MALDIVES PENSION OFFICE

Maldives Finance Forum 2025 Report

Building a Resilient and Inclusive Capital Market

10 September 2025 | Kurumba Maldives

Contents

1. Introduction

The Maldives Finance Forum, established in 2012 by the Maldives Pension Administration Office (MPAO, hereafter referred to as the Pension Office), has grown into the country's premier national platform for dialogue on financial and social security sector development. Now in its 12th year, the Forum has become a space where policymakers, regulators, institutional investors, private sector actors, and international partners gather to deliberate, exchange expertise, and influence the policy agenda for sustainable finance in the Maldives.

The 2025 Maldives Finance Forum held on 10 September 2025 at Kurumba Maldives, convened at a time when both domestic and global financial systems face increasing challenges of resilience, inclusion, and sustainability. Against this backdrop, the 2025 Forum was themed *"Building a Resilient and Inclusive Capital Market"*.

The Maldivian financial system remains predominantly bank-centric, with the capital market still nascent and underutilised. Yet the Maldives Retirement Pension Scheme (MRPS), now equivalent to roughly a quarter of GDP and projected to surpass the size of the economy in just over a decade, depends critically on the development of a deep, efficient, and well-functioning capital market. Such a market is essential to deliver optimal risk-adjusted returns, manage long-term liabilities, preserve the real value of members' savings, and ensure adequate retirement outcomes for members.

Beyond its role in pensions, a well-structured and accessible capital market underpins broader economic resilience. By mobilising long-term domestic savings, diversifying access to finance, and facilitating private sector growth, capital markets can complement bank lending, reduce reliance on foreign debt, and channel investment into productive and sustainable sectors. The foundations for such markets, including robust regulation, transparent disclosure, sound governance, and effective infrastructure, are indispensable for building investor confidence and enabling long-term growth.

1.1 Objectives

The 2025 Forum sought to:

- **Promote sustainable capital market development** by highlighting the importance of market standardisation, improved governance and long-term economic growth.

- **Showcase the catalytic role of institutional investors**, such as pension funds, in deepening markets and driving sustainable economic development.

- **Facilitate multi-stakeholder dialogue** on strategies to broaden market participation while safeguarding transparency, investor protection, and accessibility.

- **Present global best practices** in regulation, disclosure, and innovation, with lessons tailored to the Maldivian context.

1.2 Target Audience

To ensure a comprehensive dialogue, the Forum convened a broad cross-section of stakeholders, including:

- **Policymakers and regulators** from the Capital Market Development Authority (CMDA), Maldives Stock Exchange (MSE), Maldives Monetary Authority (MMA), relevant ministries, and legislators.

- **Financial sector professionals**, including bankers, insurers, fund managers, and representatives from other financial institutions.

- **Economists and investment professionals** engaged in macroeconomic analysis, valuation, and portfolio strategy.

- **Private sector firms** with interests in financial innovation, infrastructure investment, and economic growth.

- **Academia and researchers** focused on economics, finance, and policy reform.

- **International partners**, including multilateral organisations and peer pension funds from the region.

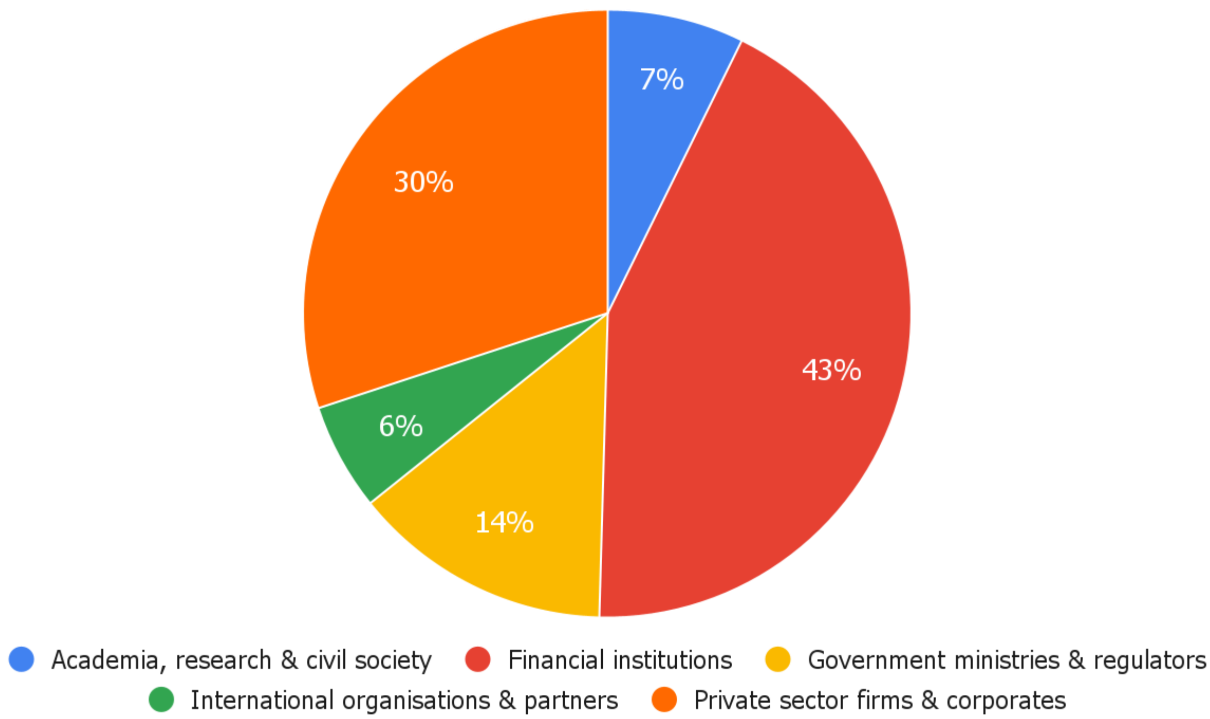
By bringing together this diverse group, the Forum aimed to chart practical and forward-looking pathways for capital market development, ensuring it supports not only the sustainability of the MRPS but also the broader resilience and inclusiveness of the Maldivian economy.

2. Attendance and Participation

The 2025 Forum extended participation beyond the official invitation list, opening a portion of seats to the general public on a first-come, first-served basis. A total of **110 individuals** from **53 institutions attended** this year's forum.

2.1 Institutional Representation

Attendance was well distributed across key stakeholder groups:



This distribution reflects the Forum's strength as a multi-stakeholder platform with participation weighted towards financial institutions.

3. Summary of Proceedings

3.1 Scene-Setting

Dr Ahmed Inaz (Chairperson, Pension Office Board) opened the Forum by noting the market's capitalisation has reached MVR 34 billion but remains thinly traded with limited participation. He urged reforms to make capital markets accessible to ordinary savers, SMEs, and women-led enterprises, aligning with the Forum's theme of resilience and inclusiveness.

3.2 Presentation: Supporting Business Growth

Shuhad Ibrahim (Consultant, Ministry of Economic Development and Trade) outlined financing challenges facing SMEs, citing a persistent bias toward collateral-based lending that limits access for firms without fixed assets. He proposed stronger credit-information systems, blended-finance instruments, and incentives for risk-based lending. He also called for targeted facilities for women- and youth-led businesses to help diversify the economy beyond tourism.

3.3 Panel 1: Unlocking Business Growth and Accessing Finance

Moderated by Haifa Ahmed (Head of Investments, Pension Office), the panel discussed how businesses can tap the capital market to fund growth.

- **Rifaath Jaleel (Chairperson, First National Finance Corporation)** noted that psychological barriers remain the biggest hurdle to listings, though tax reforms have helped normalise disclosure. Investor appetite for debt securities is rising, suggesting strong demand once more products emerge. He urged diversification into bonds and sector-specific instruments, backed by legal reforms on debt recovery and investor protection.

- **Abdul Wahid Thowfeeq (Chairman, Dhivehi Investment Partners)** described the financial system as static and overly reliant on bank lending. Capital-market products, he said, can support SMEs and family firms managing succession. He pointed to the insurance sector's quick adoption of financial guarantees as proof that well-designed products can gain traction, provided investor protection and exit options improve.

- **Robin Wall (CFO, Dhiraagu)** reflected on Dhiraagu's experience as a listed firm, noting that transparency and governance strengthened credibility and access to financing. Compliance is demanding but ultimately beneficial. He urged regulators to enable app-based trading platforms and tiered regimes for smaller issuers.

- **Ahmed Inaz (Chairperson, Pension Office)** underscored the fiduciary duty of institutional investors, asserting that markets "that cannot be modelled cannot be trusted." Balanced regulation, he said, is key to confidence. He called for channels to convert household savings into long-term investments through bonds, thematic funds, and sustainable-finance products.

3.4 Presentation: Capital Market Evolution in the Maldives

Abdulla Zakariyya (Director General, Pension Supervision Department, CMDA) traced the market's regulatory evolution, from the 2006 Securities Act to the launch of MSE. Despite progress, market depth remains limited—about 32% of GDP. CMDA's priorities include new listing categories, stronger disclosure enforcement, and product innovation such as sukuk and climate-linked instruments.

3.5 Presentation: Lessons from Global Markets

International consultant Henrique Cruz shared lessons from limited-disclosure markets worldwide. He stressed that while reforms must fit local context, transparency and regulatory credibility are universal imperatives. Institutional investors like the Pension Office can anchor liquidity, but only under strong governance. Using Akerlof's "market for lemons" analogy, he warned that poor disclosure deters quality issuers and erodes confidence.

3.6 Panel 2: Governance, Infrastructure, and Safeguards

Moderated by Hawwa Fajuwa (CFO, Pension Office), the session examined how governance and infrastructure reforms can reinforce market resilience.

- **Mohamed Hussain Maniku (CEO, CMDA)** highlighted the interdependence between the pension fund's MVR 26 billion AUM and capital-market depth. CMDA's focus areas include financial inclusion via the Viyana Board, foreign-investor regulations, and digital infrastructure. He called for updated rules, risk-based supervision, and public-interest directors on boards.

- **Mohamed Aushan Latheef (CEO, MSE)** identified liquidity as the main obstacle to price discovery, with only 9% of market capitalisation freely traded. He proposed increasing listings in key sectors, developing intermediaries such as underwriters and rating agencies, and modernising trading and settlement systems.

- **Henrique Cruz** framed resilience around strong legal frameworks, effective risk monitoring, and low-cost issuance. Liquidity, he noted, benefits both institutional and retail investors. He called for governance tools like performance-linked pay, active boards, and intermediary accountability, warning that weak disclosure can lead to mis-selling. He urged positioning the Maldives as a thematic hub for blue-economy finance.

3.7 Ministerial Address

Finance Minister Moosa Zameer underscored the urgency of deepening domestic capital markets to reduce reliance on bank lending and foreign aid. He called for instruments such as bonds, sukuk, and green or blue bonds, and stressed collaboration across government, regulators, private firms, and citizens to build resilience.

3.8 Presentation: Role of the Pension Office

Sujatha Haleem (CEO, Pension Office) highlighted the MRPS's rapid growth to MVR 26.2 billion — nearly a quarter of GDP — and its projection to exceed GDP within a decade. She noted that this scale demands deeper markets and diversified instruments such as ETFs, structured products, and inflation-linked securities. Without them, the Pension Office cannot fully meet its adequacy mandate or catalyse sectoral resilience.

3.9 Visioning Exercise: Imagining the Future of Finance (2045)

Nexia Maldives led a group visioning exercise under the National Development Plan consultation, exploring five themes: inclusive risk-based lending, capital-market growth, climate and green finance, fintech transformation, and regional-hub positioning. Participants envisioned strategies including digital IDs, CBDCs, blue sukuk, and natural-capital valuation.

3.10 Closing Remarks

Mariyam Shiuna (COO, Pension Office) closed the Forum, urging that dialogue translate into concrete reforms and reaffirming the Pension Office's commitment to inclusive capital-market development. She acknowledged the contributions of CMDA, partners, and experts in making the Forum a success.

4. Key Takeaways

4.1 Governance and Disclosure

- **Strengthen issuer disclosure requirements**
  Timely and enforceable disclosure is critical to reducing information risk and building investor confidence. Stronger standards improve transparency and enable informed investment decisions.

- **Move to risk-based supervision**
  Supervision should evolve from compliance-heavy procedures to a flexible, risk-based model that prioritizes outcomes and allocates regulatory focus where risks are highest.

- **Introduce public interest directors on boards**
  Appointing independent public interest directors would enhance accountability and strengthen governance in listed companies.

- **Build a transparency culture in family businesses**
  Cultural reluctance toward disclosure continues to limit market participation. Advisory programs and readiness initiatives can help normalize transparency as a sign of business maturity and competitiveness.

- **Strengthen debt recovery and insolvency mechanisms**
  Reliable legal and enforcement frameworks are essential to protect investor rights and reduce uncertainty around recovery and insolvency processes.

- **Align judicial capacity with market development**
  A judiciary that understands corporate finance and capital markets is essential to investor confidence and contract enforcement. As financial instruments and corporate structures grow more complex, strengthening judicial capacity and its interface with market institutions will ensure timely, informed rulings and support sustainable market growth.

4.2 Market Products and Instruments

- **Expand long-term instruments**
  Greater issuance of bonds, sukuk, and other long-term securities can diversify financing and better align capital with national development priorities.

- **Introduce thematic products**
  Developing green and blue finance products would attract sustainability-focused

investors and align with national climate and ocean-based priorities.

- **Add inflation-linked securities**
  Inflation-protected products can safeguard real returns and strengthen the resilience of long-term savings.

- **Adopt tiered listing and proportionate disclosure for SMEs**
  Simplified regimes for smaller firms can lower barriers to entry while maintaining investor protection.

- **Enable foreign investor participation**
  Finalizing rules for cross-border participation would expand liquidity and attract global investors to the domestic market.

- **Offer dollar-denominated instruments**
  Introducing foreign-currency securities—especially for sectors earning in dollars—would align returns with underlying cash flows and encourage foreign participation.

4.3 Liquidity and Market Participation

- **Expand free float through new listings**
  Increasing tradable shares and encouraging secondary offerings would enhance liquidity and price discovery.

- **Broaden sectoral representation**
  New listings from key sectors like tourism and fisheries can better reflect the real economy and attract foreign capital.

- **Mobilize idle domestic funds**
  Redirecting institutional and household savings into market instruments would deepen participation and reduce reliance on bank deposits.

- **Build the ecosystem of intermediaries**
  Developing underwriters, rating agencies, and financial journalism would improve pricing, distribution, and transparency across the market.

- **Strengthen retail confidence**
  Retail investors need protection, education, and clear exit mechanisms to engage confidently and sustain market depth.

4.4 Infrastructure and Technology

- **Modernize settlement and clearing systems**
  Digital and cross-border settlement infrastructure will lower transaction costs and facilitate foreign investment.

- **Launch app-based investing platforms**
  Digital access channels can attract younger investors and expand participation.

- **Improve real-time analytics and disclosure dissemination**
  Better market data and transparency tools strengthen investor trust and price efficiency.

- **Enhance cybersecurity and operational resilience**
  Robust safeguards and secure custody systems are vital to protect investor assets and market integrity.

4.5 Institutional Investors and Policy Alignment

- **Use the pension fund as an anchor investor**
  A strong institutional anchor can signal confidence in listed companies and raise governance standards across the market.

- **Create a high-level coordination forum**
  A permanent platform aligning regulators, ministries, and industry players would accelerate reforms and resolve cross-cutting constraints.

- **Integrate capital market goals into national planning**
  Embedding capital market development in long-term national strategies ensures policy continuity and focus.

- **Position the Maldives as a blue finance hub**
  Specializing in ocean-based thematic finance can help the country build scale and international recognition.

- **Explore mandatory listing for key public-interest entities**
  Selective mandatory listings could expand market breadth, improve free float, and enhance transparency in critical sectors.

5. Annex – Forum Agenda

Morning		
09:15	Welcome Remarks	Chairperson of the Board, Pension Office
09:25	Keynote Speech: Building a Resilient and Inclusive Capital Market	Chief Guest
09:45	Networking and Refreshment Break	
10:25	Presentation: Supporting Business Growth	Ministry of Economic Development and Trade
10:40	Panel Discussion on Unlocking Business Growth and Accessing Finance	Representatives from: • First National Finance Corporation • Dhivehi Investment Partners • Dhiraagu Plc • Pension Office
12:10	Presentation: Capital Market Evolution in the Maldives: Regulatory Milestones and the Road Ahead	Capital Market Development Authority
12:30	Lunch Break	
Afternoon		
13:40	Presentation: Lessons from Global Markets, Institutional Investors, and Limited Disclosure Markets	International Expert Speaker
14:00	Panel Discussion on Governance, Infrastructure, and Safeguards: Foundations for a Resilient Capital Market	Representatives from: • CMDA • MSE International Expert Speaker
15:30	Video Presentation on Pension Office	
15:35	Presentation: Role of Pension Office as the Biggest Institutional Investor in the Market	Chief Executive Officer, Pension Office
15:55	Visioning Exercise for National Development Plan	Nexia Maldives
16:55	Closing Remarks	Pension Office
17:00	Refreshments	

Note: *The agenda was adjusted to accommodate the Minister's arrival, with the Minister's address delivered after the second panel discussion.*