

Media Release

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SEC signs landmark MOU with Maldives Capital Market Regulator

- This will pave the way for Maldivian Companies list on CSE's Multi-Currency Board
- Facilitates regulatory information exchange, capacity building assistance and mutual collaboration



The Securities and Exchange Commission of Sri Lanka (SEC) and the Capital Market Development Authority of Maldives (CMDA) signed a landmark Memorandum of Understanding (MOU) on 21st July 2024 in Malé. The scope primarily covers secondary listings by Maldivian companies on the Colombo Stock exchange (CSE), as well as extends to mutual collaboration, capacity building assistance and regulatory information

exchanges between the two capital market regulators to ensure compliance with laws and regulations across both jurisdictions.

The longstanding relationship between Maldives and Sri Lanka has thrived over the years, with both nations engaging in continuous dialogue on areas of mutual interest for national development. Maldives first established a mission in Sri Lanka (then the Dominion of Ceylon) in July 1965, and today has a High Commission in Colombo. Sri Lanka has a High Commission in Malé. Both countries were founding members of the South Asian Association for Regional Cooperation (SAARC) in December 1985.

The MOU signing was attended by Sri Lanka's High Commissioner to Maldives, His Excellency Ranga Goonawardena, SEC Chairman Faizal Salieh , CMDA Chairperson Ms. Aishath Zahira, CSE Chairman Dilshan Wirasekara, SEC Director General Chinthaka Mendis, CSE CEO, Rajeeva Bandaranaike, SEC Deputy Director General Tushara Jayaratne, CSE Senior Vice President Commercial, Ms. Punyamali Saparamadu, CMDA CEO, Mohamed Hussain Maniku, Deputy Governor, Maldives Monetary Authority, Ahmed Imad, Auditor General, Hussain Niyazy, Maldives Stock Exchange Chairman Alau Ali, Maldives Stock Exchange CEO Aushan Latheef and Managing Directors of listed companies.



In 2018 the Colombo Stock Exchange (CSE) introduced a Multi-Currency Board (MCB), which represents a crucial step forward in strengthening and diversifying Sri Lanka's financial ecosystem. This platform allows international companies to list and raise capital in US Dollars, expanding opportunities and fostering a deeper understanding of the Sri Lankan capital market.

The MCB offers several significant benefits, including opportunities to diversify the investor base, enhance market stability, leverage CSE's sophisticated trading platform, reduce dependency on local economic conditions, and strengthen resilience against global market volatilities.



Section 10 of the Listing Rules of the CSE states that the capital market regulator of the domestic market (where the companies have the primary listing) shall enter into an appropriate bi-lateral agreement with the SEC which provides adequate arrangements for mutual assistance and exchange of information for the purpose of enforcing and securing compliance with the laws and regulations of that jurisdiction and Sri Lanka. The MOU lays the groundwork for Maldivian listed companies to list their shares on the

Multi-Currency Board of the CSE. This initiative aligns with the ongoing efforts to promote trade and investment between the two countries, marking another significant milestone in Sri Lanka -Maldives relations.

Addressing the gathering SEC Chairman Faizal Salieh said “This MOU marks a new chapter and a significant milestone in the relationship between the two regulatory bodies and in our collaborative efforts to strengthen regulatory frameworks, promote market integrity, and facilitate greater economic integration between Sri Lanka and Maldives.” He further said “Maldivian companies can benefit significantly from listing on the CSE, by embracing best practices of listed companies in Sri Lanka, access a wider pool of investors, leverage on our capital market infrastructure and achieve more accurate valuations for their stocks given the liquidity challenges at home.” He also talked about the opportunity for listing debt instruments such as Sukuks, Sustainable Bonds and Development Bonds, and secondary listing of SOEs.



Speaking on this occasion CMDA Chairperson, Ms. Aishath Zahira, said “We believe that this bilateral MOU will address the specific development needs of the Maldives Capital Market. Under the MOU, we will explore new access to finance alternatives for local companies, harmonize regulatory frameworks, and integrate systems for cross-border

trading activities. Improving the governance of listed companies is also a key area of focus.”

Ms. Zahira thanked the SEC for its enduring friendship and development partnership, highlighting the potential to achieve greater impact by leveraging respective strengths and creating meaningful outcomes for both markets.

Following the signing of the MOU the CSE conducted a series of one-on-one meetings with several Maldivian listed companies including Amana Takaful Maldives Plc, Centurion Plc, Maldives Islamic Bank Plc, Maldives Transport and Contracting Company Plc, Dhiraagu Plc and Maldives Tourism Development Corporation.

By working together, both nations aim to create a conducive environment for sustainable growth, attract more investments, and ultimately enhance the prosperity of their capital markets and economies.

Issued by

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