



Rules on Management of Unclaimed Securities Entitlements
via Demat Suspense Accounts

Maldives Securities Depository

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1. Revision History

Version	Effective Date	Description	Approved by
1.0	10 June 2025	Initial issuance of Rules	CMDA
1.1		1 st amendment to the Rules	CMDA

2. Objective

These Rules are established by the Maldives Securities Depository (MSD), as a depository licensed under the Maldives Securities Act (Law No. 2/2006), under the regulatory oversight of the Capital Market Development Authority (CMDA) to provide a standardized and legally compliant mechanism for managing unclaimed securities entitlements, including bonus shares, rights shares, and stock splits, issued by listed companies in the Maldives.

Currently, the Companies Act of the Maldives (Law No. 7/2023) and the Listing Rules of the Maldives Stock Exchange (MSE) provide the overarching legal framework for securities issuance and shareholder rights. However, there are no specific provisions within these laws or existing CMDA regulations explicitly addressing the treatment of unclaimed securities entitlements, particularly for cases where shareholders fail to open or maintain valid accounts with the Maldives Securities Depository (MSD).

The MSE Listing Rules (issued under section 24 of the Maldives Securities Act (Law No. 2/2006), and in particular Section 53 thereof, require all additional issuances of securities by a listed Issuer, including corporate action entitlements such as bonus issues and share splits, to be issued in dematerialized form through MSD accounts. Where eligible shareholders do not provide valid account information by the record date, the MSE Listing Rules imply the necessity for an alternative holding mechanism, to be implemented by MSD. This Rule thus establishes the procedural and governance framework to manage such unclaimed securities entitlements in a transparent, accountable, and investor-protective manner.

By codifying the management of unclaimed securities entitlements, these Rules aim to:

- Ensure fair treatment of all shareholders, while safeguarding their ownership rights pending claim;
- Prevent indefinite suspension of unclaimed entitlements and associated corporate benefits (such as dividends and bonus shares);
- Clarify the process for Issuers and registrars to transfer such entitlements to a Demat Suspense Account held with MSD;
- Facilitate compliance with regulatory requirements and protect the integrity of the Maldives capital market;



- Provide a clear legal basis for the transfer of unclaimed securities to a designated fund or public trustee after a defined period, as may be prescribed by CMDA.
- This preamble, together with the detailed provisions herein, is intended to align with the Companies Act 2023, MSE Listing Rules, and future regulatory frameworks to be issued by CMDA for comprehensive management of unclaimed securities.

3. Definitions

In these Rules, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Companies Act 2023" means the Companies Act of the Maldives (Law No. 7/2023), as amended from time to time.

"Corporate Action" means any action taken by an Issuer that affects its securities or shareholders, including the declaration or distribution of bonus shares, the issuance of rights shares, share splits, and any other corporate event giving rise to an entitlement on the part of shareholders. For the purposes of these Rules, corporate action does not include the payment of cash dividends or other purely monetary distributions.

"CMDA" means the Capital Market Development Authority established under the Maldives Securities Act (Law No. 2/2006).

"Demat Suspense Account" means a depository account opened and maintained by an Issuer with MSD in accordance with these Rules, solely for the purpose of holding unclaimed securities entitlements pending claim by the entitled shareholder.

"Issuer" means a person whose securities are admitted to listing on the Maldives Stock Exchange, and includes any successor in interest.

"Maldives Securities Act" means the Maldives Securities Act (Law No. 2/2006), as amended from time to time.

"MSD" or "Depository" means the Maldives Securities Depository Company Pvt Ltd, being the depository licensed by CMDA under the Maldives Securities Act.

"MSD Account" means a depository account maintained by a securities holder with MSD.

"MSE" or "Exchange" means the Maldives Stock Exchange Company Pvt Ltd, being the stock exchange in the Maldives licensed by CMDA under the Maldives Securities Act.

"MSE Listing Rules" means the Listing Rules of the Maldives Stock Exchange Company Pvt Ltd, as amended from time to time.

"Record Date" means the date specified by an Issuer, in respect of a corporate action, for the



determination of the shareholders entitled to participate in such corporate action.

"Registrar" means a person appointed by an Issuer to maintain the register of securities holders of the Issuer and to perform such other functions as may be conferred on the Registrar under applicable laws and the constitutional documents of the Issuer.

"Rules" means these Rules on Management of Unclaimed Securities Entitlements via Demat Suspense Accounts, as amended from time to time.

4. Scope

These Rules apply to:

- a) All listed Issuers of securities on the Maldives Stock Exchange (MSE);
- b) Registrars operating on behalf of listed Issuers;
- c) The Maldives Securities Depository (MSD);
- d) Shareholders entitled to securities under a corporate action who have not provided valid MSD account details as at the relevant record date.

5. Establishment of Demat Suspense Account

5.1. Account Setup

- a) Each Issuer shall open a Demat Suspense Account, solely for the purpose of holding unclaimed securities entitlements.
- b) The account shall be opened and operated in accordance with MSD account opening procedures, upon submission of a formal request by the Issuer, supported by appropriate corporate authorization.

5.2. Conditions for Transfer

Securities entitlements shall be credited to the Demat Suspense Account where:

- a) the entitled shareholder has not provided a valid MSD account number as at the record date of the relevant corporate action;
- b) the Issuer has, by the deposit date for the relevant corporate action, made one written attempt to obtain valid MSD account details from the shareholder, sent to the last contact address on record (including, where available, the permanent address);
- c) the Issuer has, by the deposit date for the relevant corporate action, published a public announcement of the corporate action on the Issuer's website or by other means of public notice; and
- d) following the transfer of securities to the Demat Suspense Account, the Issuer shall make at least two further documented attempts to obtain valid MSD account details from the entitled shareholder, which may include the Issuer's allotment letter or notice of corporate action and a follow-up written or electronic communication (including SMS or email where contact details are available).

For the avoidance of doubt, transfer to the Demat Suspense Account shall not affect the beneficial



ownership rights of the shareholder. For the avoidance of doubt, the conditions in this section apply only to securities entitlements arising from a corporate action. The payment of cash dividends does not constitute a corporate action for the purposes of these Rules; unclaimed cash dividends shall not give rise to a transfer of any securities to the Demat Suspense Account and shall not result in any suspension or restriction of voting rights or of any other rights attaching to the securities held by the shareholder. Unclaimed dividend amounts shall be dealt with in accordance with applicable laws and the procedures of the Issuer.

6. Rights and Restrictions on Securities in the Suspense Account

6.1. Ownership

- a) The shareholder retains full ownership of the securities and may claim them at any time, subject to proper identification and verification.

6.2. Voting Rights

- a) Voting rights attached to securities held in the Demat Suspense Account are not exercisable while the securities remain in that account, no person being listed as the registered member in respect of those securities under the Companies Act. Such voting rights shall become immediately exercisable, with no waiting period or further procedural step, upon transfer of the securities to the designated MSD account of the rightful owner.
- b) The consequence described above follows from the statutory position under the Companies Act, and not from any restriction imposed by these Rules. It is administrative in nature and does not constitute a deprivation of the beneficial ownership rights of the entitled shareholder.
- c) The Issuer and MSD shall use reasonable best efforts to expedite the transfer of such securities to the shareholder's MSD account upon the shareholder identifying themselves and providing valid MSD account details, and the suspension shall be limited to the minimum period reasonably necessary to complete the relevant administrative processes.

6.3. Corporate Benefits

- a) Dividends, bonus shares, or other corporate benefits accruing on securities in the suspense account shall also be retained by the Issuer in a segregated account or record, for the benefit of the entitled shareholder.
- b) Upon transfer of the underlying securities to the shareholder's MSD account, all accrued and unclaimed benefits shall be credited or paid to the shareholder in accordance with applicable laws and procedures.



7. Claim and Transfer Procedure

7.1. Shareholder Entitlement

A shareholder may claim securities held in the Demat Suspense Account at any time by:

- a) providing proof of identity acceptable to MSD;
- b) establishing proof of entitlement to the securities; and
- c) providing a valid MSD account number.

7.2. Verification and Approval

- a) In the case of a shareholder-initiated claim under Section 7.1, MSD shall verify the claim within seven (7) business days of receipt of complete documentation and, upon successful verification, effect the transfer of securities to the shareholder's MSD account. The seven-business-day timeline applies only to shareholder-initiated claims under Section 6.1.
- b) As a separate pathway from the shareholder-initiated claim procedure in Section 6.1, MSD may, for operational efficiency, implement a matching process to identify shareholders whose securities are held in the Demat Suspense Account and who have subsequently opened MSD accounts. Transfers under this matching process do not require a claim under Section 6.1 and are not subject to the seven-business-day timeline in paragraph (a) above.
- c) Where such matching is based on reliable identifiers, including National Identification Number and name, MSD may transfer the securities to the relevant account without requiring a separate claim request.
- d) MSD shall notify the shareholder of such transfer upon completion through available contact details.
- e) Transfers under this matching mechanism shall be conducted in periodic batches on the 1st and 15th day of each calendar month, or the next business day where such date falls on a non-business day, in accordance with procedures established by MSD.

8. Recordkeeping and Disclosures

8.1. Issuer Obligations

Issuers shall maintain accurate and up-to-date records of:

- a) shareholders whose securities are held in the Demat Suspense Account;
- b) communications issued to such shareholders;
- c) transfers into and out of the Demat Suspense Account; and
- d) any unclaimed corporate benefits associated with such securities.

Such records shall be made available to MSD and CMDA upon request.



8.2. Public Disclosures

Issuers shall disclose, on an annual basis within their annual report:

- a) the number of shareholders with securities held in the Demat Suspense Account;
- b) the aggregate number and class of securities held;
- c) movements during the reporting period;
- d) the aggregate number of unclaimed securities pending transfer as at the end of the reporting period; and
- e) any other information as may be specified by CMDA or MSE in writing from time to time.

9. Legal Protection and Liability

Neither MSD nor any Issuer shall be liable for any loss arising from actions taken in good faith in accordance with these Rules, including the transfer or holding of securities in the Demat Suspense Account, provided that reasonable care and due diligence have been exercised.

10. Effective Date and Authority

- a) These Rules shall come into force upon approval by CMDA and formal publication by MSD.
- b) MSD shall be responsible for the administration of these Rules. Any matter relating to interpretation shall be subject to the oversight of CMDA



Appendix A - Sample Shareholder Notice for MSD Account Submission [Company Letterhead]

Date: [Insert Date]

To: [Name of Shareholder and Address]

Subject: Request for MSD Account Details to Process Securities Entitlement

Dear Shareholder,

We are pleased to inform you that you are entitled to receive [**Bonus Shares / Rights Shares / Stock Split**] in respect of your shareholding in [**Company Name**], as per the corporate action with **Record Date: [Insert Date]**.

However, our records indicate that you **do not have an active securities account registered with the Maldives Securities Depository (MSD)**. As per the Listing Rules of Maldives Stock Exchange, [**Bonus Shares / Rights Shares / Stock Split**] securities can only be issued in **dematerialized (demat) form** and require a valid MSD account.

Action Required

To enable us to credit your [bonus/rights/ split] entitlement, kindly:

1. **Open a securities account** with the Maldives Securities Depository (MSD), if not already opened.
2. Provide us with your **MSD Account Number** by completing and returning the form below, along with a copy of your National ID Card or Passport for identity verification.

Important Notes

- If you fail to provide the required information by [**Insert Deadline Date**], your entitlement will be temporarily held in a **Demat Suspense Account** opened by the Company with MSD, until you claim the same.
- You may claim your shares at any time in the future upon submission of valid documentation.

This notice is issued in compliance with the Rules on Management of Unclaimed Securities Entitlements via Demat Suspense Accounts issued by MSD and approved by CMDA. For assistance, please contact us at:

Registrar/Share Department Contact: [Insert phone/email]

Website: [Insert company or MSD website]

We thank you for your attention and cooperation. Yours

sincerely,

[Authorized Signatory]

[Title]

[Company Name]

