

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



Ministry of Finance
Male', Maldives

Terms of Reference

Senior Financial Consumer Protection Expert - Short Term Consultant

Support on Development of Maldives Financial Consumer Protection Regulation

Maldives Competitiveness and Growth Project (P179286)

A. BACKGROUND

The Maldives currently has very limited Financial Consumer Protection (FCP) regulatory requirements in place but the Maldives Monetary Authority (MMA) Act of 1981 (MMA Act) was amended in 2020 to provide the MMA with express powers to impose FCP requirements on banks and non-bank financial institutions, and also to issue regulations in relation to internal and external dispute resolution.

Following the amendments to its Act, the MMA has been developing a draft FCP Regulation that is intended to provide for a comprehensive set of FCP requirements in the country. Finalization of the draft FCP regulation is a high priority for the MMA, which aims to complete the draft FCP Regulation by second quarter of 2024 and issue the regulation by third Quarter of 2024.

Finalization of the FCP regulation has also been identified as a critical area of work under the World Bank financed Maldives Competitiveness and Growth Project (MCGP), wherein the Ministry of Finance (MoF) is working towards improving the access to finance opportunities for the SME sector and other important policy interventions to improve the competitiveness of small and medium enterprises in the country.

The proposed consulting assignment is thus to assist the MMA and the MoF in finalization of the FCP Regulation, that is consistent with international good practices and in line with the future financing needs of the country.

B. OBJECTIVES

Objective of this assignment is to develop a financial Consumer Protection Regulation, which is crucial to be in place to support the development of an efficient Credit Infrastructure Mechanism.

C. SCOPE OF WORK

The consultant will provide technical assistance to the authorities in the Maldives by:

- Reviewing the draft FCP Regulation and recommending revisions and additional content suggestions for the purposes of ensuring that the regulation is aligned with international good practices and is appropriately comprehensive for the Maldives financial sector;
- The consultant will also review the regulation from the perspective of ensuring its appropriateness to address FCP issues in relation to financial products and services. Financial products and services, such as accounts and loans, are already provided extensively in the Maldives (e.g. through mobile online bank and mobile apps) by current providers. In addition, digital lending and cash-flow based lending models are also proposed to be developed further in the Maldives in the near future. For example, such lending models would rely heavily on digital transaction-level data and may have implications from an FCP perspective.
- Undertaking a mission to hold intensive workshops to work through drafting and substantive content-related issues (including international approaches and relevant decisions to be made by MMA) in order to support the MMA in making speedy revisions and decisions to update the draft as necessary;
- Assisting with updating and revising the draft of the FCP Regulation based on preferred positions of the authorities in the Maldives, following such workshops;
- Supporting consultations with stakeholders (including financial institutions, consumers, other relevant government authorities etc.) on the draft FCP Regulation before its finalization. This will include assisting with preparation of written explanatory notes and, if required, undertaking a further mission to participate in consultation sessions with stakeholders;
- Attend video conferences and telephone calls as reasonably required to progress the work above.

D. KEY DELIVERABLES

#	Deliverable	Duration	Payment Breakdown (%)
1	Development and approval of work and mission program covering the above mentioned tasks with an indicative estimate of corresponding number of days per task	Within 1 week after signing contract	2%
2	Review and provide initial written comments on draft FCP Regulation	4 weeks	20%
3	Undertake content and drafting workshops mission	5 weeks	23%
4	Provide revisions and drafting recommendations following workshops	4 weeks	15%

5	Provide written materials [and undertake virtual mission to participate in consultation workshops]	5 weeks	20%
6	Following stakeholder consultations prepare further drafting/revisions recommendations to assist in finalizing FCP Regulation for issuance by MMA.	5 weeks	20%

E. REPORTING

The consultant will report to Project Director of MCGP, Financial Consumer Protection Section at MMA and liaise with a group of technical advisors as formulated by MMA for technical inputs.

The Consultant shall update Project Director of MCGP, Financial Consumer Protection Section at MMA on the progress of key deliverables of the assignment on a weekly basis.

Consultant shall provide all reports and relevant data and information such as maps, diagrams, plans, databases, other documents and software, supporting records or material compiled or prepared by the Consultant for this Assignment.

F. TIMEFRAME

The assignment is expected to take up to 6 (six) months, concluding no later than 30th June, 2024. The consultant is expected to work both on-site and off-site, as may be required.

The consultant is expected to be on-site for a minimum of 15 working days distributed to 2 trips. On-site and off-site working hours will be weekdays (Sunday to Thursday) from 8:00am to 4:00pm (Maldives time).

G. PAYMENT AND BUDGET

MoF will be procuring the consultant through funding under the MCGP. Payment of the consultancy will be tied to the key deliverables as presented above and paid upon approval by MMA on completion of the deliverables.

H. QUALIFICATIONS

The consultant shall be required to have, at a minimum, the following qualifications:

- Minimum master's degree in law, banking and finance, or any other relevant field.
- Minimum 7 years of relevant professional experience, particularly in drafting laws, regulations and/or guidelines, legal reform, and governance.
- Minimum 5 years of knowledge and professional experience in financial consumer protection act/regulation formulation

- Demonstrate expertise knowledge in the development of financial consumer protection acts/regulations internationally, in line with international best practices.
- Extensive knowledge of financial consumer protection laws and regulations in developed and developing countries
- Extensive experience in presenting technical findings and recommendations to the government and other stakeholders.
- Extensive experience and strong performance with World Bank FCP technical assistance projects
- Excellent analytical, technical writing, and communication skills.