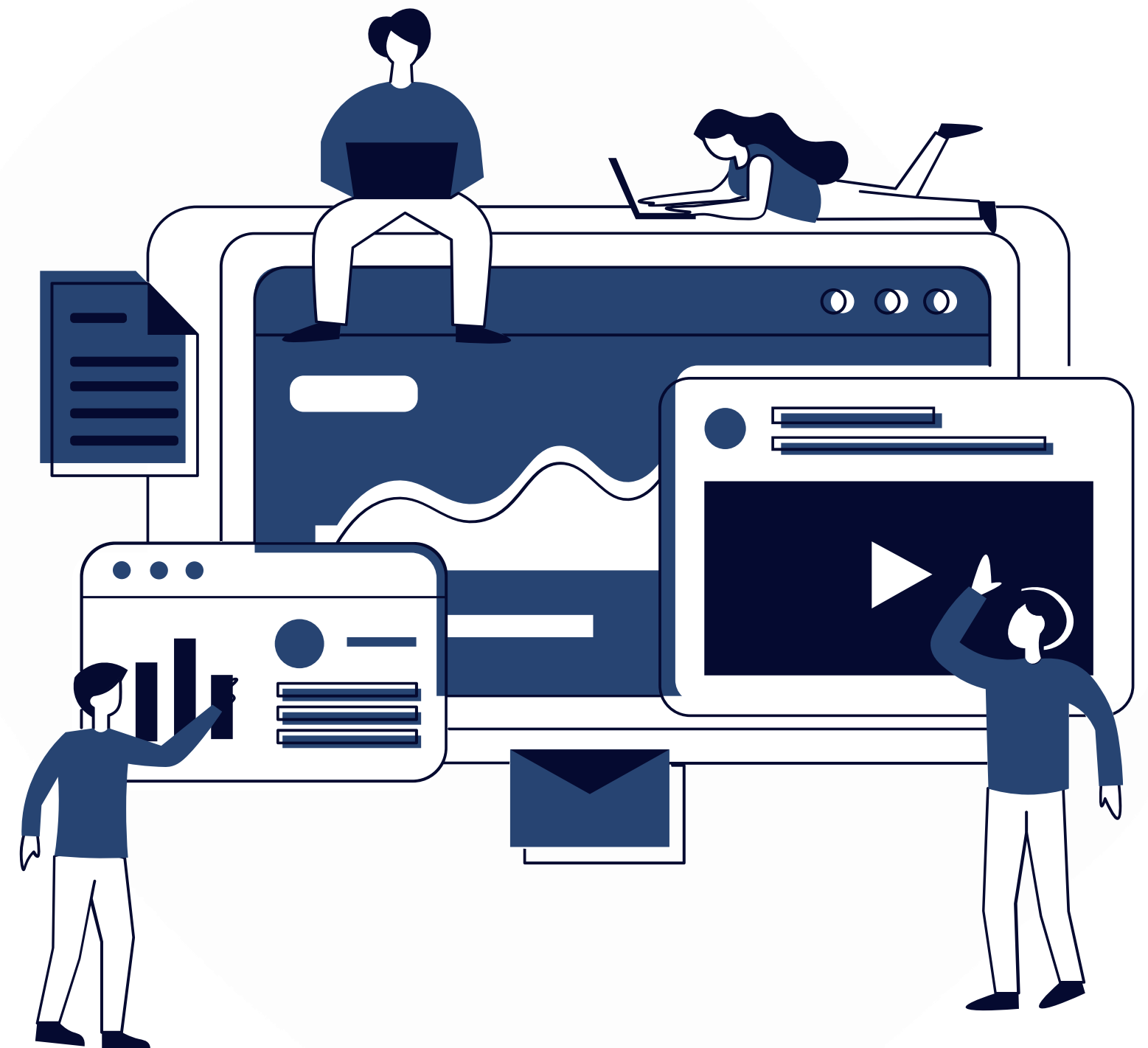


Maldives Company Law Reform



Ministry of
Economic Development
Republic of Maldives

Business Registration Services

- Procedural Clarity
- Deregulation
- Business Process re-engineering
- Policy organization



What we do

Our key services are:

1. Sole Proprietorship Registration
2. Company Registration
3. Partnership Registration
4. Cooperative Societies Registration
5. Business Visa & Corporate Resident Visa
6. Other Services (IP)

Total of 58 Services are provided by the Business Registration Section



Year in Review
2021

Registrations

3482 Sole
Proprietorships

1380 Companies

25 Foreign
Company Re-
registrations

204 Partnerships

7 Cooperative
Societies

5314 Business
Names

Dissolutions/ Cancellations

334 Sole
Proprietorships

54 Companies

2 Foreign
Companies

9 Partnerships

1 Cooperative
Society

Seal Registrations

1338 Companies

97 Partnerships

298 Sole
Proprietorships

Other Registrations

New Registrations:

1403 Logos

11 Shipping Mark

96 Trade Mark

1734 Seal (4 types
of entities)

Cancellations:

49 Logos

2 Shipping Mark

3 Trade Mark

Seal (4 types of
entities)

Visa's

2412 Business Visa

19 CR Visa

35 Cancellations

Foreign Investments

94 New Applications

61 FDI Agreements

USP

72 Applications

4 Approved

10 F. Agreements

5 Contracts Signed

Portal accessibility data

32,793 Public via
online portal

68 Direct Access

15 Web API User
accounts

MED OTC & back office services – average 200
customers per day

58 services



Strategy 1 : Review / revamp legal & regulatory framework

Strategy 2: Transforming to a Corporate Regulatory Policy Organization

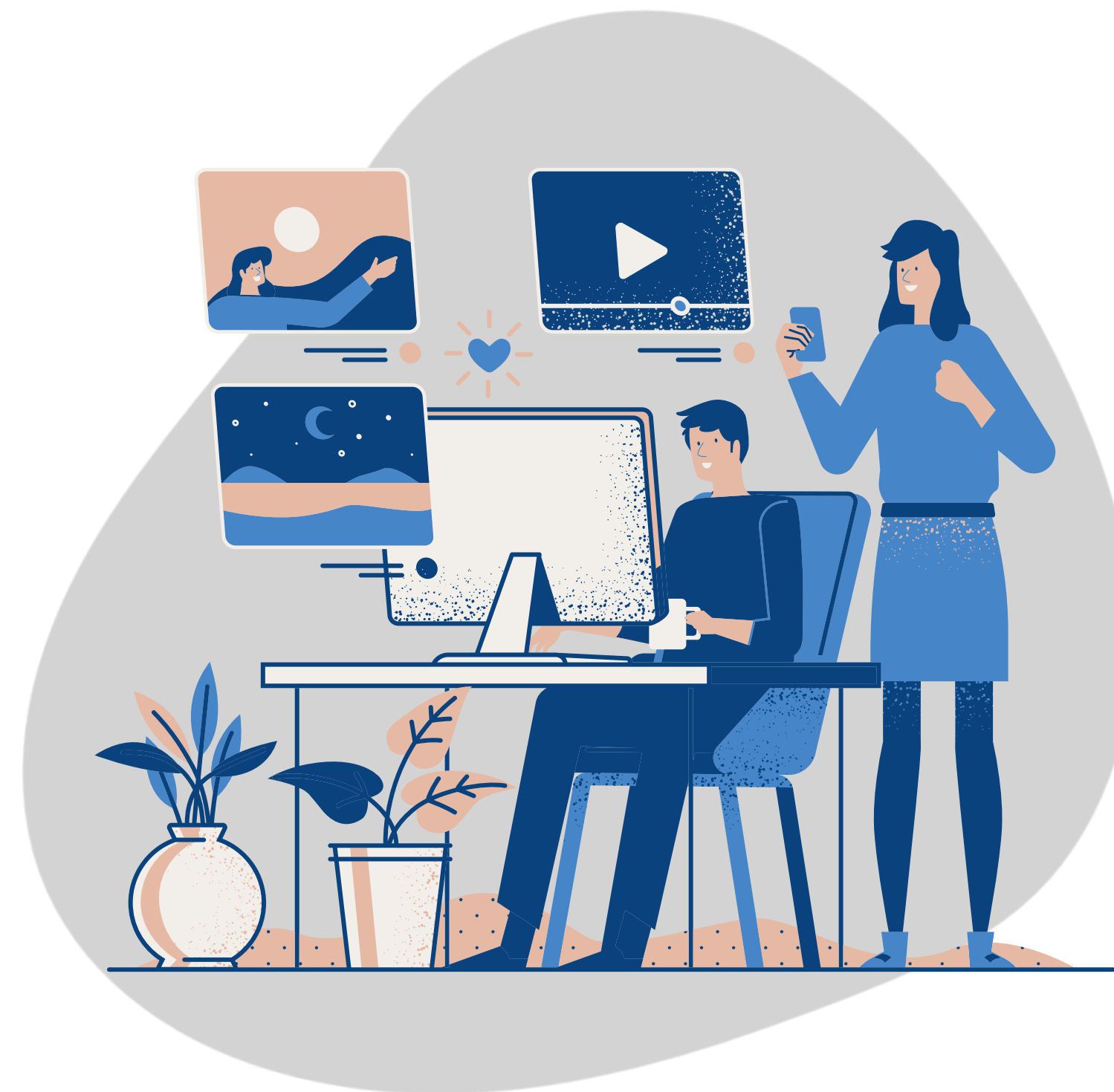
Strategy 3: Strengthening the ICT Infrastructure of Business Portal

Strategy 4: Developing Institutional Capacity

Strategy 5: Create awareness & improving service accessibility

Legislations

- Business Registration Act (1st Amendment) – Effective
- Sole Proprietorship Act (1st Amendment) – Effective
- Companies Bill – Parliament’s Committee Stage
- FDI Bill – AG review stage
- Corporate Insolvency Bill – Drafting stage



Company Law Reform

- Current Companies Law dates back to 1996, broad framework has been in existence since 1980s
- Use of separate legal entities has evolved
- Debate on Corporate Governance Principles and its application to various types of companies (PVT, PLC & Government Companies)
- Need to provide certainty, harmonize with global practices
- Strategic Action Plan 2019-2023 [series of Business Law Reforms]



Why Reform?

- Ease the process of incorporating companies
- Create an environment to take risk and perform, creating shareholder value
- Enable accessibility to services by embracing technology and less burdensome processes
- Address misconceptions and lack of clarity in law, regulation & processes and powers (relating to the concept/role of separate legal entity, members, Directors, Managing Director, Secretaries)
- Provide clarity in various forms of registration
- Promote corporate transparency & accountability



Approach

- Took a stock of both legal and practical difficulties faced by entrepreneurs during the past 26 years
- Identify areas where International Agencies continue to advocate for corporate transparency, ease of starting a business – towards a business enable environment
- New Zealand, Singapore & UK Companies legal framework was reviewed to establish what's suitable for Maldives
- Bill consists of important procedural details – if otherwise the recourse will be interpretation (creates uncertainty)
- World Bank, OECD, GCGF recommendations and other best practices has been considered



Proposed Companies Bill 2022

Introduction

Types of companies

Incorporation &
Registration

Constitution (MoA & AoA)

Company's Capacity &
legal powers

Company Names

Company's Members

Company Directors

Company Secretaries

Capital, Shares &
Debentures

Significant Beneficial
Ownership

Financial Statements,
Directors Report &
Reporting

Winding up of Companies

Registrar of Companies &
functions

Penalty for non-
compliance

Transition Arrangements

Panel Discussion



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