

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اَلْحَمْدُ لِلّٰهِ رَبِّ الْعَالَمِیْنَ ، وَالصَّلَاةُ وَالسَّلَامُ عَلٰی نَبِیِّنَا مُحَمَّدٍ وَعَلٰی اٰلِهِ وَاَصْحَابِهِ
اَجْمَعِیْنَ

Chief Guest, Attorney General, Hon. Abdulla Muiz, Chairperson of CMDA, Ms. Mariyam Hussain Didi, Mr. Jiro Tsunoda, Principal Portfolio Management Specialist of the Asian Development Bank, distinguished guests from the Royal Monetary Authority of Bhutan and Credit Rating Agency Bangladesh, ladies and gentlemen.

Assalaam Alaikum and Good Morning

It gives me great **pleasure** to address this **Workshop on Domestic Credit Rating Agency System in Maldives** co-hosted by the CMDA and the Asian Development Bank.

This workshop is the result of the ADB Country Study, Best Practices for Regulatory Framework and Use of Credit Rating Information of Domestic Credit Rating Agencies in South Asia.

Ladies & Gentlemen

There is no doubt that **Credit Rating Agencies** are a critical component in the financial market infrastructure of an economy – **the existence of Credit Rating Agencies** pave way for the development of debt markets, thereby contributing to the overall economic growth.

Credit rating agencies promote credit culture, increase transparency, and reduce information asymmetry between lenders and borrowers. Credit rating agencies also build information frameworks imperative to the efficiency of financial markets.

Ladies & Gentlemen,

In the beginning of this year we have embarked on the journey to establish Credit Rating Agencies in Maldives by creating a regulatory framework.

Let me take a moment to give you a recap of the developments during the last 10 months.

- We have **strengthened regulatory oversight of the Rating Agency**
- We have **reviewed rating** methodologies formulated by the Rating Agency

- We have organized numerous workshops and training sessions on fundamentals of Credit Rating to create awareness and education among the stakeholders
- We have **guided the Rating Agency to publish** research reports on listed companies and on various contemporary issues
- We have promoted use of Credit Rating by Listed Companies, State Owned Enterprises, Private Companies and the Government
- We have made rating mandatory for debt listing
- We have mandated solicited ratings

To date, only one company has been rated and the company's rating has been published. In addition, two more companies have subscribed for credit ratings. We acknowledge the market's interest to seek ratings from our licensed Rating Agency.

Ladies and Gentlemen,

As the regulator, we have advocated the importance of widespread use of Credit Ratings by the stakeholders. We are hopeful that the rating methodologies introduced to the market will be an enabling catalyst to create the demand for credit ratings in Maldives.

Now, let me highlight our plan for development of the credit rating industry in Maldives:

- We would like to undertake capacity building for CMDA staff
- We would license a second Credit Rating Agency in due course
- We would like to pave the way for the introduction of a fully fledged National Statistical Rating Organization in Maldives
- We would like to establish the required financial infrastructure and create an enabling environment for the development of a vibrant bond market
- We intend to continue our efforts to create awareness and training among stakeholders on various aspects of credit rating
- We would guide the market to adopt international best practices in all aspects of credit rating
- We would promote Credit Ratings as an input to Public Private Partnership infrastructure projects which will assist the development of the Maldivian economy

Last but not least, the introduction of Islamic Capital Market products will create a niche for Islamic credit rating services. We are confident that introduction of various shariah compliant products in our capital market will drive the demand for rating of Shariah compliant products.

Ladies & Gentlemen,

We commend the initiatives taken by CARE Ratings by giving their fullest cooperation to CMDA to develop this market. We also thank the ADB for initiating the Study on **Domestic Credit Rating** Agencies in South Asia, and also for co-hosting this workshop with CMDA. We hope that ADB will continue to support us in creating a conducive regulatory environment for credit rating agencies in Maldives.

Let me express my sincere gratitude for all the efforts of ADB, CMDA staff and the Panelists who have kindly accepted our invitation to participate in this Workshop. I also thank the chief guest of this event, Attorney General Hon. Abdulla Muiz for taking time from his busy schedule to be with us today.

I hope that we all would benefit from this workshop.

Thank you.
