



سہ ماہی کے لیے دیکھو

سہ ماہی کے لیے دیکھو سہ ماہی

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trading very weighable charge on those assets which will be easy for a bank to lend more or rather than asking for a plant and also sorry asking house and land, at least movable asset also will be come in security. It will help a bank to enhance their portfolio further. The other thing which we feel that we all know that Maldives is a import denominator economy. Nearly 2-billion-dollar import happens every year and the dollar is always in terms of we are not able to support almost all the traders. As a bank, we deal with nearly 9000 companies and various small medium enterprises. And we are able to support sometimes 20% of their requirement, 25% of their requirement sometimes 30-40% requirement. But still there is huge gap between demand and supply of the dollar. So, there Should be somethings that will be more availability of the dollar through the central bank or any other source if something worked out. I think It will help economy a lot and as a bank we want to do more dollar supply to the country for trading purposes. Because 2 billion dollars is an import in the country. So, that's the point. Other thing is that when talk about the business or if I leave apart the large corporate customer predominantly, I think more than 90%, 95% business are a small and medium enterprises in the country. And we need to think about them. Lot of awareness is not there with them. As a bank we always do, various atolls we have gone we have a standard presentation. We keep giving financial, how to maintain your books, how to maintain account, what are the products available. Which products suitable for you. That we do. But little bit more effort required from other government agencies or any other relevant body. So, that to create and what should be done. What kind of skillset should we develop? Southern atoll is good into this area. Can we double up those kind of skillset on that. Northern maybe good in the boat building. Can we develop more on that? Some island maybe good in agriculture develop and some island maybe good on service-related skill development. If those kinds of development happen and definitely as a bank, we will be able to support more of those endeavor. We invent the wheel if it is a proper guideline given. Okay this area we are focus on this and this is a skillset we want to develop, and I am sure that as a bank will be able to support more I think that's what I will say four, five points which I feel. thank you.

Chairperson speaking:

Now I will give the floor to commercial bank.

MD/CEO- Commercial Bank of Maldives Mr. Dilan Rajapakse Speaking:

Thank you, sir. Thank you for giving this opportunity to us to let you all you know the challenges faced by the banks. We also agree with the things that the BML has mentioned. In our case like being the latest bank. So, we find difficult to find the

positions to meet the customers imports. There also the amount that we get from MMA dollar support is very small. You know like It's same for all the banks. But the people who have dollars, they don't encash, they keep it to use to their inter-company needs. So, their imports. So, provision is very difficult task for us for the normal importers. And also, we find difficult to find long-term funds to support the approved loan schemes like affordable housing loans. So, our tanners are very short. Like people don't go for long-term savings. And also, there is a mismatch in rufiyaa and dollar portfolios. Like Mostly our portfolios, deposits are in dollars. So, the demand for lending is from the MVR size. So, we need more and we are liquidating the market. And also, the litigating process as other banks said, but we have not faced that yet luckily because we in the investment bank. But I know in time to come this has to be like streamline and the court decision should be you know constructive and final rather than you know like not loving the other parties to challenge. Because our commercial bank of Ceylon is facing one of the problems. Like it has been dragging for many years and courts have issued the decisions many times, but these decisions have been changed by making a lot of RPs and other things which is very unreasonable for the banks, I think. So, and also, I would like to talk about this income tax pay bill recently introduced and we were supposed to you know like make payments after withholding tax. Because these, there are certain payments that we make the banks pay for the international venders. That is very essential to run the banking business like swift, Reuters and other co-banking licenses etc. So, if we are to pay withholding tax, suppliers will not agree to get the deducted reduce money. So then, we have to gross up and at the cost to the banks normal expenses, normal costs. It is how we are planning to do if we are to do with. But still we need more clarification because some there is there are ambiguity like some tax advices say some are taxable, some are not withholding taxable. So, if we have to gross it up actually the cost will go up again. So, now we want our aim is to provide the banking services at low cost. So, this will impact the bank's cost structure. So, anything else. So, that's all sir.

Chairperson speaking:

Thank you. Now I will give the floor to SBI.

Senior Vice President Audit & Compliance- SBI Mr. Siraj Basha Papasaheb Speaking:

Good morning sir. There are two major concerns facing by us. mainly one is MPA, its's nearly 15% of our gross advances the MPA figure, we are having 60 million dollars. 60 and we are unable to recover them since 2008 sir. There is no stringent securitization act. And even our head office from Mumbai, just stopped us financing also to new

customers. Because of they have given one limit country execution limit. We cannot go beyond that. That is a main concern. If these inquests were recovered, then we can request them to increase our exposure limit so that we can help our local customers also. Second major concern is, this dollar support. We are going up to 40%, 30% behind that we are not going. And we used to discuss with customers also to come with us. They tell that they are going to into the grey market, there they are purchasing for around fifty, fifteen point seventy-five, like that. So, this is the major issue. Beyond these issues we don't have any other things.

Chairperson speaking:

Thank you. Now I will give the floor to Habib Bank.

Country Manager of Habib Bank Limited Mr. Muhammad Shoiab Awan Speaking:

Thank you, sir. I must thank you all the Honorable members of Public Accounts Community, given us the opportunity to come and present our point of view. It's a good gesture, and I believe this thing will take the industry along in the coming times. As we are also the one of the oldest banks in the country, we are also facing the same situation of NPAs. Right now our percentage of NPA is about 22% which is one of the highest in the market. We are in the litigation for different cases, but these cases are still in under decision. In some of the cases, we have won in the Civil Court, but the plenty of has gone in to the High Court for the appeal. And sometimes the next hearings take place even after six months or, eight or nine months. So that's a considerable delay. So, we just want to highlight this that we have to swing whatever forums are available for us. But the foreclosure and you know early decisions would help, not only us as to recover our NPA's. But also as been a foreign branch of an international bank will also supplement the decision making at our head office. So, that new loans and new further sectors can be found out. And again the dollar availability is also an issue. Lately, MMA has been providing support to the SOE's, so that has helped to counter that. But again for the private sector we have to rely on you know not sourcing these dollars especially from the resort owners for who want to change this in MVR to dollars. And it's not you know sufficient. So, there's always in need for that. And coming back to the country scenario, we as a bank had our issues. But EML and KYC regime has been strengthened at the bank level. But they still feel that the country level we need to do furthermore on that. And more you know, compliances will give comfort for the international players to also come into the market and invest and syndicates. We are now partnering with some Sri-Lankan banks to do a syndication loan for the resort financings as well. Then this is quite a micro thing, but it's very important that there is a credit information bureau, which is been set up in the MMA and which shares information among the bank, that what sort of loan is outstanding in different banks. So, that is working, but is still needs to be refined to be 100% sure. So, we shall be knowing whom we are financing, that the amount of finance or any NPA and what uses are available on there. And income tax has been implemented. We welcome that. Banks are already paying 25% income profit tax on that. But why we feel like that been a foreign branch when we will be remitting

back are rating earnings, this will again re-subject to 10% withholding tax. So, in fact the tax rate comes to 35% for a foreign bank operating in Maldives. But again it is just you know a point that, we need to have clarity on different issues we have written to MIRA. They have come back. We are still finalizing those little bit clarifications. So, once they are in order, so we will be good to go. And in terms of technology, there is a switch requirement which banks lack and if there is a local switch available, so the banks can transact, and we can offer more digital products to our clients. So that is what we have to say from Habib Bank side. Thank you.

Chairperson speaking:

Thank you very much. Now I will give the floor to Maldives Islamic Bank. and you are also most welcome to talk in Dhivehi if you prefer.

Chief Financial Officer of Maldives Islamic Bank, Mr. Ali Wasif Speaking:

Thank you sir, we will also continue in English for our colleagues to understand. More or less, we too believe the banking industry has been matured with SBI and BML, BOC, HBL running in the country for decades. The major issues that we have noted down has been highlighted by BML and other banks regarding mortgaging issues, hypothecation of immobile assets and also a central registry. This issue is coming when we have banking facilities to outer atolls. For an example, bank has to travel, our lawyers has to travel to other islands where these assets are mortgaged and registered and the cost involved in this kind of assets transports are significantly high. Then also we have highlighted here the delays in mortgage mortgages and an also for closure. Something relevant to ask is the introduction of Islamic treasury bills. As you know we are conducting all operations in compliance with Sharia rules but so far we have not had official treasury bills that are traded in Sharia compliant. And as we do have structured instruments as we are working with the ministry and MMA. Then on the infrastructure side, I think some mentioned that due to the cost of duties like ATMs, POS terminals, we understand that there are around 20% custom duty involved. So, these assets are very high in value and on top of it, we have to pay lot of duty. So, expanding our networks to each and every island in outer atolls is a challenge for us in terms of capital investments. Then we have noted another issue regarding housing financing. We understand all banks are trying to get involve in housing. But BML and MIB has been having more concentration in terms of housing, because of the local demands and maybe because other banks are not involved as much as BML and MIB has been involved. As a last point we would like to highlight is, an issue that is related to correspondence banking. We have to note that MIB since inception has been only relying on one account in New York for USD clearing. Whenever we reach other banks, they have few issues, one is the jurisdiction risks issues, the other one is our volume, the business that we generate in the Maldives is not feasible for them. I think those are the issues that we have.

Chairperson speaking:

When you mentioned delay in mortgages, I mean can you bit more elaborate on that?

Chief Operating Officer of Maldives Islamic Bank, Mr. Ahmed Riza Speaking:

Yes. I will try to. I am Riza from Islamic Bank. Currently when we try to complete a mortgage, the process is quite lengthy. We have to go through various institutions. For example, if you want to mortgage a housing finance, an apartment, first we have to get the registration, initial registration completed. It takes a lot of efforts from housing development corporation, City Council and sometimes housing ministry as well. This registry creation takes years. we still have more than five-year-old mortgages incomplete, because of the registration process is incomplete. Then it goes to the court. Court process for the mortgage, it is not lengthy. However, the registration process from all the institutions are very very lengthy. We have met with HDC, City Councils, Housing ministry and courts also unofficially we have met. But however, this issue has not been resolved. So, that is a huge challenge for us. Significant number of our portfolio of housing is un-mortgaged. The other issue is, because we don't have a central registry, we have to go to different institutions to complete different types of mortgages. For an example; if you want to do a mortgage of a vessel, we have to go to Transport Authority. But if you want to do a mortgage of a housing facility, immovable facility, we have to go through court process. So, this is a challenge and also, if we are to do a security or mortgage of immovable asset or hypothecation of receivables. So, security, tradable securities. There is no formal way of us to mortgage these assets. These are also considered as assets in other markets and they can be mortgaged. However, at the moment we don't have any formal way of mortgaging these assets. I think if there is central body who can fast-track and co-ordinate these efforts of mortgage on securitizing assets, I think that will be a better process. And also we can claim our charge on these assets. For example; if one bank have a hypothecation charge on a particular asset, and the other bank wants to have hypothecation, that bank may not know, they are not aware that we have hypothecations charge on this particular asset. So, if we have a central body who controls this, in some countries it is called "Securities' acts in commission". They also do some parts of the register of companies working Maldives. So, if we can have that commission formed and they take care of these mortgages, and it will be faster for us to complete the securities' mortgages of the assets.

Chairperson speaking:

Thank you very much, now I will give the floor to Mauritius Commercial Banks. Thank you.

Managing Director- Mauritius Commercial Bank Mr. Désiré Leo Speaking:

Good morning Honorable members, So, as you know we are the Mauritius Commercial Bank. We have been around for the past 12 years now. So, I am not going to repeat myself, because my friends from the other banks have been pointing out several of the pin points. So, maybe there are few points that I will actually point out. So, the first one I think is important that at court level on the recovery process that we have like, a court of judges specialized in banking and financial sector. I think this will help a lot in ensuring that the process is carried out in a

smooth way and that everybody understanding exactly what is going on relative to the banking, banking sector. Sometimes, it is quite a bit challenge to explain in about statement for account about loans, things like that, insurance or whatever may come up. So this is the first point. The second point I think, what we also need to take into account, because for now we cannot have a proper mortgage or whatever relates to stock or debtors. So, this is where I would suggest that we have some form of receivership act, where banks has, it is done elsewhere, can appoint receive a manager. So, whenever there is an issue, the receiver manager can step in, okay, actually take control of the stock and debtors. Because some companies, they may not have immovable property to provide security. But they can have stock and debtors. So, those are important assets that if we can have in place like in receivership act, a receiver manager that can be appointed. He can come in and actually take care of whatever proceeds, banks, if things go bad, banks can have access to the debtors and stock. Okay. And the third point I think was very important, you have mentioned it about the asset registry, to know exactly which asset is mortgage, I won't repeat this one. Maybe I would also put emphasis on the new income tax bill, where we have certain specialized services which are not available here locally. We have the swift, we have the visa for the card, for the acquiring services. So, we understand that maybe yet clear that banks will need to pay or swift, we falling on that those specialize services. And at the end of the day what will happen, so we already been taxed up to 25%. There will be additional tax of 10 percent that the banking sector will be liable to. So that is all from my side.

Chairperson speaking:

Thank you very much. Now I will give the floor to Bank of Ceylon.

Country Manager - Bank of Ceylon Mr. BK Gurusinghe Speaking:

Thank you sir, and your team also giving this opportunity for us to give our thoughts. I don't want to repeat as he said. However, but I want to tell that we have several legal challenges. I think best thing is to arrange, there are 2 type of legal challenges, one procedure. For that purpose, I think State Bank of India prepared very lengthy document for that. I think SBI that these officers can submit that lengthy document to this forum. Do you have I think, that same document? Or I have that same document? We shared with us okay. If not that we will share that lengthy document because it's big piece of paper. So, the second thing is that court proceeding, court proceeding, actually I want to say within one line we are suffering at the court sometimes. We have that some court's judgement that we can't acceptable. However, since court is a independent body, I know that you also don't have that you know control over that. So, that I don't want to go by detailing to that. What I want to suggest is, what is the solution for that. What I can suggest is to sir, you can establish separate Commercial High court or Mercantile High court for that banking matters and financial matters. Second thing what you can do that, this region all most all the countries we have that some that parliament acts, money recovery acts. In Sri Lanka

also we have 2 separate acts. You can refer those acts and past those acts in Male'. Because, if we have separate Mercantile High court or Commercial High court there will be expertise people. Expertise lawyers, expertise judges in this case. So, if they will be back by a separate parliament act, so the cases will be faster. And there is a very, procedurally it will be okay, I think. So, that nobody can involve and interfere those, what we are doing at courts now. So, that we will ended up as it is. However that in the future also, if not the repercussions is from the, already that Bank of Ceylon we have invested in Maldives nearly Five Hundred Twenty-Five billion US dollars. That total outstanding as a date. So, I think that management is very difficult to get the loan approval from the management. Because lot of you know cases are pending at the court for years and years now. Our NPA ratio also now 14.4, it is very high. But the problem is this is not a lot of number of cases. It repercuss only 5 to 6 cases. I think because of that 5, 6 cases only we are loitering at the courts this much of long time. I think it's enough for the legal challenges. Second thing that, very recently we came to know, Ministry of Tourism, they don't have foreclosure procedure. For that, suppose if we get the court order to dispose one property mortgage island they mortgage to us, that when we got the Ministry of Tourism, we found that they don't have foreclosure procedure. They have normal procedure. Normal procedure we have that you know, we should get the consent of the present owner. The present owner is not you know willing to always go with us. So, we have to go against that. There should be a foreclosure procedure. Somehow, we establish, I don't know whether it is totally established or somehow the Ministry of Tourism help us. Actually I have to thank them. They did it for us, foreclosure. Even though they don't procedure they did it for us. But what I found now is, after that we transfer the property to the new buyer, the buyer is facing some problems because, after he brought this property still they don't have end to end that complete foreclosure procedure. One example, the person who brought this property has to pay, now what you called construction fines. Because, that previous owner has, that you know during the given period he has not completed that construction. So, our view is, the new buyer should get the new construction period. But he is not getting the new construction period. He has to pay that construction fines from the beginning. In this case it will be a very difficult for us to sell these foreclosure procedure, properties to new buyers. Because if they have to pay this all the fines and all the sins belongs to the person who was belongs to before right, that nobody will take care of those things. So, I think MOT should implement foreclosure procedure from end to end. Then than only that we being banks can, you know go for the new loans. If that this infrastructure procedures, infrastructure that loans, courts and everything is placed. It is for us very easy to lend in market. Because we have to justify what is our collateral risk, procedure

risk and in Maldives in our memorandums. Now it is very difficult to establish and that you know how we are going to mitigate those risk. Very difficult to explain to our management. So, Sir that please look forward to this legal challenge and this foreclosure procedure. Other than that, actually Mr. Dilan highlighted the withholding tax issue, that I don't want to repeat same thing. As my colleague in MIB he touched the issue with that you know housing registry. It is for years and years that our banks are, we are from Sri Lanka for three years. Now we are not, you know doing housing financing because of during one officers' period it will not end. Because we don't know what will happen to my next person comes that whether he will finish this fight. So, mitigate the risk, now actually we are not financing into housing field because of this you know, lengthy procedure. So, actually it should be a short procedure. Other than that, thank you sir. This is the things that I have to highlight. Yes, as a solution what I want to establish from your side special court, a Commercial High Court or Mercantile Court. And the peace of legal acts to support the legal finance in Male'. Thank you Sir.

Chairperson speaking:

Thank you. How many, I mean what's the oldest cases that you have which have been resolve from the courts I mean from the day you started litigation? (after some time) Alright Thank you so much. Now I will open the floor to the members. Right now, I will give this floor to Honorable Ibrahim Shareef.

Member of Maradhoo' Constituency Ibrahim Shareef speaking:

All the banks raised the concern about the shortage of dollars in the market. In your opinion what can be done to resolve this issue and eliminate the grey market in dollars? first question.

Director of Business- Bank of Maldives, Mr. Kuldip Paliwal Speaking:

Touch based on that, I think in many countries everywhere this kind of problem there. But what many countries the central bank has come up those who are earning in dollars. Like for example any company using exporting or kind of resorts that earing in dollars. There should be some mandatory conversion of their dollar running into local currency say five percent. So, whatever your annual turnover five to ten percent depending on amount you need to necessarily convent you will see plenty of dollars available in the bank. No need for any grey market. Because we will be having those dollars available. And if you talk about to go back to India, any exporter who is earning that fifty percent is mendatory to convert. It keep changing. Sometime, it was twenty five percent also that all your foreign earning has to be necessarily converted at locals. So, it will be lot

of good treasury market, secondary market, a money market will be double in foreign exchange. And economic will further grow. And dollar available for this small and medium, because they are not able to import.

Head of Retail Banking- Bank of Maldives, Mr. Moosa Nimal Speaking:

Thank you. I would like to comment on that one. It's actually quite simple. If you are to make rufiyaa the legal tender, I think this problem could be you know solve once and for all. There are whole hypo small island economies like us, that have actually, like for instance people who are travelling to Maldives, just like Kuldip mention earlier, our import bill is like 2.5 billion. When we work out the revenue, we generate we income that the earn by selling our you know, palm friend beaches and the turquoise blue waters, is over four billion dollars. If you want to do this number on a back of envelope you can do that. You will be able to come of with that. So, there is huge access you are talking about even Seven hundreds, or close to a billion dollars. Now we need to lower in this money. Now the thing is when we actually allow this exemption through, there is a central bank regulation also. That is not actually effective. Which clearly says the rufiyaa should be there only you know money that has to be you know used in certainly local transaction. But it is not the case. Because the tourism sector is excluded from this. If you were to actually enforce that, than there will be a demand for rufiyaa create, unless a demand for rufiyaa is created than the worth of this will not go up. It is like demanding for, demand for USD, it is like selling US dollar product. So, so long as this is in place, this parallel market gray market will always be there. And a whole hip of people with high concentration in the tourism industry they are dumping all these you foreign exchange into the gray market and then are earning huge a bit large profits. And utilizing that money to manage their parole all to meet their recurrent expenditure and all that. So, unless you address this, at the core this problem will never be solved. Because this has been going on for time in memorial. Ever since we inception of tourism industry and all that we started dealing will all the other you know importing goods from overseas. We have been having this problem. You know by devaluing the currency not a solution. Because with a high import pyrogenicity with every dollar we earn I think that statistics shows like nighty five since leave our shows as imports. So, if you could just, you know that is my point. So, if you could ensure that legal tender is rufiyaa, I think that will be a solution for it.

Chairperson speaking:

I will give each member 2 minutes to ask the questions. And then after wards I will give the floor to do the representative of banks to give answer. But I would like to request to

keep it brief. Because I have another meeting at 12:00 which is supposed to convene. But I could spare may be five more minutes to hear you out. So, I will give the floor to Honorable Ibrahim Shareef to finish his question.

Member of Maradhoo Constituency Ibrahim Shareef speaking:

Okay. I will ask two more questions just briefly. What changes do you think believed that can be brought to address the issue of non-performing loans? That is one. The other question is, many people complain that bank interest rate is too high. What changes can be brought about to lower interest rates? Do you think the present rate is reasonable and workable?

Director of Business- Bank of Maldives, Mr. Kuldip Paliwal Speaking:

Sir, securitization must be bringing into because, when we compare India also there is one act, Sarfaesi act, securitization Act, Under that act banks were given lot of what is called powers for recovery. And Central bank will come into that. That act should makes in India. That is no such securitization act. Sarfaesi, It is called sarfaesi. Sarfaesi. Sarfaesi act.

Chief Financial Officer of Maldives Islamic Bank, Mr. Ali Wasif Speaking:

Thank you. On our side we would like to touch upon on the rates that has been highlighted on many forums that banks are excessively charging the rates. I think in a market at least the smaller banks are compared. An ROF 15% to 20% has been a normal ROE for us at least within industry an where we take so much risk and so much of capital invested in these. And partners who are having multiple investment avenues. It depends on how much of profits in general banks earning. There are some banks who have some fee base income as a monopoly or as a natural advantage. But in general banks who are mostly depending on fund base income. I think considering the cost of running the banking operations and the NPA positions. We may not say that bank are excessively earning profits in overall. So, we can consider continuing to identify what is the best rate of financing. But it is a function of the profitability of cause. The bottom will decide whether we are excessively earning, or we are having a normal profit. That's on our side. On the USD side if I may add little bit, as other banking members mention, most of our banks we have access USD position. We do have more dollar in deposits. Customers are saving dollars in banks. But we can't take our short position and then exchange sell those dollars. Because these people will come and ask for dollars when they need to withdraw. So, the issue is, the miss match, why would a normal person keep a bank account for USD of millions of dollars, while he is not

involving in tourism, he is not involving exporting anything. So, I think the restrictions to hold USD bank account should justify a persons need to conduct usual business. Not to hold on dollars or not to make money on exchange speculations. I think that could be addressed on that. Thank you.

Chairperson speaking:

Thank you. Now I will give the floor to Honorable Abdulla Riyaz.

Member of Thimarafushi Constituency, Abdhulla Riyaz speaking:

Thank you very much. I think most of the question is already been, yeah okay. I just want to clarify what's the banks main concern on taking immovable assets. You have mention that there is a need for a legal framework, but exactly, I mean what is the difference between a house, and because the Maldives you see, we have 90% in waters. Most removable assets are boats and dhoani and stuff you know. So, why can't you know, you can, why can't you support to those areas. That's a one of the main area where we see that people have concerns as well. Thank you.

Senior Vice President Audit & Compliance- SBI Mr. Siraj Basha Papasaheb Speaking:

Its compare to the risk that you know, even though having property mortgage, we are not in position position to recover. Than it was the removable how, what will happen. That is a problem. If there is effective, sir, if there is effective you know legal frame work and infrastructure procedures that banks can recover with in sort of period. In Sri Lanka more than five million rupees, no need to go to courts. We can pass that you know, three year resolution from the board of directors, we can publish in three gazette and three newspapers, more than five million per party we can sell without going to courts. That we call, they don't pirate right. Banks has parate right in Srilanka. So, that in here even though we have billons of dollars you have to go to courts and wait there for more than two, three years. Then that's why that is in other way it affects to there high rates of international market. If which is that, if that the bank has very you know, comprehensive that very reliable procedure to recover, if we don't have that risk we can reduce that two, three percent by the rates.

Chairman speaking:

Thank you very much. Now I will give the floor to honorable Abdul Ghafoor Moosa.

Member of Hanimaadhoo constituency, Abdul Ghafoor Moosa Speaking:

I think you have come up with your problems. So, we need a solution. So, it's better to send all the suggestions in writing to the committee. We will take actions on that one, whatever we can. And also we just want to know that you know even the grey market we are talking about. Even Singapore they have grey market. Singapore they have grey market and all Asia it's happening. Only thing is we cannot eliminate, we can minimize it. That is the only thing, but we also know that you know who, you know better who are the people, who are in the grey market. Resort owners, they make lot of money on that. So, there are lot of difficulties for us also you know, to do things, but we can do our best to do all these things. And it is very important to have a commercial court, it's very important. We will try to work out on these things and whatever we can willing to work out on those. And also we want to open a new bank branches in the islands. Even all the MP's and you know, government is also willing to do these even whatever the facilities you are looking for, we can help them to provide those things in the islands. Even leasing of lands and you know, all things can be arranged. Because, we are talking about more exposure to the banks. Even the Bank of the Maldives is doing it. And you know, sometimes they may be dominating the whole Maldives if you are not opening up a branches in the islands. Because, all the areas tourism are coming up there. So, there need a commercial facilities to be available those areas. Very few places at the movement is available. I know there is a issues of record keeping. So, if you can give us a suggestion what we can adjusted in the law to minimize the, I know you have to keep the huge places for the record keeping and all these things. So, even we can electronize it whatever the legal framework we can make on that. That will be more important to do. So, it is important you know, we have a very good discussion and if you can send us to your issues, we will discuss with the governor and also finance minister and all concerns authorities. I think we can come a solution. Hope that will be start and things will work out better way. And also, we want to provide a good service to our people with the low interest rate. Thank you.

Chairperson speaking:

Make it brief.

Chief Operationg Officer of Maldives Islamic Bank, Mr. Ahmed Riza Speaking:

Just one quick one I didn't come up. The availability of long-term funding for banks. Lot of customers they would want not to have extended tenor in their loans, you know like six, seven years or even ten years. Some of the banks I know but a huge risk they are doing that, huge maturity mismatch I heard from some of the banks. So, if we can allow the private banks you know except, some of the banks I know they have access to

like government you know pension fund and including insurance premium you know money. But not all the banks. So, if you can actually you know, get some sort of mechanism to have other banks access those funds well. Thank you.

Chairperson speaking:

Thank you very much. Now I will give the floor to honorable Hassan Afeef.

Member of Vilufushi constituency, Hassan Afeef speaking:

Thank you chair. Well, we have heard your complains, your challenges and we will do our best to bring a solution to these things. As, honorable Member Ghafoor has mention we like to have all these your or these challenges in writing to us. So that, when we formulate our acts of parliament that we can look in to those things. And as you have mentioned, I also feel that we should have a separate commercial court you know. So, that they can only look into the commercial disputes. Then the other question I would like, I don't know whether you have this figure. But how much is the total requirement of US dollar's or foreign currency that is required per year for this country to meet the imports. If you have a rough figure, I just like to know that.

Country Manager of Habib Bank Limited, Mr. Muhammad Shoiab Awan Speaking:

That know the equity import balance for MMA rate is more than two billion dollar. Yeah 2.5 billion dollar, and if you see that export figure is somewhere around three hundred, four hundred million. That's what the figure counts from the MMA. So, roughly one and half billion balance of trade deficit we are generating around every year on the country. Sorry. Yeah, I am telling they are not including that in to that export. That is only the fisheries export. Absolutely.

Chairperson speaking:

All right. Now I will give the floor to honorable Ilyas Labeeb.

Hulhudoo constituency member Ilyas Labeeb peaking:

Thank you. I think the main issue is legal system on the recovery side. I think we are aware of this issue also. We have a judiciary committee in the Parliament, and we will raise this issue to our judiciary committee and we will work to solve this issue. I think in our Parliamentary group we have discuss this issue and we are trying to finished these bill within middle of this year before. We have some tentative timeline. So, we are working on it. I think hopeful you get it by end of our second session right? May be end of July or August, I think. So, that we are addressing on it. The thing is this dollar

issue we have to work with MMA and the government and we have get the government's position on it, as Mr. Ghafoor mention. we will work with that. And I think we can try to make, try to bring a solution on this. And I think we are in a position to do it now, and we must to do it. Thank you.

Chairperson speaking:

All right. would any bank representative would like to add anything on it?

Director of Business- Bank of Maldives Mr. Kuldip Paliwal Speaking:

With regard of this corresponding banking relationships, you know the existing banks also will be on a threat. The existing relationship will be closed over. So, we have to get US correspondent relationship. So, for that they require this English translation of MMPRC report. So, if we can get a copy of that English translated one. we try to search but we could not find. So, then immediately one corresponded bank will agreeable to come.

Chairperson speaking:

It's still an ongoing case, and still...

Head of Retail Banking- Bank of Maldives Mr. Moosa Nimal Speaking:

Just, interest rates for touched on at the moment we are looking into where we can cut down interest rates. So, yeah some changes will happen and in terms of supporting SME's, we coming up with new products. Maybe next two months will be announcing really good products for SME's as well and we continue to, I mean, it was asked whether banks are making more profits. We do make profits and we re-invest them in community in terms of new branches, ATM's, supporting individuals and business. And like that I think eighteen new ATM's will come this year. We are going to open new business center in Kulhudhufushi. We have one in Addu. So, the investments will continue and we are working on improving our services to the public.

Chairperson speaking:

Thank you very much. Thank you for sharing all the concerns and issues that you face and our main reason behind having this meeting with you is to enhance these issues that you, I mean to look in to it and to find more solutions in terms of the legislation amendments and other government policy changes. So, that we could help you in the issues that you face and as pushing down the interest rates and to give better service to the customers. And since, we are also, the oversight committee who is responsible for

central bank, Maldives Monetary Authority. So, we will also work with them to see what are the challenges that we have. So, I would like to ask, Honorable Ghafoor has requested, I would like to request all the banks to send in writing in more detail what are the proposed changes that you would like to see and what other areas that you would like to engage in getting this to a better position in the economy. So, once again thank you very much for coming and sharing the issues with us. And we would assure you that we would find a, may be not everything, but we would try to find a reasonable solution for the issues that you have. Thank you very much.
