



Capital Market Development Authority
Republic of Maldives

Terms of Reference

Legal Consultant

A. Background

The Capital Market Development Authority ('CMDA' or 'the Authority') is mandated by law to regulate the capital market of the Maldives, whereby it regulates issuers of securities, the stock exchange and other licensed entities. In addition, it also has the complementary mandate of developing the capital market, by encouraging companies to issue securities, and educating investors to invest in the Maldives capital market. The Authority also carries out supervisory activities with respect to the Maldives Retirement Pension Scheme under the Maldives Pension Act (8/2009). To fulfil these mandates the Authority requires legal expertise in regards to its laws and regulations.

B. Objective

The main objective is to assist CMDA in reviewing and amending the existing laws and regulations.

C. Scope of services

Under this TOR, the scope of work which the Legal Consultant agrees to provide to the Authority is as follows:

- 1) Review the regulatory framework of securities market, pension, and conducting business which affects CMDA mandates to;
 - a) Identify the gaps and weaknesses in achieving the investor protection mandate under the Maldives Securities Act (2/2006).
 - b) Determine the changes needed to strengthen investigative and enforcement power.
 - c) Identify areas to be strengthened in establishing and operating investment funds.
 - d) Identify the challenges facing participation of foreign investors in securities investments.
 - e) Propose a regulatory change to introduce multiple activities licence/bundled licence to attract new and better market intermediaries.
 - f) Propose amendments to incorporate provisions to enable development of securities market professional services including principal advisers, investment advisers, shariah advisers and credit rating agencies.

- g) Identify gaps and recommend changes to the pension law and current pension supervision strategies, to strengthen the Authority's supervision role of the pension board.
- 2) Review the regulatory framework of capital market intermediaries to identify the gaps and weaknesses in the eligibility criteria, governance and reporting requirements.
- 3) Review licensing requirements to enable companies to provide Sharia Adviser service.
- 4) Review fees to attract potential licensees.

D. Deliverables

- a. Draft amendments to applicable laws and regulations to achieve the following:
 - i) Increase investor protection by aligning regulatory framework to the best practices.
 - ii) Strengthen investigative and enforcement powers of the Authority.
 - iii) Strengthen regulation of funds registered with the Authority.
 - iv) Attract foreign investment.
 - v) Issue bundle licence.
 - vi) Enable development of securities market professional services including principal advisers, investment advisers, shariah advisers and credit rating agencies.
 - vii) Strengthen the Authority's supervision role of the pension board.
- b) Draft amendment to improve regulatory framework relating to eligibility criteria, governance and reporting requirements of intermediaries.
- c) Draft amendments to enable companies to provide Sharia Adviser service.
- d) Review fees to attract potential licensees.

E. Reporting

The selected party will report to the Chief Executive Officer of CMDA.

F. Engagement of the Legal Consultant

The Legal Consultant will be hired for a period of one year, which will be subjected to renewal upon review and suggestion of the Authority's management and Board.

G. Eligibility Criteria

- a) Bachelor's Degree in Law from a university recognized by the Maldives Qualifications Authority.
- b) At least 5 years of experience in practicing law will be an added advantage.
- c) Relevant work experience will be considered in the legal/financial sector.
- d) Excellent verbal and written communication skills in Dhivehi and English.

16th June 2022