Welcome & Opening Speech at the opening ceremony of Regional Seminar on Corporate Governance & Compliance organized by Asian Development Bank (ADB) and hosted by Capital Market Development Authority (CMDA).

By:
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Honorable Minister of Economic Development Mr. Mohamed Saeed, distinguished experts from ADB, Mr. Takaaki Nomoto, Ms. Sue Jeffery, esteemed resource persons, Ms. Michelle Peden, Mr. Richard Willcock and Ms. Selvarany Rasiah, board members of the Capital Market Development Authority, Distinguished Guests.

Good morning and Assalaamu-Alaikum.

To all our foreign delegates and participants, a warm welcome to the beautiful Maldives.

On behalf of CMDA I would like to welcome all participants to the seminar on Corporate Governance and Compliance held in collaboration between Capital Market Development Authority (CMDA) and Asian Development Bank (ADB) – Asian Pacific Economic Cooperation Financial Regulators Training Initiative (APEC – FRTI).
It is truly an honor, and a privilege for CMDA to host this international seminar. I have no doubt in my mind, that this seminar will be a worthwhile experience. We have, an opportunity before us to learn from some of the best experts in this field and I hope, we will all walk away from this seminar, enriched with a better understanding of contemporary issues in corporate governance.

Ladies and Gentlemen. As you know, good governance instills investor confidence and instigates rapid growth in corporate markets. The investment decisions taken by the local and international investors are stimulated, by good governance practices. As our corporations compete, to attract capital from international markets, investors assess the companies using numerous factors such as sustainable track records, and use of good governance practices. Hence, our companies need to adhere to good governance practices and standards to gain the competitive edge required to survive in competitive and dynamic markets. Good governance standards are essential to ensure transparency of capital markets, protection of minority shareholder rights, as well as to attract and retain foreign investments.

Being the regulatory hand of the capital market and the pension industry in the Maldives, the responsibility to advance corporate governance standards within the capital market is vital to the achievement of the mission and objectives of the Authority.

In line with this objective, the CMDA Corporate Governance Code was launched at a workshop which was conducted in collaboration with Commonwealth Fund for Technical Corporation and the Global Corporate Governance Forum in 2007. The launching of the Code marked a historical milestone in corporate governance reform in the Maldives. The CMDA Corporate Governance Code was subsequently made part of the listing Rules of the Maldives Stock Exchange and the companies listed on the Maldives Stock Exchange are now required to abide by the Code. During the past few years following the introduction of the Code, we have brought relevant amendments to the code, keeping in view the global developments in corporate governance and the overall objective of elevating the standards of corporate governance in the Maldives.

As strong proponents of economic diversity and empowerment, we take immense pride in our latest revisions to the Code, where we have imposed a requirement for encouraging greater participation of women on Boards.
Following this imposition, listed companies are now required to include a minimum of two women members on the Board, effective immediately, and further to achieve a target of increasing participation of women on the Boards to 30% by 2016. I am extremely pleased to inform you that the president of Maldives, His Excellency Hon. Abdulla Yameen Abdul Gayoom has given his commitment to support the initiative of CMDA to achieve this target by 2016.

We believe this imposition to be a significant initial step, which will, in the long run, contribute towards revolutionary changes in corporate beliefs, increase value for companies, and result in sustained economic growth and prosperity overall.

Ladies and Gentlemen, the key to achieving corporate governance standards, lie in the revolution of customary beliefs and misconceptions. And that is what we have aspired to achieve in the past years with our professional development programs for Board Directors and Secretaries, conducted by the Capital Market and Corporate Governance Institute of CMDA and the Institute of Corporate Directors and Secretaries currently operated by the private sector.

Ladies and Gentleman. I believe it is the joint responsibility of all economic participants, and not just the regulators, to promote and enforce good governance practices. To reap the maximum benefits of Corporate Governance Codes and systems, it should be in practice embraced by all, as an avenue for value creation and sustainability.

I call upon the Government, Private sector and the Civil Society, and specifically to the institutions established with the objective to promote corporate governance to take a wider and more active role, in promoting shareholder activism and shareholder rights.

Today, we are more optimistic than ever, with the assurances given by the Ministry of Economic Development, to facilitate the necessary changes to the Companies Act, to diminish the gaps in the key legislation, such as enhanced protection to investors, and promotion of corporate disclosure, director’s duties, and shareholder activism, just to mention a few. We are also encouraged by the commitment of the Government of Maldives for legislative and governance reform, which will pave the path for new opportunities and growth for our capital market.
CMDA is confident, that given the commitment of all stakeholders, the corporate compliance, transparency, disclosure and accountability standards will improve considerably in our capital markets. I stand assured, that with the cooperation and the positivity of the market participants and the stakeholders, we will attain our goal for excellence in Corporate Governance.

It is a privilege for CMDA to host this international event. Over the past years following our first international corporate governance event, we have benefitted tremendously from our relationships with the participants and experts of that workshop. We have made and maintained long lasting relationships which helped in our work of inculcating good corporate governance in the Maldives. I hope this seminar will also foster mutually beneficial relationships, networking across our countries, as well as at individual levels, to ensure a wider outreach of knowledge and further increase our pace to stride alongside the rapidly evolving good corporate governance practices across the globe.

I hope that these five days, will give our international guests an overview of the local corporate governance landscape together with international best practices and compliance.

Finally, I would like to express our sincere gratitude and appreciation to Mr. Takaaki Nomoto, Ms. Sue Jeffry and other experts for their invaluable input to in this seminar. I would also like to extend a special thank you to CMDA and ADB staff for their support to organize this event successfully.

I hope this seminar will serve to broaden your perspective, on the role of the corporate governance for business development, and development of the financial sector.

Thank you.