

DEBT SECURITIES LISTING GUIDELINES

Effective from 26th December 2010



FOREWORD

These Guidelines are made by the Maldives Stock Exchange (MSE) and approved by the Capital Market Development Authority (CMDA).

These Guidelines are applicable for companies who seeks listing of **only** debt securities, and does not exempt any company whose equity is listed in the Exchange from complying any applicable rules of the Exchange.

DEBT SECURITIES LISTING GUIDELINES

1. An entity applying for admission and listing of debt securities at the Maldives Stock Exchange (MSE) must comply with the clauses in the Main Board Listing Rules of MSE, except for the following clause.
 - a. Part 5 of the Listing Rules, except if the company is issuing debt securities with right to conversion into equity
2. If a company is issuing convertible bonds, the company must submit an additional listing application with the application for listing bonds. The company must also submit a board resolution authorizing the listing of the shares (which are to be converted from bonds).
3. The issuer of debt securities shall meet the following conditions.
 - a. The issuer must have completed at **least three (3) financial years**.
 - b. The issuer must have realized profit¹ **for the last two (2) consecutive financial years**.
 - c. The issuer must not be in procedure for declaring liquidation or bankruptcy.
4. The issuer of debt securities must comply with the following conditions.
 - a. The issuer must have provided the Exchange financial statements of the **last three (3) years**.
 - b. The debt securities to be issued must be either secured by collateral or guaranteed as regards to the interest and principal payment.
 - c. The issuer must confer on subscribers/holders of its securities unconditional rights to receipt of principal or interest due.
 - d. The issuer must obtain a credit rating for the issue of debt securities from a Credit Rating Agency licensed or approved by CMDA.
 - e. The credit rating obtained for the issue must be renewed at least annually.
 - f. The principal and interest must be paid when due.
 - g. Interest payments must be on dates fixed in advance. In case any of these dates falls on a non-working day, the respective payment must be effected on the next working day.
 - h. The number of months between two interest payments must be the same for the entire period of the bond.
 - i. The issuer must comply with the requirements of the First board listing rules except as stated in these guidelines.

¹ Profit is defined as per the Main Board Listing Rules clause (3.4.2)



5. In the event of any violation and/or non-compliance with the listing rules or the on-going requirements set in these guidelines by the issuer, the MSE may subject to CMDA approval take any of the following actions.
- a. impose a fine as prescribed in the Fee and Fine Schedule of MSE.
 - b. publicly reprimand such entity.
 - c. suspend trading of securities of such entity for a period of time till the non compliance or violation persists.
 - d. delist the securities of such entity from the official list.
 - e. impose any other condition on the issuer as deemed fit in addition to any other action that the MSE may take against such violation and/or non-compliance.

