

Trading Rules of the Maldives Stock Exchange

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CHAPTER 1

Foreword

These rules are made by the Maldives Stock Exchange Company Pvt Ltd (MSE), in accordance with Section 24 of the Maldives Securities Act (2/2006).

These rules govern the Secondary Market Trading Mechanism of the MSE.

The MSE shall make amendments to these rules subject to approval from CMDA.

Unless the context otherwise specifies, the terms defined in these rules shall have the same meaning as of the Maldives Securities Act.

These rules shall come into effect on the date of its publication on MSE website.

CHAPTER 2

Interpretations

AON Block Orders – All or None (AON) Block orders are orders as specified in Section 15 (a) of this rules.

Buy Orders – A buy order instruction collected by a Trading Member of MSE from its clients and placed to the MSE for the purpose of buying securities.

Close Trading – The market for placement of orders will be closed at 12:00 P.M.

Contra Order – The opposite side of an AON block order of a security that is placed to the MSE for transaction at a time.

Initial Order – The first AON block order of a security that is placed to the MSE for transaction at a time.

Limit Orders – An order in which the Client sets a minimum or maximum price at which the order must be executed.

Main Board – Main Board as specified in the Listing Rules of MSE.

Market Day – A Day determined by the MSE to be open for trading in securities listed on the MSE.

Market Orders – An order to buy or sell a security at the best price or prices prevailing in the market at that point in time.



		<p>Order Book – The order book of MSE in sequence of the orders being received to the MSE.</p> <p>Pending Order Book – The carried forward orders to next market day with validity.</p> <p>Regular Trading – Trading hours specified by MSE during which market is open for trading activity, in accordance with Section 4(a) of this rules.</p> <p>Sell Orders – A sell order instruction collected by a Trading Member of MSE from its clients and placed to the MSE for the purpose of selling securities.</p> <p>Tick Size – Minimum price set by the MSE for a security by which the order price and the quotation price of a security can be altered.</p> <p>Trade List – A list of matched orders on a market day sent by MSE and approved by the Trading Member.</p> <p>Trading Mechanism - The process designed to match buy and sell orders placed by Trading Members of MSE as detailed in these Rules.</p> <p>Trading Members – A Trading Member admitted for trading of securities at MSE in accordance with the Trading Membership Rules of MSE.</p> <p>Viyana Board – Viyana Board as specified in the Listing Rules of MSE.</p>
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CHAPTER 3
Introduction

Rules Governing Trading on MSE

1.	a)	<p>The Trading Mechanism is designed to match buy and sell orders placed by Trading Members of MSE.</p> <p>Buy and sell orders are entered into an Order Book maintained by MSE.</p> <p>Orders are processed in accordance with this Rule.</p>
	b)	<p>The Market Day at MSE will be divided into the following time periods:</p>
	(i)	<p>Regular Trading</p> <p>All new orders are only accepted during the Regular Trading Session.</p> <p>New orders are continually matched to existing orders in the order book.</p> <p>Order priority shall first be determined by price and followed by time.</p>



			Orders that cannot be executed shall remain stored in the Order Book until a period of expiry in accordance with the rules.
		(ii)	<p>Close Trading</p> <p>Orders that were not matched with a remaining validity period shall be carried forward to the next day.</p> <p>MSE shall generate a Trade List of all the orders executed by each Trading Member separately and obtain confirmation of the Trade List from the Trading Member.</p>
		(iii)	<p>Post Closing</p> <p>Trading Members shall verify and confirm the Trade List, generate a settlement schedule for the transactions and send it to MSE on Trading Day (T) during the designated time period.</p>
Entering Orders			
2.	a)		Clients who have verified accounts with Maldives Securities Depository (MSD) can place orders with the Trading Members.
	b)		Orders are sent to MSE by the Trading Member through the pre-established Trading Mechanism, which then MSE will verify and process to the Order Book.
	c)		MSE shall send confirmation of receipt of all the orders to the respective Trading Member. Orders received shall be verified for validity against MSD records and can be rejected if orders do not correspond with MSD records. Orders shall be processed in the sequence of the orders being received.
	d)		Any orders rejected shall be notified to the Trading Member. No checks apart from those explicitly stated in order types of these rules will be performed on order size or price.
	e)		MSE shall maintain an Order Book for all pending orders. The prices are determined, and orders executed according to specific rules detailed in these Trading Rules.
Division of Market			
3.	a)		The market is primarily divided into Equity Market and Debt Market.



	b)		Equity Market comprises of shares and units of closed ended funds listed on the Main and Second Board of the MSE.
	c)		The Debt Securities Market is divided into two Boards based on the nature of the securities listed, namely Main Board and Viyana Board.
Trading Sessions			
4.	a)		<p>The securities market is open from Sunday to Thursday except on days declared as trading holidays by the MSE, as specified below:</p> <p>Regular Trading: 08:30 A.M to 12:00 P.M, (unless otherwise informed to the market by MSE)</p> <p>Close Trading: 12:00 P.M to 01:00 P.M</p> <p>Post Closing: 01:00 P.M to 02:00 P.M</p>
	b)		In the event of any technical problems with the Trading Mechanism, the MSE may change the above market hours as necessary.
CHAPTER 4 Type of Transactions			
Type of Orders			
5.	a)		There are two types of orders that can be placed within the existing Trading Mechanism:
		(i)	Limit Orders - means an order in which the Client sets a minimum or maximum price at which the order must be executed. Time in Force (TIF) validities specified in section 6 (a) (i) shall be applicable to all limit orders.
		(ii)	Market Orders - is an order to buy or sell a security at the best price or prices prevailing in the market at that point in time. Time in Force (TIF) validities specified in Section 6 (a) (ii), (iii), and (iv) shall be applicable to market orders.
Execution conditions and Time in force (TIF) validities.			
6.	a)		Order qualifiers modify the execution conditions of an order based on volume, time, and price constraints.



	(i)	<p>Good Till Expiry (GTE)</p> <p>Orders will be executed at a specified price or better. If a partial execution occurs, the remainder will be added to the order book and will remain in the order book till executed, cancelled, or expired.</p>
	(ii)	<p>Fill or Kill (FOK)</p> <p>Requires immediate purchase or sale of a specified quantity, best price, or prevailing market price. If the whole order cannot be filled immediately, it is killed (these orders do not get entered to the order book).</p>
	(iii)	<p>Partially Fill Rest Kill (PFRK)</p> <p>Requires immediate purchase or sale of a specified quantity at best price or prevailing market price for all or part of the order. If no immediate execution occurs the order is cancelled. If an immediate partial execution occurs, the remainder is immediately killed.</p>
	(iv)	<p>Partially Fill Rest Convert (PFRC)</p> <p>Requires immediate purchase or sale of a specified quantity at best price or prevailing market price for all or part of the order. If no immediate execution occurs the order is cancelled. If an immediate partial execution occurs, the remainder is immediately converted to a limit order at the execution price.</p>

CHAPTER 5
Trading Procedure

The Trading Procedure of MSE shall be as detailed in this Section.

Order Validation

7.	a)	Orders submitted by Trading Member are validated by MSE for correctness prior to processing the Order to the Trading Mechanism.
	b)	The following validation checks will be run on the orders prior to order execution:
	(i)	Valid Trading Lot Size
	(ii)	Valid Security Code
	(iii)	Verifications of any trade restrictions (de-listed, suspended etc.)



		(iv)	Price Criteria
		(v)	Valid Tick Size
		(vi)	Valid Investor
Valid Trading Lot Size			
8.	a)		The trading unit or lot size is specified by the MSE.
	b)		The lot size for orders is one (01) security and is not dependent on the issue price of the security.
Valid Security Code			
9.	a)		All orders shall have valid security codes assigned by the MSE that identifies each security.
Trading Permitted on a Security			
10.	a)		All orders submitted shall be for securities that are permitted to trade at the point of time as specified in the Listing Rules.
Price Criteria			
11.	a)		Orders must meet the following price criteria:
		(i)	Market Orders should not have a price specified in the order.
		(ii)	Buy/Sell price of a listed security should not be less than the face value of the security.
		(iii)	Order price shall be within the price parameters as specified under Section 12
Price Spread and Valid Tick Size			
12.	a)		Valid price spread of a listed security should be consistent with the price parameters as specified in this Section.
		(i)	The reference price for price parameters is applied based on the last traded price of a security.



		(ii)	The order price range shall be within +/- 10% on the reference price.
		(iii)	The valid tick size for all securities is MVR 0.01.
		(iv)	All orders outside the permissible spread will be rejected.
Valid Investor			
13.	a)		Valid investor must meet the following criteria:
		(i)	Investor shall have a verified MSD account.
		(ii)	Investor shall have sufficient securities in MSD account for a sell order.
		(iii)	Trading Members shall obtain Client KYC before orders are placed with MSE.
Order Execution			
14.	a)		All trades that occur on the MSE are executed by MSE within the Trading Mechanism.
	b)		When a Trading Member submits an order request to MSE the order is verified and placed on the Order Book of the MSE.
	c)		Orders will be matched based on price and time of order for Regular Trading as below:
		(i)	Price Priority The highest bid and lowest offer have precedence over all others. Orders are ranked by sequence.
		(ii)	Time Priority When bids or offers are at the same price, the earliest one takes priority over those delivered later.



CHAPTER 6
All or None (AON) Block Orders

Order Entry Requirements

15.	a)		An AON Block may be entered by a Trading Member for a specific security through the Trading Mechanism of MSE subject to the following conditions:
		(i)	The minimum number of securities for AON Block shall be at least 5% (Five percent) of the number of securities issued OR more than a value of MVR 10,000,000 (Ten Million Rufiyaa).
		(ii)	The selling Trading Member must ensure that the number of securities applicable to the sell order are held in the MSD account of the seller at the time of the order approval and execution of the trade.
16.	a)		An AON Block Order should be submitted to MSE by a Trading Member during Regular Trading Hours.

Restriction for Multiple Orders

17.	a)		Once an AON Block first order (Initial Order) is introduced for a specific security, Block Orders containing any other quantities in respect of the same security shall not be accepted by MSE until the AON Block introduced first is concluded for that security.
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Price Limitation

18.	a)		The AON Block order should not be at a price less than 10% of the (Volume Weighted Average Trading Price (VWATP) of the trades executed on MSE over the most recent 06 (six) months preceding the date of the order.
	b)		Calculation of the VWATP should be as follows: Volume Weighted Average Trading Price = Total Value of the Securities Traded / Total Volume of the Securities Traded.

Initial Order

19.	a)		A Trading Member intending to place the first order (Initial Order) for an AON Block shall prior to placing such Initial Order, inform the following in writing to MSE:
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		(i)	Details of the security
		(ii)	Whether the transaction is a Buy or Sell
		(iii)	Name and MSD account number of the Buyer or Seller
		(iv)	Number of Securities
		(v)	Maximum purchase price (for buy orders) or minimum sell price (for sell orders)
		(vi)	The date on which the order will be placed and the expected AON execution date.
		(vii)	Duration of the AON Block Order
20.	a)		The duration of the AON Block shall not exceed 03 (three) market days including the day on which the Initial Order of the AON Block was placed by the Trading Member.
Contra Order			
21.	a)		An AON Block Order after the first Initial Order for the AON Block of a security, shall be for the contra side of such Initial Order placed at a price equal to that of the Initial Order.
Order Execution			
22.	a)		AON Block will be executed on the same market day if the order is placed for (01) market day, or at the end of the duration of the Initial Order.
	b)		The Execution will be reported on the Trading Board of MSE under AON Block Trades.
	c)		If the Order Book contains only the Initial Order at the time of conclusion of the AON Block duration, the AON Block will be cancelled due to the absence of the contra order.
Cancellation			
23.	a)		AON Block Order can be cancelled or amended during the Regular Trading Hours by the Trading Member prior to a Contra Order being placed for the Initial Order.



Statistics

24.	a)		AON trades will be used to update only volume of trades, number of trades and the number of securities traded on MSE. Orders and trades on the AON Block Order Book will not be used to update MASIX of MSE, last traded price, and market capitalization of listed securities on MSE.
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Visibility

25.	a)		Block orders placed to MSE shall be visible within the duration of the order until execution at any given time.
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**CHAPTER 7
Amendments / Cancellations of Orders**

Once an order is submitted to the MSE, it can, if required, either be cancelled or amended by the Trading Member if conditions permit in this Section.

Cancellation of Orders

26.	a)		Orders can be cancelled by the respective Trading Member at any point prior to execution.
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	b)		If partially executed, any unexecuted portion of an order can be cancelled.
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Amend Orders

27.	a)		The following fields of an order can be changed prior to execution, or for any unexecuted portion of an order:
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		(i)	Price
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		(ii)	Volume
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	b)		An order amendment will cause an order to lose or gain priority.
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Trade Cancellation

28.	a)		Any trade executed with the Trading Mechanism of MSE may be cancelled by MSE upon a written request being made by a Trading Member involved in the trade with the prior approval of MSE, and if mutual agreement can be
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		obtained from both Trading Members involved in the trade on behalf of the buyer and the seller by close of business on Trading Day (T+0).
	b)	A trade may be cancelled or modified by MSE if there is a system fault or operational mistake on the part of the MSE's staff, through the Authorization of the Chief Executive Officer or Chief Operations Officer.

CHAPTER 8 Market Close

Closing Price Calculation

29.	a)	The closing price for the purpose of the MSE until otherwise stated by MSE will be the last traded price for any given security at Market Close.
	b)	The market will close for Trading at the time as specified in these Rules.

Dissemination of Market Information

30.	a)	The MSE will provide mechanisms on MSE website for market participants and investors to gain access to market information on a real time basis.
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CHAPTER 9 Trading Halts

Market Halts

31.	a)	The market can be halted at the discretion of the MSE during Regular Trading Hours.
	b)	During a market halt the status on the Trading Mechanism will be displayed as 'HALT'
	c)	MSE can subsequently lift the halt on the market and the market will return to its existing status on the Trading Mechanism prior to imposing the halt.
	d)	Market halt can be imposed in the following circumstances:
	(i)	Due to a technical issue of the Trading Mechanism.
	(ii)	Where in the opinion of the Exchange the Trading Mechanism is not accessible for any reason to the Brokers licensed in the market.



Security Halts		
32.	a)	The MSE may impose a Trading Halt on a security in accordance with the Listing Rules of MSE.
CHAPTER 10 Miscellaneous		
Trade Fees and Commissions		
33.	a)	Trade fees and commissions shall be payable as specified in Schedule 1 of this Rule. The MSE shall have the discretion, with the approval of CMDA, to amend the fees specified in Schedule 1 of these Rules.
	b)	MSE and CMDA fees as prescribed in Schedule 1 are fixed and non-negotiable.
	c)	Trading Member fees as prescribed in Schedule 1 are the maximum percentage that a Trading Member shall charge for any given transaction. Trading Member will have discretion for fee reductions on any given transaction.
Dispute Resolution		
34.	a)	The dispute resolution process for a Trading Member shall be in accordance with the Trading Membership Rules of MSE.
	b)	Trading Member shall at all times comply with the requirements and obligations under the Trading Rules of MSE.
Exclusion of Liability of MSE		
35.	a)	When acting in good faith and without negligence, the MSE shall not be liable to any licensed Trading Member or Investor for;
	(i)	Any loss of opportunity, profit, good will, interest or use of money or securities.
	(ii)	Any other special, indirect, or consequential loss, damage, expense, liability or claim which is suffered or incurred by any licensed Trading Member or investor arising from or related to the use of the MSE Trading Mechanism



SCHEDULE 1

Regular Trading Fees

Regular Trading fees are applicable to per side of a transaction (applied to buy and sell sides separately) as prescribed below:

Fee Type: [Non-cumulative]

Bracket	Trade Value [MVR]	Trading Member Fee [Max Fee]	MSE Fee % [Fixed Fee]	CMDA % [Fixed Fee]	Total
1	Not Exceeding 50,000	1.500%	0.4750%	0.0250%	2.000%
2	50,001 – 100,000	1.000%	0.4750%	0.0250%	1.500%
3	100,001 – 10,000,000	0.500%	0.4750%	0.0250%	1.000%

AON Block Trade Fees

AON Block Trade fees are applicable to each side of a transaction (applied to Initial and Contra Orders separately) as prescribed below:

Fee Type: Cumulative [fee cumulative from the lowest bracket to the upper most bracket of the volume of transaction]

Bracket	Volume [MVR]		Fee % [Fixed Fee]			
	From	To	Trading Member [Max Fee]	MSE	CMDA	Total Fee
1.	-	10,000,000	0.500%	0.4750%	0.0250%	1.000%
2.	10,000,001	100,000,000	0.450%	0.4275%	0.0225%	0.900%
3.	100,000,001	200,000,000	0.425%	0.4036%	0.0213%	0.850%
4.	200,000,001	300,000,000	0.400%	0.3800%	0.0200%	0.800%
5.	300,000,001	400,000,000	0.375%	0.3563%	0.0186%	0.750%
6.	400,000,001	500,000,000	0.350%	0.3325%	0.0175%	0.700%
7.	500,000,001	600,000,000	0.325%	0.3086%	0.0163%	0.650%
8.	600,000,001	700,000,000	0.300%	0.2850%	0.0150%	0.600%
9.	700,000,001	800,000,000	0.275%	0.2613%	0.0136%	0.550%
10.	> 800,000,001		0.250%	0.2375%	0.0125%	0.500%



Note: In relation to Regular Trade Fees and AON Block Trade Fees:

* Investors can negotiate directly with Trading Member on trade fees.

* MSE and CMDA fees are fixed and non-negotiable.

Example fee computation: Trade Value of MVR 15 million on one side of the transaction.

Bracket	Volume [MVR]		Applicable Fee [%]			
	From	To	Trading Member [Max Fee]	MSE	CMDA	Total [%]
1.	-	10,000,000	50,000.00	47,500.00	2,500.00	100,000.00
2.	10,000,001	100,000,000	22,500.00	21,375.00	1,125.00	45,000.00
3.	100,000,001	200,000,000	-	-	-	-
4.	200,000,001	300,000,000	-	-	-	-
5.	300,000,001	400,000,000	-	-	-	-
6.	400,000,001	500,000,000	-	-	-	-
7.	500,000,001	600,000,000	-	-	-	-
8.	600,000,001	700,000,000	-	-	-	-
9.	700,000,001	800,000,000	-	-	-	-
10.	> 800,000,001		-	-	-	-
Total Maximum Fee for the transaction [MVR]			72,500.00	68,875.00	3,625.00	145,000.00

