

ISLAMIC CAPITAL MARKET QUARTERLY BULLETIN

4TH QUARTER 2013

This bulletin focuses on the Islamic Capital Market (ICM) news and developments during the fourth quarter of 2013.

OVERVIEW OF THE QUARTER:

- “CMSAC Regulation” and “Fit and Proper Guidelines” Endorsed.
- Ms. Fathimath Shafeega, Chief Executive Officer of CMDA, attended the IDB High Level Regional Forum on December 16th & 17th 2013.
- A meeting with the Minister of Islamic Affairs was held to discuss the Implementation of the MoU between CMDA and Ministry of Islamic Affairs.
- ICM monthly awareness workshop and training program conducted.
- Agreement with Thomson Reuters.
- Extension of HDFC Sukuk subscription close date, 20th January 2014.
- MTCC Plc announces interest to hire Sukuk Adviser in preparation for Sukuk issuance.
- Establishment of Maldives Hajj Corporation Limited.
- Islamic Capital Market development time line.

All queries with regard to the content of this bulletin should be addressed to the Research & Publication Section (RPS) of the CMDA via email to mail@cmda.gov.mv or contact the Information Officer on (960) 3014124.



“CMSAC REGULATION” AND “FIT AND PROPER GUIDELINES FOR CMSAC” ENDORSED

The passing of the ‘Capital Market Shariáh Advisory Council (CMSAC) Regulation’ facilitates the creation of an independent Capital Market Shariáh Advisory Council, which will act in an advisory capacity to the CMDA, in developing the Islamic Capital Market in the Maldives.

In order to ascertain that the most suitable candidates are appointed to the council, a guideline to gauge the fitness and propriety of council members, was endorsed by the CMDA Board on the 24th of December 2013.

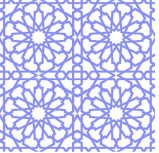
The ‘CMSAC Fit & Proper Guidelines’ ensure that members appointed to the CMSAC are competent, trustworthy individuals of high integrity, who are well versed in the principles of Islamic Shariáh.

Important factors taken into consideration, in determining the fitness and propriety of council members include; academic background and level of experience, financial solvency, past criminal records, ongoing court cases, relationships with companies deemed to be fraudulent and public perception of the individual.

The guidelines also stipulate that any conflicts of interest that may arise due to the appointment of a member, be given due consideration in the selection process.



CMDA



PARTICIPATION IN IDB GROUP'S HIGH LEVEL REGIONAL FORUM

Ms. Fathimath Shafeega, Chief Executive Officer of CMDA, participated in the Kuala Lumpur High Level Regional Forum, organized by the Islamic Development Bank Group (IDBG) on the occasion of its 40th anniversary.

The forum was held at the Grand Hyatt in Kuala Lumpur from 16th to 17th December 2013 and evaluated the performance of the IDB over the past 4 decades and discussed ways to supplement IDB's Vision 2020, in terms of the strategy for the next 10 years.



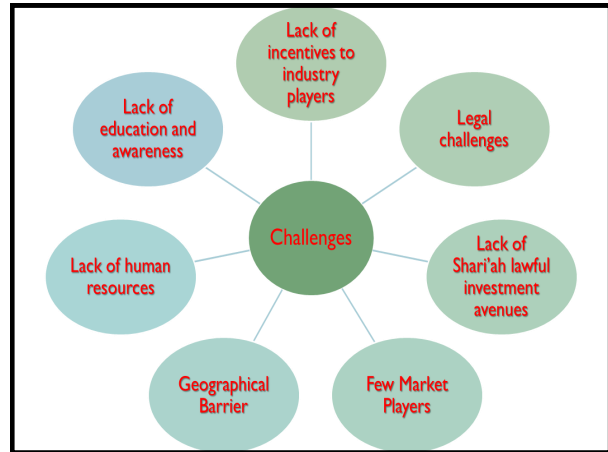
IDB High Level Regional Forum

The CEO sat on the panel of experts, for the first session of the Round table on - “Promoting the Development of the Regional Islamic Bank Financial Sector”. The theme of the session was “Assessing effectiveness of IDB Group as partner for regional development of Islamic Finance sector”. CMDA CEO also delivered a presentation on the Islamic Finance Sector in the Maldives.

In her deliberations, CEO acknowledged the numerous ways in which the IDB has assisted Maldives in developing the sector and highlighted ways in which Maldives can assist in the promotion and development of the

Islamic Finance sector in the SAARC Region.

The Forum was attended by Bangladesh, Brunei, Indonesia, Malaysia, Maldives, and Suriname along with Muslim communities from non-member countries in the Asia-Pacific Region.



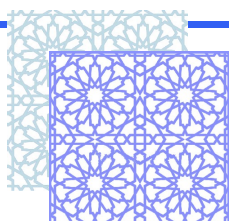
Challenges Facing Islamic Finance Stakeholders – download presentation <http://www.cmda.gov.mv/docs/Presentation-IDB.pdf>

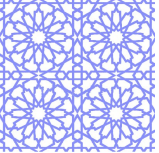
MEETING WITH THE MINISTER OF ISLAMIC AFFAIRS

Senior management officials of the Islamic Capital Market Development Section of CMDA met with the Islamic Minister Dr. Mohamed Shaheem Ali Saeed on the 04th of December 2013.

The meeting was requested by CMDA, as part of the initiative to hold talks with high ranking stakeholders and policy makers of the government. The primary focus of the discussion with the Minister, was to ensure the alignment of government strategies with the Authority's plans for the development of the Islamic Capital Market.

Other matters of importance deliberated upon include:





- Renewal of MoU between CMDA and Ministry of Islamic Affairs before 30th October 2014.
- Establishment and development of “Maldives Center for Islamic Capital Market and Finance”
- Organizing a round table meeting at national level for Shariáh Scholars.
- Discussions on increasing education and awareness programs for schools and public on Islamic Capital Market and Finance.
- Support and assist CMDA in developing Islamic Capital Market in the Maldives.



Meeting between the Islamic Minister and CMDA

TRAINING PROGRAMS AND WORKSHOPS ON ICM

A two day, Islamic Finance workshop was held at the Islamic Center, on the 26th and the 27th of November 2013.



ICM monthly awareness Workshop Participants

The event was sponsored by Maldives Islamic Bank Pvt. Ltd. (MIB) and Amāna Takaful (Maldives) PLC.

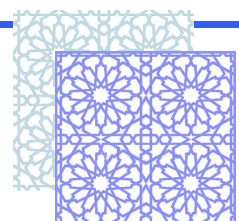
Additionally, another half day training session on Islamic Finance was conducted on the 5th of December 2013 at the Faculty of Management and Computing.

Both sessions were conducted by Dr. Aishath Muneza (Islamic Finance Adviser of CMDA).

IRTI—TRAINING

Third training program, in collaboration with Islamic Research and Training Institute (IRTI) was conducted during the quarter. The 5 day training program on “Fundamentals of Islamic Capital Market” was conducted in collaboration with the Islamic Research and Training Institute (IRTI - a member of the Islamic Development Bank Group) in October 2013. Twenty six participants from various government institutions, the private sector and financial sector participated in the program. The main objective of the training program was capacity building in Islamic Finance.

The program was conducted by both international and local resource persons. The resource persons from IDB were Dr. Abdulkader Chachi an economist Researcher of Islamic Research and Training Institute (IRTI), IDB, Dr. Rusni Hassan, an Associate Professor at Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws, International Islamic University



Malaysia and Mr. Adiwarmar Karim who is the Vice Chairman at the Council of the Working Committee on Shariáh Capital Market of National Shariáh Board of the Republic of Indonesia. Dr. Aishath Muneeza, Islamic Finance Adviser of CMDA also lectured in the program.



Participants of the training program on Fundamentals of Islamic Capital Market

AGREEMENT WITH THOMSON REUTERS

Capital Market Development Authority, entered into an agreement with Thomson Reuters Company to provide information on Islamic Finance products and services offered in the Islamic Capital Market of Maldives.

Thomson Reuters is a leading source of information for businesses and professionals. For more information visit their website (<http://thomsonreuters.com/>)

HDFC SUKUK SUBSCRIPTION—EXTENDED

The Housing Development Finance Corporation Plc. (HDFC), having launched the first corporate Sukuk in the Maldives on the 1st of October 2013, has decided to extend the closing date of the subscription to 20th January 2014.

The decision was made upon the request of a considerable number of market participants, who could not partake in the Sukuk subscription in the allotted time, owing to the recent presidential elections and subsequent management changes. As such, HDFC decided that the best course of action would be to extend the closing date of subscription so as to provide the opportunity to subscribe, to as many market participants as possible.

The proceeds of the Sukuk will be utilized to provide Shariáh compliant mortgage financing facilities, under HDFC Amna, the Islamic window of HDFC launched in May 2012.

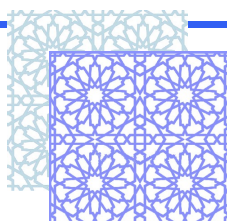


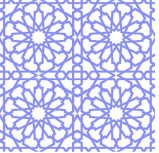
<http://www.hdfc.com.my>

MTCC PLAN SUKUK ISSUANCE

Maldives Transport and Contracting Company Plc. (MTCC) has signaled its intention to venture into the Islamic Bonds (Sukuk) market.

On the 25th of December 2013, MTCC Plc announced their plans to hire a Sukuk Adviser, to assist the company in structuring a Sukuk to raise finance for the development of several land plots under the custody of





MTCC Plc.

As per the Terms of Reference publicized on the company website the Sukuk Adviser will be contracted for 6 months and is expected to work with the MTCC team to structure the Sukuk and assist in its issuance by 15th of July 2014.

Should the issuance be successful, MTCC Plc. will become the second Maldivian company, after HDFC Plc. to raise finance through Shariáh compliant debt instruments.

ESTABLISHMENT OF MALDIVES HAJJ CORPORATION LIMITED

Established on May 2013, Maldives Hajj Corporation Limited, is owned solely by the Government of Maldives. During the quarter directors were appointed to the Board of Maldives Hajj Corporation Limited.

The President’s Office stated that the Maldives Hajj Corporation Limited would organize and facilitate the Hajj pilgrimage for the citizens of the Maldives in a manner that is Shariáh compliant.

The CMDA has plans to formulate Islamic Fund Management Guidelines, to regulate the collection and management of funds by institutions such as the Maldives Hajj Corporation Limited.

Proposed Islamic Finance Developments-

2014

- The Takaful Window of Allied Insurance
- The Islamic Window of Bank of Maldives Plc



DEVELOPMENTS OF ISLAMIC FINANCE

March 2011

- First full fledged Islamic Bank, Maldives Islamic Bank Pvt Ltd established

April 2011

- Establishment of Capital Market Shariáh Advisory Committee
- Issuance of Pre-IPO Shariáh Screening Guidelines

June 2011

- Amāna Takaful (Maldives) PLC becomes first Shariáh compliant company in the Maldives

September 2011

- Launch of First Islamic Equity

February 2012

- First trade of Shariáh compliant Islamic Equity on the Maldives Stock Exchange

May 2012

- Launch of HDFC Amna, the first Islamic Window

September 2012

- Endorsement of first Sukuk structure by the CMDA

February 2013

- First Shariáh compliant sovereign Sukuk papers issued

May 2013

- Capital Market Shariáh Advisory Committee renamed as Capital Market Shariáh Advisory Council

July 2013

- ICM Regulations Published in the Gazette
 - Sukuk Issuance Regulation
 - Registration of Shariáh Adviser Regulation
 - Islamic Securities Screening Regulation

September 2013

- First Corporate Sukuk, HDFC *Mudharabah* Sukuk prospectus launched

November 2013

- First Islamic Treasury Bill issued

