



JURISDICTIONAL PROFILE: **Maldives**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Maldives. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation's Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact permissions@ifrs.org.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Capital Market Development Authority (CMDA)
Role of the organisation	CMDA is responsible for developing and regulating the capital market and the pension industry in the Maldives.
Website	http://cmda.gov.mv/
Email contact	mail@cmda.gov.mv

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?

Yes, through requirements to use IFRS adopted in law and regulation.

Companies' Act

Companies registered under the Companies' Act No 10 of 1996 are required to follow international accounting standards in preparation and presentation of their statutory financial statements. In practice this is interpreted to include both full IFRS Standards and the IFRS for SMEs Standard.

Maldives Banking Act

Maldives Banking Act No. 24 of 2010 requires all banks and financial institution to comply with International Accounting Standards.

Maldives Inland Revenue Authority (MIRA)

Under the Business Profit Tax Act No 5 of 2011 and the regulations thereby, the accounting standards accepted by MIRA are as follows:

- IFRS Standards.
- IFRS for SMEs Standard.
- Standards adopted by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Capital Market Development Authority (CMDA)

The corporate governance code issued by the Capital Market Development Authority requires that all listed companies on the Maldives stock exchange must ensure that their financial statements are prepared based on IFRS Standards.

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	Yes. See above.
What is the jurisdiction's status of adoption?	Maldives has adopted IFRS Standards and the <i>IFRS for SMEs</i> Standard.
Additional comments provided on the adoption status?	Details about adoption of IFRS Standards and the <i>IFRS for SMEs</i> Standard are explained above.
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction.	Not applicable.

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?	Required.
Does that apply to ALL domestic companies whose securities trade in a	All.

public market, or only SOME? If some, which ones?

Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?

Yes.

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

Required.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?

All companies registered under the Companies Act must use international accounting standards in preparation and presentation of their statutory financial statements. In practice this is interpreted to include both full IFRS Standards and the *IFRS for SMEs* Standard. All other companies whose securities do not trade in a public market may elect to use full IFRS Standards or the *IFRS for SMEs* Standard. See details above.

If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?

Not applicable.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

IFRS Standards as issued by the Board.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?

'Dual reporting' is not practised in the Maldives, although there is no legal or regulatory prohibition.

Are IFRS Accounting Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	IFRS Standards are incorporated into the Companies' Act, the Banking Act, and the Business Profit Tax Act and in regulations issued by the Maldives Inland Revenue Authority (MIRA) and the Capital Market Development Authority (CMDA). See details above.
If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?	Not applicable.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?	No.
If yes, what is the process?	Not applicable.
If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?	New and amended IFRS Standards are automatically required by the various laws and regulations adopting IFRS Standards and the IFRS Standard for SMEs Standard. See details above.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?	None.

TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language?	No. The English standards are used.
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards?	Not applicable.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?	Yes.
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	No.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.

Which SMEs use the *IFRS for SMEs* Accounting Standard in the jurisdiction, and are they required or permitted to do so?

All companies registered under the Companies' Act are required to follow international accounting standards in preparation and presentation of their statutory financial statements. In practice this is interpreted to include both full IFRS Standards and the *IFRS for SMEs* Standard. All other companies whose securities do not trade in a public market may elect to use IFRS Standards or the *IFRS for SMEs* Standard. See details above.

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use?

See details above.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard?

None.