

Capital Market Development Authority (CMDA)

## **Second Amendment to the Regulation on Registration of Shariah Advisors**

**Regulation Number: 2022/R-254**

(Unofficial Translation)

The following amendments are to be brought to the Regulation on Registration of Shariah Advisors (Regulation Number: 2013/R-54):

1. Section 4 of the Regulation to be amended as follows;

### **4. Shariah Advisors eligible for Individual Practice**

Individuals seeking registration as Sharia Advisors must fulfill the following prerequisites for individual practice.

- a)** The applicant should have at least a degree in Shariah particularly in fiqh muamalat or Islamic Jurisprudence or shariah and law, from an institution recognized by the Maldives Qualification Authority (MQA); OR shall have a Bachelor of Law degree from a recognized institution by the MQA and must have completed shariah subjects acceptable to the Authority.
- b)** A minimum of one year of professional experience in a Sharia Advisory-related field is required. Recognized fields acknowledged by the Authority include teaching and conducting research within Sharia studies, or employment within the pertinent section or department of an institution offering Sharia-related services;  
OR
- c)** Possession of a Sharia Advisory License issued by a competent foreign entity acknowledged by the Authority exempts the need to fulfill the requirements outlined in subsections (a) and (f) of this section.
- d)** Satisfy the "fit and proper" criteria as defined by the Authority.
- e)** Applicant must be a Muslim.

- f) Have a valid business license as a private individual.
2. Two sections (section **4-1** and section **4-2**) to be added following section 4 of the regulation.

#### **4-1 Entities eligible to practice as Shariah Advisors**

Entities seeking registration as Shariah Advisors must fulfill the following prerequisites.

- a) Must be a registered or re-registered company, or a partnership in the Maldives.
- b) Must have a shariah adviser licensed by the Authority.
- c) If the applicant is a company, all directors, and all members of senior management must meet the "fit and proper" standards set by the Authority.
- d) If the applicant is a partnership, all the partners must meet the "fit and proper" standards set by the Authority.

#### **4-2 Exemption from Licensing Requirement under this Regulation**

An Islamic bank, or an Islamic banking window of a bank, or an Islamic financial institution, or an Islamic financial window of a financial institution licensed by Maldives Monetary Authority (MMA), that establishes an in-house shariah council with a full-time shariah advisor licensed by the Authority, will be considered exceptional.

3. Removal of section 5(d) and (f) from the aforementioned regulation.
4. Add the following three letters following section 6(d) of the aforementioned regulation.
- 6.
- e) An Islamic finance program recognized by the Authority shall be completed every three years.
  - f) Each Shariah Advisor is required to submit an annual report to the Authority within 4 (four) months following the conclusion of the fiscal year, prepared according to a specific format stipulated by the Authority.

- g)** The certificate for the training program, mandatory to be completed every 3 (three) years, must be submitted to the Authority within 1 (one) month after the program's completion.
5. This regulation will come into effect on the date the regulation is published in the Gazette.
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