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Regulation No: 2025/R-107

## Regulation on Third Amendment to the Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies

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**Maldives Monetary Authority**  
Republic of Maldives



**Regulation on Third Amendment to the Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies**

The following amendments shall be made to the Regulation No.: 2020/R-59 (Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies).

1. Section 1(b) of the aforementioned Regulation is amended by deleting and substituting it with the following section:

This Regulation is issued under Section 38 of the Maldives Monetary Authority Act 1981 (Law No.: 6/81), Section 66 of the Maldives Banking Act (Law No.: 24/2010) and Section 80 of the Insurance Act (Law No.: 13/2025).

2. Section 4(h) of the aforementioned Regulation is amended by deleting and substituting it with the following section:

The Board shall put in place a procedure for regular evaluation of the Board as a whole, and its committees and the performance of each member of the Board individually. The Board may obtain assistance of an independent consultant to conduct such evaluations. A report documenting the results of these evaluations shall be submitted to the Authority.

3. In Section 5(c) of the aforementioned Regulation, the opening paragraph is amended by deleting and substituting it with the following paragraph:

The Board shall have a majority of Non-executive Directors, and at least one-fourth of the Board shall be Independent Directors. Furthermore, at least one member of the Board shall be a Maldivian. A member of the Board shall not be independent if the member:

4. Section 5(c) of the aforementioned Regulation is amended by deleting sub-paragraph (8) and substituting it with the following sub-paragraph:

has served on the Board of the Financial Institution for a period of 8 (eight) years or longer, whether consecutively or otherwise, unless a minimum of 4 (four) years have passed since the person last served on the Board, in which case the person may serve a maximum of another 4 (four) years as an Independent Director; or

5. Section 5(f) of the aforementioned Regulation is amended by deleting and substituting it with the following section.

Financial Institutions shall ensure that members of the Board are from diverse backgrounds and with different expertise including, but not be limited to, business, finance, actuarial, information and technology, management and risk management, as appropriate to the business of the Financial Institution. Financial Institutions shall also ensure that the Board demonstrates gender diversity.

6. Section 18 of the aforementioned Regulation is amended by inserting the following new paragraph immediately after Section 18(c).

- (d) Financial Institutions shall ensure that the remuneration framework is adequate, in line with the strategic objectives of the institution and that remuneration practices do not create

incentives for excessive or inappropriate risk-taking. In addition, the remuneration policies shall include arrangements that enable ex-post adjustments to bonuses after they have been awarded.

7. Section 23 of the aforementioned Regulation is amended by deleting and substituting it with the following section:

23. (a) Where the Authority determines or has reasons to believe that a Bank, its Administrators, or any other person associated with the Bank is in violation of this Regulation, the Authority may enforce any corrective measures, enforcement actions or administrative penalties against the Bank, Administrators or any other person associated with the Bank, as provided in Section 55 of the Banking Act.
- (b) Where the Authority determines or has reasons to believe that a Finance Company, or a Board member or a person holding a Senior Management position of a Finance Company is in violation of this Regulation, the Authority may enforce any corrective or enforcement measures against the institution or the Board member or person holding a Senior Management position, as provided in Section 39 of the MMA Act.
- (c) Where the Authority determines or has reasons to believe that an Insurance Company, or a Board member or a person holding a Senior Management position of an Insurance Company is in violation of this Regulation, the Authority may enforce any corrective measures, enforcement actions or administrative penalties against the Insurance Company or any other person associated with the Insurance Company, as provided in Section 74 (b) of the Insurance Act.

8. Section 24 of the aforementioned Regulation is amended by inserting, immediately after the definition of “Independent Director”, the following definition:

“Insurance Act” means the Insurance Act (Law No.: 13/2025).

9. This Regulation shall come into effect from the date of its publication in the Government Gazette.
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