shall notify the Authority of the appointment or confirmation of the appointment of an auditor within 15 (fifteen) days of the appointment.

50. The Custodian shall ensure that annual financial statements required under this regulation are prepared and submitted to its appointed auditor for audit.

51. An auditor may, by notice in writing to a Custodian, resign as auditor.

52. An auditor who resigns, or who is terminated by a Custodian shall immediately upon taking the decision to resign or upon being informed of its termination by a Custodian, shall immediately notify the Authority in writing about the resignation or termination, indicating the date effective and stating reasons for the resignation or termination, including an explanation of any problems related to its examination or auditing activities that contributed to the resignation or termination.

### **Functions and Responsibilities of Auditor**

53. The auditor shall verify by actual examination no less than annually the assets held by the Custodian on behalf of Customers with which it has entered into and maintains Custodial Agreements.

54. The auditor shall confirm all cash, securities and other assets held by the Custodian on behalf of Customers, including by physical examination of securities, if applicable, and reconcile all assets to the books and records of custodial accounts of Customers maintained by the Custodian and the books and records of Customers and service providers.

55. The audit report issued by the auditor shall include the auditor's opinion regarding the financial accounts.

56. The auditor must notify the Authority within one business day of all material discrepancies uncovered during the examination.

### **Internal Control Audit and Report**

57. A Custodian shall obtain no less frequently than once each calendar year, a written internal control report prepared by an independent, qualified auditor acceptable to the

Authority, which should be different to the auditor identified to conduct the audit of financial accounts under section 48

58. The internal control report must include the auditor's opinion as to whether the internal controls, processes and procedures that the Custodian has put in operation are suitably designed for the activities and services undertaken, are effectively employed, tested and revised by the Custodian, and satisfy control objectives identified in the compliance manual.

59. The auditor must notify the Authority within one business day of any material discrepancies uncovered during the examination.

#### **Annual Submission of Financial Statements and Audit Reports**

60. The Custodian providing any custodial service shall submit on an annual basis to the Authority the following:

- (a) The annual financial statements which shall include a section on custodial services;
- (b) The financial audit report and opinion of the auditor;
- (c) The internal control report and opinion of the auditor; and
- (d) Confirmation in writing from the Chief Executive Officer and Chairperson of the Board of Directors that the Custodian remains in full compliance with relevant laws and regulations, and, if not, disclosing areas of violation and actions taken to redress.

61. Where the auditor's opinion is qualified as to the completeness or accuracy of the underlying records and data examined, the report shall, when submitted by the Custodian, be accompanied by a written document signed by two directors of the Custodian, stating:-

- (a) whether all the accounting records of the Custodian have been made available to the auditor for the purposes of his audit; and
- (b) whether all transactions undertaken by the Custodian have been properly reflected and recorded in the Custodian's accounting records.

#### **Duty to act in the Interest of Customers**

62. It shall be unlawful for a Custodian to act in a manner that is misleading, or knowingly omit material facts or engage in other fraudulent acts and practices in connection with the conduct of a custodial business.

63. As a fiduciary, a Custodian owes its Customers undivided loyalty, and shall not engage in activity that conflicts with a Customers' interest without the Customers' consent.

64. Where the Custodian is of the opinion that an instruction, direction, transaction or similar activity(hereinafter “Transaction”) is not permitted under this regulation or outside the scope of its Custodian’s License, the terms of the pertinent Custodial Agreement or any other relevant foundation documents (such as an agreement between a Customer and an asset manager), the Custodian may refuse to execute the Transaction, require the asset manager to cancel the Transaction or make a corresponding disposal or acquisition to secure restoration of the previous situation and to meet any resulting loss or expense. In such cases the Custodian shall immediately inform the Customer.

65. A person who acts in breach of section 62,63, or 64 commits an offence and is liable to pay a penalty as provided for under section 59 of the Maldives Securities Act.

### **Provisions of Written Disclosure Statement and Annual report to Customers or Prospective Customers**

66. A Custodian shall furnish each Customer or prospective Customer with its most recently issued annual report written disclosure statement, describing the Custodian’s business practices and educational and business background, and this statement shall be delivered:

- (a) at least 48-hours (forty eight) before entering into any custodial agreement with a Customer, or
- (b) at the time of entering into the custodial agreement with a Customer if the agreement permits the Customer to terminate the agreement within 5 (five) business days after entering into the agreement without paying penalty.

67. A Custodian shall furnish each existing Customer an updated written disclosure statement and make available its most recent annual report without charge.

68. The information that should be included in the written disclosure statement should include, but not be limited to matters described in section 66 and, the following items:

- (a) Date upon which the Custodian’s License was first issued and the date of its most recent renewal (if renewed or amended in scope);
- (b) Description of the scope of its Permitted Custodial Services under its Custodian’s License;
- (c) Type of custodial services offered and;
- (d) whether service fees charged are on percentage basis, hourly basis, fixed fee basis, subscription fee basis, transactional basis or other specified basis.

69. A Custodian shall also disclose to any Customer or prospective Customer all material facts with respect to:

- (a) A financial condition of the Custodian or an affiliate that is reasonably likely to impair the ability of the Custodian to meet contractual commitments to its Customer,
- (b) The extent to which the custodian or affiliate has discretionary authority or custody over such Customers' custodial assets or other funds or securities;
- (c) Any legal or disciplinary event that is material to an evaluation of the custodian's integrity or ability to meet contractual commitments to Customers

70. The Authority may bring any necessary changes to this regulation as it deems appropriate from time to time. The Authority may also waive some provisions of this regulation after due consideration by the Board of Directors of the Authority.

### **Interpretation**

71. In these Regulations, unless the context otherwise requires, any term defined in the Maldives Securities Act shall have the meaning so assigned to it in the Act.

“Act” means the Maldives Securities Act (Law No: 02/2006).

“Authority” means the Capital Market Development Authority.

“Custodian” means a person acting for or by arrangement with a Customer who performs stewardship and related custodial services on the Customers' behalf which, including safekeeping of assets and is licensed to do so under this regulation.

“Custodial Agreement” refers to the agreement between the Customer and the Custodian setting forth terms relating to the custody of the Customer's assets (“Custodial Assets”), including the safekeeping, acquisition and disposition of such assets.

“Custodial Assets” means those assets under the stewardship and custody of a Custodian pursuant to a Custodial Agreement with a Customer, and which may be securities, cash, property or other assets.

“Customer” means any person with whom a Custodian has entered into a Custodial Agreement to provide custodial and ancillary services and products.

“Pension Act” means the Maldives Pension Act (Law No.:8/2009)

“Pension Assets” has the same meaning as in the Pension Act.

“Permitted Custodial Services” means the services and products a Custodian may provide and activities that it may conduct under a Custodian's License issued by the Authority upon application specifically identifying the particular services, products and activities, including but not limited to, the safekeeping of assets (including portfolio securities, cash, and other property), book-entry transactions, income collection, trade settlement, corporate action monitoring, tax withholding, transfer agency support, auditing, financial reporting, cash management, securities lending and foreign currency exchange.

**APPLICATION FOR LICENSE TO PROVIDE CUSTODIAL SERVICES  
SUBMITTED IN ACCORDANCE WITH THE REGULATION ON INSTITUTIONS PROVIDING  
CUSTODIAL SERVICES (FOR INSTITUTIONS LICENSED BY THE MALDIVES MONETARY  
AUTHORITY AND CAPITAL MARKET DEVELOPMENT AUTHORITY)**

**1. General Information:**

(a) Name of Applicant Company:

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(b) Registered office:

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(c) Date of incorporation .....

(d) Full address and telephone number of the principal place at which the  
business of the Applicant is to be carried on:

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**2. Financial & Technical Information**

*(Please include details and attach plans where necessary)*

(a) Authorized and paid up capital of the Company that wishes to obtain the license  
(Refer to capital requirements)

(b) Estimated fee and revenue structure for the services to be rendered by the  
custodian

- (c) Board & governance structure (which must be in accordance with the Code of Corporate Governance of CMDA)
- (d) Key management along with their qualification and experience
- (e) The Memorandum and Articles of Association of the Company
- (f) IT deployment plan
- (g) Plan for handling grievances

**3. Please attach the following with the Application**

- (a) Full particulars of the custodial services.
- (b) Audited financial statements and annual reports for the prior [three] financial years.
- (c) All fees required under the regulation
- (d) Any other information or documents required by the Authority.

**Undertaking for compliance with the Laws & Regulations**

All Applicants shall be required to furnish an express undertaking to Authority confirming that the Applicant understands and acknowledges understanding the requirements set by the Maldives Securities Act 2/2006 and the Maldives Pension Act 8/2009.

**Declaration:**

We have read and understood the Maldives Securities Act 2/2006 and the Maldives Pension Act 8/2009, and regulations made under the Act, and we are aware of the provisions of the section 32 of the Maldives Securities Act relating to false statements in applications

<b>Number</b>	<b>Name of Director / Key Management</b>	<b>Signature</b>	<b>Date</b>

**APPLICATION FOR LICENSE TO PROVIDE CUSTODIAL SERVICES**  
**SUBMITTED IN ACCORDANCE WITH THE REGULATION ON INSTITUTIONS PROVIDING**  
**CUSTODIAL SERVICES (FOR INSTITUTIONS NOT LICENSED BY THE MALDIVES MONETARY**  
**AUTHORITY AND CAPITAL MARKET DEVELOPMENT AUTHORITY)**

1. **General Information:**

(a) Name of Applicant Company:

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(b) Registered office:

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(c) Date of incorporation .....

(d) Full address and telephone number of the principal place at which the business of the Applicant is to be carried on:

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2. **Financial & Technical Information**

*(Please include details and attach plans where necessary)*

(a) Authorized and paid up capital of the Company that wishes to obtain the license (Refer to capital requirements)

(b) Estimated fee and revenue structure for the services to be rendered by the custodian

(c) Board & governance structure (which must be in accordance with the Code of Corporate Governance of CMDA)

(d) Key management along with their qualification and experience

(e) The Memorandum and Articles of Association of the Company

(f) IT deployment plan

(g) Plan for handling grievances

3. The details of shareholders of the Applicant, including the name address, amount of shares being held and date of acquisition. *(Please attach a list)*

Name	Address	Number of shares	Date of acquisition of shares

4. Details of each Director, Company Secretary, chief executive officer and other key personnel of the Company:

Name: .....

ID card number .....

Residential Address: .....

Date of Birth: .....

Date of appointment: .....

Office held: .....

Educational qualifications: .....

5. Name and address of each person who, directly or indirectly, exercises or has power to exercise a controlling influence over the management and policies of the Applicant other than those shown as Directors:

Full Name	Address

6. Is any Director or Secretary of the Applicant a Director of any other corporation?

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If the answer is "YES" give details of:

Name(s) of Company	Place of Incorporation	Office held	Date of appointment

7. Has any Director or Secretary of the Applicant within the past 10 years:-

(a) been known by any name other than the name or names shown in this application? If answer is "YES" give details thereof:

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(b) been convicted of any offence other than a traffic offence in Maldives or elsewhere or are there any proceedings now pending which may lead to such a conviction? If answer is "YES" give details thereof:

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(c) had judgment including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Maldives or elsewhere? If answer is "YES" give details thereof:

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(d) been declared bankrupt or compounded with or made an arrangement for the benefit of his creditors, in Maldives or elsewhere? If answer is "YES" give details thereof:

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(e) been engaged in the management of any corporation other than those referred to in answer to question 7? If answer is "YES" give details thereof:

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(f) been refused as a Director, or been Director of a Company that has gone into receivership or liquidation, in Maldives or elsewhere? If answer is "YES" give details thereof:

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8. Has any Director or management staff of the Applicant had any experience in performing the functions in this area? If answer is "YES" give details thereof:

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 .....

9. In relation to each Director and Secretary of the Applicant set out below details of the officer's employment and business activities, during the previous 5 years:

Name of Director or Secretary	Name and address of employer (if self-employed, so state)	Nature of business or activity	Description of duties in relation to the employment	Period of employment or activity (give exact dates)

10. Include certified copies of any formal qualifications or training of the Directors or Secretary of the Applicant.

11. Set out below details of two persons with whom each Director and the Secretary of the Applicant has had regular contact over the past 5 years and of whom the Authority may enquire regarding the character and reputation of the respective Director or Secretary.

Name of Director or Secretary in respect of whom enquiries may be made	Name of character referee	Occupation of character referee	Address of character referee

**Note:**

- Set out any additional information that the Applicant deemed as important for the purpose of this application
- If space is insufficient to provide details, please attach annexure(s). Any such annexure should be identified as such and signed by the signatory to this application.

**12. Please attach the following with the Application**

- (a) Full particulars of the custodial services.
- (b) Audited financial statements and annual reports for the prior [three] financial years.
- (c) Existing or proposed insurance and bonding arrangements related to liabilities of the proposed business and the responsibilities of its employees and agents;

(d) Completed Clearance form (Appendix:1)

(e) All fees required under the regulation

(f) Any other information or documents required by the Authority

**Undertaking for compliance with the Laws & Regulations**

All Applicants shall be required to furnish an express undertaking to Authority confirming that the Applicant understands and acknowledges understanding the requirements set by the Maldives Securities Act 2/2006 and the Maldives Pension Act 8/2009.

**Declaration:**

We have read and understood the Maldives Securities Act 2/2006 and the Maldives Pension Act 8/2009, and regulations made under the Act, and we are aware of the provisions of the section 32 of the Maldives Securities Act relating to false statements in applications.

<b>Number</b>	<b>Name of Director</b>	<b>Signature</b>	<b>Date</b>



