

IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS IS AVAILABLE ONLY TO: (1) QIBs (AS DEFINED BELOW) WHO ARE ALSO QPs (AS DEFINED BELOW) AND (2) INVESTORS THAT ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (AS DEFINED BELOW) ("REGULATION S")) NOR PERSONS ACQUIRING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS PURCHASING THE SECURITIES OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached base prospectus (the "**Base Prospectus**") and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the Base Prospectus is confidential and intended only for you and you agree you will not forward, reproduce or publish this electronic transmission or the Base Prospectus to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Any securities described in the Base Prospectus which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority (the "**FCA**"). Accordingly, the securities must not be marketed in the United Kingdom to the general public and the Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms (as defined herein) and any other marketing materials relating to the securities is being addressed to, or directed at: (A) if the distribution of the securities (whether or not such securities are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons outside the United Kingdom; (ii) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"); (iii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations,

etc.) of the Financial Promotion Order; and (iv) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the securities are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons outside the United Kingdom; (ii) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (iii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iv) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order (all such persons together being referred to as "**relevant persons**").

Confirmation of your representation: By accessing the Base Prospectus you confirm to the Ministry of Finance on behalf of the Government of the Republic of Maldives (the "**Obligor**" or the "**Government**"), to Maldives Sukuk Issuance Limited (in its capacities as issuer of the securities and as trustee for the holders of the securities, the "**Trustee**") and to each of Credit Suisse (Singapore) Limited, Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited and The Islamic Corporation for the Development of the Private Sector (together, the "**Arrangers**") and any other dealers appointed under the Programme (as defined herein) from time to time by the Obligor and the Trustee, which appointment may be for a specific issue of securities or on an ongoing basis (together, the "**Dealers**") that: (i) you understand and agree to the terms set out herein; (ii) in respect of the securities offered in the United Kingdom, you are a relevant person; (iii) you are (a) a person that is outside the United States and not a U.S. person (within the meaning of Regulation S) and not a person acquiring for the account or benefit of a U.S. person, in each case who is outside the United States that would invest in the securities in an "offshore transaction" as defined in, and in accordance with, Regulation S; or (b) a qualified institutional buyer (a "**QIB**") within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") who is also a qualified purchaser (a "**QP**") as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended, and the rules and regulations thereunder, that is acquiring the securities for your own account or the account of another QIB who is also a QP, and that the electronic mail address that you have given is not located in the United States (including any state of the United States and the District of Columbia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (iv) you are a person who is permitted under applicable law and regulation to receive this Base Prospectus; (v) you consent to delivery of such Base Prospectus and any supplements thereto by electronic transmission; (vi) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (vii) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the securities.

Prospective purchasers of the securities that are QIBs that are also QPs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Prospectus, electronically or otherwise, to any other person and in particular to any U.S. person or to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Arrangers and the Dealers or any affiliate of

the Arrangers or the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Obligor, the Trustee or holders of the applicable securities in such jurisdiction.

Recipients of the Base Prospectus who intend to subscribe for or purchase the securities described herein are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus, the applicable Final Terms and/or supplement(s) to the Base Prospectus (if any).

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Obligor, the Trustee, the Arrangers and the Dealers to inform themselves about, and to observe, any such restrictions.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Obligor, the Trustee, the Arrangers nor the Dealers nor any person who controls them nor any director, officer, employee nor agent of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Obligor, the Trustee, the Arrangers and the Dealers. Please ensure that your copy is complete. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Each of the Arrangers and the Dealers are acting exclusively for the Obligor and the Trustee and no one else in connection with any offer of the securities described in the Base Prospectus. They will not regard any other person (whether or not a recipient of the Base Prospectus) as their client in relation to any offer of the securities described in the Base Prospectus and will not be responsible to anyone other than the Obligor and the Trustee for providing the protections afforded to their clients nor for giving advice in relation to any offer of the securities described in the Base Prospectus or any transaction or arrangement referred to herein.

BASE PROSPECTUS



Maldives Sukuk Issuance Limited

(incorporated as an exempted limited liability company in the Cayman Islands)

US\$1,000,000,000 Trust Certificate Issuance Programme

Under the US\$1,000,000,000 trust certificate issuance programme described in this Base Prospectus (the "**Programme**"), Maldives Sukuk Issuance Limited (in its capacities as issuer of the Trust Certificates (as defined below) and trustee for the Certificateholders (as defined below) (the "**Trustee**")), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Trust Certificates**") in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below). Trust Certificates may only be issued in registered form. The aggregate nominal amount of Trust Certificates outstanding will not at any time exceed US\$1,000,000,000 (or its equivalent in other currencies), subject to increase as described herein.

The Trust Certificates may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Trustee (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer(s) shall, in the case of an issue of Trust Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Trust Certificates.

The Trust Certificates will be limited recourse obligations of the Trustee. An investment in Trust Certificates issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".

Each Tranche (as defined herein) of Trust Certificates issued under the Programme will be constituted by: (i) a master declaration of trust (the "**Master Declaration of Trust**") dated 23 March 2021 entered into between the Trustee, the Ministry of Finance on behalf of the Government of the Republic of Maldives (the "**Obligor**" or the "**Government**") and HSBC Corporate Trustee Company (UK) Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") in relation to the relevant Tranche. Trust Certificates of each Series (as defined herein) confer on the holders of the Trust Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the relevant Trust Assets (as defined herein).

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland (the "**CBI**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Trustee, the Government or the quality of the Trust Certificates. Investors should make their own assessment as to the suitability of investing in the Trust Certificates. Application has been made to the Irish Stock Exchange plc

trading as Euronext Dublin ("**Euronext Dublin**") for the Trust Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to listing on the official list of Euronext Dublin (the "**Official List**") and to trading on its regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). Such approval relates only to the Trust Certificates which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**").

Each of the Trustee and the Government is an "Exempt Offeror" for the purposes of Article 13(1) of the Markets Law, Dubai International Financial Centre Law No. 1 of 2012 (the "**Markets Law 2012**") of the Dubai Financial Services Authority (the "**DFSA**"). Accordingly, this Base Prospectus has not been approved by the DFSA for the purposes of Articles 14 and 15 of the Markets Law 2012. Application has been made to the DFSA for the Trust Certificates to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for admission to trading on Nasdaq Dubai.

References in this Base Prospectus to Trust Certificates being "**listed**" (and all related references) shall mean that such Trust Certificates have been admitted to (a) the Official List, (b) trading on the regulated market of Euronext Dublin, (c) the DFSA Official List, (d) trading on Nasdaq Dubai and/or (e) another MiFID II regulated market as may be specified in the applicable final terms relating to the relevant Tranche (the "**applicable Final Terms**" or "**Final Terms**"). The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer(s). However, unlisted Trust Certificates may also be issued pursuant to the Programme. The Final Terms in respect of the issue of any Trust Certificates will specify whether or not such Trust Certificates will be listed on the (i) Official List and admitted to trading on Euronext Dublin's regulated market or (ii) DFSA Official List and admitted to trading on Nasdaq Dubai. This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for a period of 12 months from its date.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with the Trustee. The DFSA has also not assessed the suitability of any Trust Certificates issued under this Programme to any particular investor or type of investor. If you do not understand the contents of this Base Prospectus or are unsure whether any Trust Certificates issued under this Base Prospectus are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

The Maldives has been assigned a long- and short-term foreign and local currency sovereign credit rating of "CCC" and "C", respectively by Fitch Ratings Inc. ("**Fitch**") and a long-term foreign and local currency sovereign credit rating of "B3" with a negative outlook by Moody's Investors Service Singapore Ptd. Ltd. ("**Moody's**"). Fitch and Moody's are not established in the EEA or in the UK and are not certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the ratings it has given to the Maldives are not endorsed by a credit rating agency established in either the EEA and registered under EU CRA Regulation or in the UK and registered under the UK CRA Regulation. Where a Tranche of Trust Certificates is rated, such rating will be disclosed in the applicable Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Trust Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). Accordingly, the Trust Certificates are being offered and sold only (A) outside the United States in "offshore

transactions” as defined in, and in accordance with, Regulation S, to investors that are not U.S. persons nor to persons acquiring for the account or benefit of U.S. persons, in each case outside the United States in accordance with Regulation S and initially represented by a global trust certificate in registered form (a "**Regulation S Global Trust Certificate**") and (B) within the United States to "**qualified institutional buyers**" ("**QIBs**") who are also “qualified purchasers”, as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**”), and the rules and regulations thereunder (“**QPs**”) in reliance on Rule 144A under the Securities Act ("**Rule 144A**") and initially represented by one or more global trust certificates in registered form (a "**Rule 144A Global Trust Certificate**", together with a Regulation S Global Trust Certificate, the "**Global Trust Certificates**"). For a description of certain further restrictions on offers, sales and transfers of Trust Certificates and distribution of this Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*". Global Trust Certificates will either (A) be deposited on the relevant issue date with, and registered in the name of a nominee for, a common depository (the "**Common Depository**") on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or (B) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"). The provisions governing the exchange of interests in Global Trust Certificates for definitive Trust Certificates are described in "*Summary of Provisions relating to the Trust Certificates while in Global Form*".

The transaction structure relating to the Trust Certificates (as described in this Base Prospectus) has been approved by The Islamic Development Bank Group Shari’ah Board, HSBC Global Shariah Supervisory Committee and the Internal Sharia Supervisory Committee of Emirates NBD – Al Watani Al Islami. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Trust Certificates and should consult their own *Shari’a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari’a* principles.

For the avoidance of doubt, the Trustee shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Base Prospectus is no longer valid.

Arrangers and Dealers

Credit Suisse

HSBC

Emirates NBD Capital

**The Islamic Corporation for the Development of
the Private Sector**

The date of this Base Prospectus is 23 March 2021

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. Each of the Trustee and the Government accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Trustee and the Government, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Tranche of Trust Certificates, should be read and construed together with the applicable Final Terms. The information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus and have not been scrutinised or approved by the CBI.

Copies of Final Terms will be available from the specified office set out below of the Principal Paying Agent (as defined below).

In the case of any Trust Certificates which are to be admitted to trading on a regulated market within the EEA or offered to the public in any member state of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Trust Certificates). In the case of any Trust Certificates which are to be admitted to trading on Nasdaq Dubai, the minimum specified denomination shall be US\$100,000 (or its equivalent in any other currency as at the Issue Date of the Trust Certificates).

None of the Dealers, the Arrangers (each as specified under "*Overview of the Programme*"), the Agents (as defined in the "*Terms and Conditions of the Trust Certificates*") or the Delegate (as specified under "*Overview of the Programme*") or their respective affiliates have independently verified the information contained herein. Accordingly, none of the Dealers, the Arrangers, the Agents, the Delegate or their respective affiliates accepts any responsibility or liability for and makes no representation, warranty or undertaking, express or implied, as to (i) the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus, (ii) any acts or omissions of the Trustee, the Government or any other person in connection with this Base Prospectus or the issue and offering of the Trust Certificates or (iii) any other information provided in connection with the Trustee, the Government, the Programme, any Trust Certificates issued thereunder or their distribution. The Arrangers, the Dealers, the Agents, the Delegate and their respective affiliates accordingly each disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any other information provided by the Trustee or the Government in connection with the Programme, the Trust Certificates or their distribution.

None of the Dealers or the Arrangers will regard any actual or prospective holders of Trust Certificates (whether or not a recipient of this Base Prospectus and/or the relevant Final Terms) as their client in relation to the offering described in this Base Prospectus and/or the relevant Final Terms and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Prospectus and/or the relevant Final Terms or any transaction or arrangement referred to herein or therein.

No person is or has been authorised by the Trustee or the Government to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the issue or sale of the Trust Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Government, the Trustee, the Delegate, the Arrangers, any Dealer or any Agent.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Trust Certificates (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Government, the Trustee, the Delegate, the Arrangers, any Dealer, or any Agent that

any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Trust Certificates should purchase any Trust Certificates. Each investor contemplating purchasing Trust Certificates should determine for itself the relevance of the information contained in this Base Prospectus, make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Trustee and the Government and its purchase of any Trust Certificates should be based upon such investigation as it deems necessary. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Trust Certificates constitutes an offer or invitation by or on behalf of the Trustee, the Government, the Delegate, the Arrangers, any Dealer or the Agents to any person to subscribe for or to purchase any Trust Certificates. None of the Dealers, the Arrangers, the Agents or the Delegate undertakes to review the financial condition or affairs of the Trustee or the Government during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Trust Certificates of any information coming to the attention of any of the Dealers, the Arrangers, the Agents or the Delegate.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Trust Certificates shall in any circumstances imply that the information contained therein concerning the Trustee or the Government is correct at any time subsequent to the date of this Base Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Delegate, the Arrangers, the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Trustee or the Government during the life of the Programme or to advise any investor in the Trust Certificates issued under the Programme of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Trust Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Trust Certificates may be restricted by law in certain jurisdictions. The Trustee, the Government, the Delegate, the Arrangers, the Dealers and the Agents do not represent that this Base Prospectus may be lawfully distributed, or that any Trust Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, the Government, the Delegate, the Arrangers, the Dealers or the Agents, which is intended to permit a public offering of any Trust Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Trust Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Trust Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Trust Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Trust Certificates in the Cayman Islands, the Dubai International Financial Centre (the "**DIFC**"), the EEA, the Kingdom of Bahrain, Hong Kong, Singapore, the Sultanate of Oman, the UAE (excluding the DIFC), the United Kingdom and the United States (and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates) (see "*Subscription and Sale and Transfer and Selling Restrictions*").

No comment is made or advice given by the Trustee, the Government, the Delegate, the Arrangers, any Dealer or any Agents in respect of taxation matters relating to any Trust Certificates or the legality of the purchase of Trust Certificates by an investor under applicable or similar laws.

The Trust Certificates may not be a suitable investment for all investors. Each potential investor in any Trust Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Trust Certificates, the merits and risks of investing in the relevant Trust Certificates and the information contained in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Trust Certificates and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Trust Certificates, including Trust Certificates where the currency for any Dissolution Amount or Periodic Distribution Amount (each as defined herein) payments are different from the potential investor's currency;
- (iv) understands thoroughly the terms of the relevant Trust Certificates and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The Trust Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Trust Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Trust Certificates will perform under changing conditions, the resulting effects on the value of such Trust Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Trust Certificates are legal investments for it, (ii) Trust Certificates can be used as collateral for various types of borrowing or raising of finance and (iii) other restrictions apply to its purchase or pledge of any Trust Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Trust Certificates under any applicable risk-based capital or similar rules.

The Trust Certificates to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Trust Certificates offered should conduct their own due diligence on the Trust Certificates.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF TRUST CERTIFICATES.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to QIBs who are also QPs for informational use, solely in connection with the consideration of the purchase of certain Trust Certificates issued under the Programme. Its use for any other purpose in the United States is not authorised. This Base Prospectus may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is

originally submitted. Trust Certificates may be offered or sold within the United States only to QIBs who are also QPs in transactions exempt from registration under the Securities Act in reliance on, and in accordance with, Rule 144A or any other applicable exemption. Each U.S. purchaser of Trust Certificates is hereby notified that the offer and sale of any Trust Certificates to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Trust Certificates represented by a Rule 144A Global Trust Certificate or any Trust Certificates issued in exchange or substitution therefor (together, "Legended Certificates") will be deemed, by its acceptance or purchase of any such Legended Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Certificates as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of Final Terms*".

NEITHER THE PROGRAMME NOR THE TRUST CERTIFICATES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF TRUST CERTIFICATES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO UK RESIDENTS

Any Trust Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("AFIBs") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "FSMA")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, any Trust Certificates to be issued under the Programme must not be marketed in the United Kingdom to the general public and this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms and any other marketing materials relating to the Trust Certificates is being addressed to, or directed at: (A) if the distribution of the Trust Certificates (whether or not such Trust Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Trust Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "Promotion of CISs Order"); (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to the Trust Certificates.

Prospective investors in the United Kingdom in any Trust Certificates are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in such Trust Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Any prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

THE APPLICABLE FINAL TERMS IN RESPECT OF ANY SERIES OF TRUST CERTIFICATES MAY INCLUDE A LEGEND ENTITLED "MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET" WHICH WILL OUTLINE THE TARGET MARKET ASSESSMENT IN RESPECT OF THE TRUST CERTIFICATES AND WHICH CHANNELS FOR DISTRIBUTION OF THE TRUST CERTIFICATES ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE TRUST CERTIFICATES (AN "EU DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE TARGET MARKET ASSESSMENT; HOWEVER, AN EU DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE TRUST CERTIFICATES (BY EITHER ADOPTING OR REFINING THE TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

A DETERMINATION WILL BE MADE IN RELATION TO EACH ISSUE ABOUT WHETHER, FOR THE PURPOSE OF THE MIFID PRODUCT GOVERNANCE RULES UNDER EU DELEGATED DIRECTIVE 2017/593 (THE "MIFID PRODUCT GOVERNANCE RULES"), ANY DEALER SUBSCRIBING FOR ANY TRUST CERTIFICATES IS A MANUFACTURER IN RESPECT OF SUCH TRUST CERTIFICATES, BUT OTHERWISE NEITHER THE ARRANGERS NOR THE DEALERS NOR ANY OF THEIR RESPECTIVE AFFILIATES WILL BE A MANUFACTURER FOR THE PURPOSE OF THE MIFID PRODUCT GOVERNANCE RULES.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

THE APPLICABLE FINAL TERMS IN RESPECT OF ANY SERIES OF TRUST CERTIFICATES MAY INCLUDE A LEGEND ENTITLED "MIFIR PRODUCT GOVERNANCE/ PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET" WHICH WILL OUTLINE THE TARGET MARKET ASSESSMENT IN RESPECT OF THE TRUST CERTIFICATES AND WHICH CHANNELS FOR DISTRIBUTION OF THE TRUST CERTIFICATES ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE TRUST CERTIFICATES (A "UK DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE TARGET MARKET ASSESSMENT; HOWEVER, A UK DISTRIBUTOR SUBJECT TO MIFIR IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE TRUST CERTIFICATES (BY EITHER ADOPTING OR REFINING THE TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

A DETERMINATION WILL BE MADE IN RELATION TO EACH ISSUE ABOUT WHETHER, FOR THE PURPOSE OF THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT

GOVERNANCE SOURCEBOOK (THE "MIFIR PRODUCT GOVERNANCE RULES"), ANY DEALER SUBSCRIBING FOR ANY TRUST CERTIFICATES IS A MANUFACTURER IN RESPECT OF SUCH TRUST CERTIFICATES, BUT OTHERWISE NEITHER THE ARRANGERS NOR THE DEALERS NOR ANY OF THEIR RESPECTIVE AFFILIATES WILL BE A MANUFACTURER FOR THE PURPOSE OF THE MIFIR PRODUCT GOVERNANCE RULES.

VOLCKER RULE

The Trustee may be deemed to be a "covered fund" for purposes of Section 13 of the Bank Holding Company Act of 1956, as amended (in particular, by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010), and any implementing regulations and related guidance (the "**Volcker Rule**"). Further, the Trust Certificates may constitute an "ownership interest" for the purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Trust Certificates. This prohibition may adversely affect the liquidity and market price of the Trust Certificates. In addition, any entity that is a "banking entity" under the Volcker Rule and is considering an investment in the Trust Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to any member of the public in the Cayman Islands to subscribe for any Trust Certificates issued under the Programme and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Trust Certificates issued under the Programme.

NOTICE TO RESIDENTS IN THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Trust Certificates issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the "CBB") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Trust Certificates may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Trust Certificates, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the Trust Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Trust Certificates will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to or made available to the public generally.

NOTICE TO RESIDENTS OF OMAN

The information contained in this Base Prospectus does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 18/2019, as amended) (the "Commercial Companies Law") or Article 3 of the Capital Market Law of Oman (Royal Decree 80/98, as amended). This Base Prospectus will only be made available to investors in Oman in accordance with Article 139 of the Executive Regulations of the Capital Market Law (CMA Decision 1/2009, as amended) (the "Executive Regulations") by an entity duly licensed by the Oman Capital Market Authority to market non-Omani securities in Oman.

This Base Prospectus has not been (and will not be) filed with the Oman Capital Market Authority (except in accordance with Article 139 of the Executive Regulations), the CBO or any other regulatory authority in Oman and the Oman Capital Market Authority and the CBO do not assume responsibility for the accuracy and adequacy of the statements and information contained in this Base Prospectus and shall not have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289)

In connection with Section 309B of the Securities and Futures Act (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Trust Certificates, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Trust Certificates are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF TRUST CERTIFICATES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISATION MANAGER(S) (OR ANY PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE TRUST CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF TRUST CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF TRUST CERTIFICATES. ANY STABILISATION ACTION MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

SUPPLEMENTARY BASE PROSPECTUS

If at any time the Trustee and the Government shall be required to prepare a supplementary base prospectus pursuant to Article 23 of the Prospectus Regulation, the Trustee and the Government will prepare and make available a supplement to this Base Prospectus which, in respect of any subsequent issue of Trust Certificates to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, shall constitute a supplementary base prospectus pursuant to Article 23 of the Prospectus Regulation.

Each of the Trustee and the Government has given an undertaking to the Arrangers and the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Trust Certificates and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses (if applicable) and prospects of each of the Trustee and the Government, and the rights attaching to the Trust Certificates, the Trustee and the Government shall prepare a supplement to this Base Prospectus or publish a replacement base prospectus for use in connection with any subsequent offering of the Trust Certificates and shall supply to the Arrangers and each Dealer such number of copies of such supplement hereto as the Arrangers or such Dealer may reasonably request.

CAYMAN ISLANDS DATA PROTECTION

Under the Cayman Islands Data Protection Law 2017 and, in respect of EU data subjects, the EU General Data Protection Regulation (together, the "**Data Protection Legislation**"), individual data subjects have rights and the Trustee as data controller has obligations with respect to the processing of personal data by the Trustee and its affiliates and delegates. Breach of the Data Protection Legislation by the Trustee could lead to enforcement action.

Prospective investors should note that personal data may in certain circumstances be required to be supplied to the Trustee in order for an investment in the Trust Certificates to continue or to enable the Certificates to be redeemed. If the required personal data is not provided, a prospective investor will not be able to continue to invest in the Trust Certificates or to redeem the Trust Certificates.

The Trustee has published a privacy notice (the "**Data Privacy Notice**"), which provides prospective investors with information on the Trustee's use of their personal data in accordance with the Data Protection Legislation. The Data Privacy Notice can be accessed at <https://www.walkersglobal.com/external/SPVDPNotice.pdf>.

PRESENTATION OF STATISTICAL, ECONOMIC AND OTHER INFORMATION

Certain defined terms and conventions

All references in this Base Prospectus to (a) "**the country**", the "**Republic**" or "**Maldives**" are to the Republic of Maldives, (b) the "**Issuer**" are to Maldives Sukuk Issuance Limited, (c) the "**Government**" are to the Government of the Republic of Maldives, (d) the "**MMA**" are to the Maldives Monetary Authority, the country's central bank and banking regulator and (e) the "**MoF**" are to the Ministry of Finance on behalf of the Government of the Republic of Maldives.

Unless otherwise indicated, all references in this Base Prospectus to "**Maldivian Rufiyaa**", "**Rufiyaa**" or "**MVR**" are to the lawful national currency of the Maldives, those to "**dollars**", "**U.S. Dollars**" or "**US\$**" are to the lawful currency of the United States of America, those to "**SDR**" are to Special Drawing Rights of the International Monetary Fund (the "**IMF**"), "**Japanese Yen**" or "**JPY**" are to the currency of Japan and "**EUR**", "**€**" or "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Presentation of statistical, economic and other information

Statistical and financial information included in this Base Prospectus is the latest official data publicly available at the date of this Base Prospectus. Statistical and financial data provided in this Base Prospectus may be subsequently revised in accordance with the Government's ongoing maintenance of its economic data. Neither the Issuer nor the Government is under any obligation to distribute such revised data to any holder of the Issuer's securities. As used in this Base Prospectus, the terms "n/a" or "N/A" identify statistical or financial data that is not available.

The fiscal year of the Government commences on 1 January and ends on 31 December of each year.

Unless otherwise specified herein, all gross domestic product ("**GDP**") and related data, including growth statistics and sub-sector data, are stated at 2014 constant prices.

Unless otherwise specified herein, all 2020 and interim statistical and financial data included in this Base Prospectus are provisional and subject to revision in accordance with the procedures and practices of the MMA or other Government entity responsible for collating and presenting such statistical data. Additional economic data is released on a monthly basis by the Base Prospectus and may update, supersede or otherwise vary from the data presented in this Base Prospectus.

Inflation in the Maldives is reported as the year-on-year or month-on-month percentage change as compiled by the National Bureau of Statistics of the Ministry of National Planning, Housing and Infrastructure with month as the base for the consumer price index ("**CPI**") and related data.

Figures and percentages are rounded to one or two decimal places, where appropriate. Any discrepancies in the tables included in this Base Prospectus between the amounts listed and the totals are due to rounding.

Certain monetary amounts included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them.

Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies of the Republic of Maldives. Unless otherwise stated, all annual information, including budget information, is based on calendar years.

Exchange rate information

For ease of presentation, certain financial information relating to the Republic of Maldives included herein is presented in U.S. Dollars. Except as otherwise stated in this Base Prospectus, any amounts stated in U.S. Dollars were converted from Rufiyaa into U.S. Dollars at the rate of exchange of 15.42. However, these translations should not be construed as representations that the Maldivian Rufiyaa amounts actually represent such U.S. Dollar amounts or could be converted into U.S. Dollars at the rate indicated or any other rate. See "*The Republic of Maldives — Exchange Rates*" for historical information regarding the exchange rate between the Maldivian Rufiyaa and certain major currencies.

Data dissemination

The Republic of Maldives is a subscriber to the International Monetary Fund's Special Data Dissemination Standard, or "SDDS", which is designed to improve the timeliness and quality of information of subscribing member countries. The SDDS requires subscribing member countries to provide schedules indicating, in advance, the date on which data will be released on the so-called "Advance Release Calendar". Summary methodologies of all metadata to enhance transparency of statistical compilation are provided on the SDDS website, at <http://dsbb.imf.org/Pages/GDDS/CtyCtgList.aspx?ctycode=MDV>. No information contained on the SDDS website is incorporated into this Base Prospectus.").

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Base Prospectus constitute forward-looking statements. Statements that are not historical facts are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue" or similar terminology. These statements are based on the Government's current plans, objectives, assumptions, estimates and projections. Investors should therefore not place undue reliance on those statements. Forward-looking statements speak only as of the date that they are made, and the Republic does not undertake to update any forward-looking statements in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. The Republic cautions that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. The following factors, including those discussed under "*Risk Factors*", could cause future results to differ materially from those expressed in any forward-looking statements made in this Base Prospectus:

External factors, such as:

- the global handling of the COVID-19 pandemic;
- the health of the global and regional economies;
- climate change and events related to climate change;
- higher international interest rates and recession;
- decisions and policies of international financial institutions such as the IMF;
- the number of tourist arrivals and length of tourist stays in the country;
- availability and price of foreign resources and imports; and
- international hostilities; and

Internal factors, such as:

- political turmoil or instability;
- success of significant economic, social and fiscal reforms enacted by the Government;
- shortage of skilled domestic workers;
- decreased foreign currency reserves;
- volatility of exchange rates for the Maldivian Rufiyaa against key currencies;
- unexpected changes to the Maldivian legal system; and
- increased rate of domestic inflation.

TABLE OF CONTENTS

	Page
OVERVIEW OF THE PROGRAMME.....	2
RISK FACTORS	12
ENFORCEABILITY OF FOREIGN JUDGMENTS	28
STRUCTURE DIAGRAM AND CASHFLOWS	29
USE OF PROCEEDS.....	31
DESCRIPTION OF THE TRUSTEE.....	32
THE REPUBLIC OF MALDIVES	34
FORM OF FINAL TERMS.....	97
TERMS AND CONDITIONS OF THE TRUST CERTIFICATES.....	103
SUMMARY OF PROVISIONS RELATING TO THE TRUST CERTIFICATES WHILE IN GLOBAL FORM	145
CLEARING AND SETTLEMENT	149
SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS	154
TAXATION.....	162
SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS.....	170
GENERAL INFORMATION.....	178
BUDGET INFORMATION OF THE REPUBLIC OF MALDIVES.....	182
INDEBTEDNESS OF THE REPUBLIC OF MALDIVES.....	186

OVERVIEW OF THE PROGRAMME

Words and expressions defined in the "*Terms and Conditions of the Trust Certificates*" (the "**Conditions**") and elsewhere in this Base Prospectus shall have the same meanings in this overview. This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Issuer, Trustee, Purchaser and Lessor	Maldives Sukuk Issuance Limited, an exempted limited liability company incorporated in the Cayman Islands under the Companies Act (2020 Revision) (as amended). The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party and is wholly owned by the Government (or on its behalf).
Trustee's Legal Entity Identifier (LEI)	549300RPRH3HJCZQP933.
Obligor, Lessee, Buyer, Servicing Agent and the Government	Ministry of Finance on behalf of the Government of the Republic of Maldives.
Seller	Ministry of Finance on behalf of the Government of the Republic of Maldives or as otherwise disclosed in the Final Terms
Arrangers	Credit Suisse (Singapore) Limited Emirates NBD Bank PJSC The Hongkong and Shanghai Banking Corporation Limited The Islamic Corporation for the Development of the Private Sector
Dealers	The Arrangers and any other Dealers appointed in accordance with the Dealer Agreement.
Delegate	HSBC Corporate Trustee Company (UK) Limited.
Regulation S Registrar, Regulation S Transfer Agent, Euroclear/Clearstream Rule 144A Registrar, Euroclear/Clearstream Rule 144A Transfer Agent and Principal Paying Agent	HSBC Bank plc.
Rule 144A Paying Agent, DTC Rule 144A Registrar and DTC Rule 144A Transfer Agent	HSBC Bank USA, National Association.
Commodity Agent	HSBC Bank Middle East Limited.
Shariah Advisor	The Islamic Corporation for the Development of the Private Sector.
Negative Pledge	The Purchase Undertaking contains a negative pledge given by the Government.
Trustee Covenants	The Trustee has agreed to certain restrictive covenants as set out in " <i>Covenants</i> " in the Conditions.

Cross-default

In respect of the Government, the Trust Certificates will have the benefit of a cross-default provision, as described in subparagraph (f) of the definition of "*Government Event*" corresponding thereto (contained in the Conditions).

Status of the Trust Certificates

Each Trust Certificate evidences an undivided ownership interest of the Certificateholders in the Trust Assets subject to the terms of the Declaration of Trust and the Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate will rank *pari passu*, without any preference or priority, with all other Trust Certificates.

The payment obligations of the Government (in any capacity) under the Transaction Documents to which it is a party in respect of each Series of Trust Certificates will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Government from time to time outstanding, provided, further, that the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Transaction Documents and *vice versa*.

Meetings of Certificateholders

The Conditions contain a "collective action" clause which permits defined majorities to bind all Certificateholders.

If the Trustee issues future securities which contain collective action clauses in substantially the same form as the collective action clause in the Conditions, the Trust Certificates would be capable of aggregation with any such future securities. See "*Risk Factors — Risk factors relating to the Trust Certificates — The Conditions contain a "collective action" clause under which the terms of any one Series of Trust Certificates or multiple Series of Trust Certificates may be amended, modified or waived without the consent of all Certificateholders*".

Further Issues

On the relevant Issue Date of any additional Tranche of Trust Certificates issued in accordance with Condition 23: (i) the Government (in its capacity as seller) and the Trustee (in its capacity as purchaser) may enter into a Supplemental Purchase Agreement for the sale, transfer and conveyance of the relevant Additional Assets; and (ii) provided that the value of Additional Assets (if any) is less than the aggregate face amount of the additional Trust Certificates, or where no Additional Assets are being purchased by the Trustee (in its capacity as purchaser) from the Government (in its capacity as seller) in relation to any

additional Tranche of Trust Certificates, on receipt of a purchase order from the Government (acting as buyer) and in accordance with the Master Murabaha Agreement, the Government may purchase commodities from Maldives Sukuk Issuance Limited at a Deferred Sale Price equal to the aggregate of: (i) the Murabaha Percentage of the aggregate face amount of the additional Trust Certificates; and (ii) the relevant Profit Amount (as defined in the Master Murabaha Agreement). The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the relevant existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Assets (if any) and the relevant Lease Assets (if any) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the Commodity Murabaha Investments (if any) relating to the relevant Series (and all rights arising under or with respect to such Commodity Murabaha Investments, including the right to receive payment of the relevant Deferred Sale Price) are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of such existing Trust Certificates and the holders of such additional Trust Certificates.

Use of Proceeds

The net proceeds of each Tranche of Trust Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents and Final Terms on the relevant Issue Date as follows: (A) not less than 52 per cent. of the aggregate face amount of the relevant aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Final Terms towards the purchase from the Government of all of its beneficial interest in (in the case of the first Tranche) the Assets and, if applicable (in the case of each subsequent Tranche) the Additional Assets pursuant to the relevant Purchase Agreement; (B) U.S.\$500,000 to the Servicing Agent as an expenses reserve in respect of its expenses in acting as servicing agent; and (C) if applicable, the remaining portion of the Issue Proceeds (if any) of the aggregate face amount of the relevant Trust Certificate as specified in the applicable Final Terms towards the purchase of commodities to be sold to the Government pursuant to the Master Murabaha Agreement. The Trustee and the Government confirms that no proceeds of the Trust Certificates will be used for military or defence purposes. None of the Arrangers or Dealers shall have any responsibility for the application of the net cash proceeds from the sale of the Trust Certificates.

Risk Factors

There are certain factors that may affect the Trustee's and the Government's ability to fulfil its respective obligations under the Trust Certificates. See "*Risk Factors*".

Issuance in Series	Trust Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Trust Certificates of each Series will have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Distribution	Trust Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, the Government and the relevant Dealer(s).
Maturities	The Trust Certificates will have such maturities as may be agreed between the Trustee, the Government and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee, the Government or the relevant Specified Currency.
Denominations	The Trust Certificates will be issued in such denominations as may be agreed between the Trustee, the Government and the relevant Dealer(s), save that: (i) the minimum denomination of each Trust Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency; and (ii) the minimum denomination of each Trust Certificate admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA, in circumstances which require the publication of a prospectus under the Prospectus Regulation, will be at least €100,000 (or, if the Trust Certificates are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the date of issue of the Trust Certificates (the "Issue Date" of the relevant Tranche)). In the case of any Trust Certificates which are to be admitted to trading on Nasdaq Dubai, the minimum specified denomination shall be US\$100,000 (or its equivalent in any other currency as at the Issue Date of the Trust Certificates). Unless otherwise stated in the applicable Final Terms, the minimum denomination of any Trust Certificates to be sold in the United States to QIBs who are also QPs will be US\$200,000 or its approximate equivalent in other Specified Currencies.
Issue Price	Trust Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Trust Certificates to be issued under the Programme will be determined by the Trustee, the Government and the relevant

Dealer(s) at the time of issue in accordance with prevailing market conditions.

Form of Trust Certificates

The Trust Certificates will be issued in registered form only.

The Trust Certificates of each Series will be represented on issue by ownership interests in one or more Global Trust Certificates, which will be deposited with, and registered in the name of a nominee for, DTC and/or a Common Depositary for Euroclear and Clearstream, Luxembourg (as applicable).

Trust Certificates sold in an offshore transaction within the meaning of Regulation S will initially be represented by an unrestricted Global Trust Certificate (a "**Regulation S Global Trust Certificate**") and Certificates sold to QIBs who are also QPs in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act will initially be represented by one or more restricted Global Trust Certificates (a "**Rule 144A Global Trust Certificate**").

Ownership interests in a Global Trust Certificate will be shown on, and transfers thereof will only be effected through, records maintained by DTC, Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. Trust Certificates in definitive form evidencing holdings of Trust Certificates will be issued in exchange for interests in the relevant Global Trust Certificate only in certain limited circumstances. See "*Summary of Provisions relating to the Certificates while in Global Form*".

Clearing Systems

Certificateholders must hold their interest in the relevant Global Trust Certificate in book-entry form through DTC, Euroclear and/or Clearstream, Luxembourg. Transfers within and between each of DTC and/or Euroclear and/or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Periodic Distributions

Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.

Redemption of Trust Certificates on Scheduled Dissolution Date

Trust Certificates shall be redeemed on the Scheduled Dissolution Date at the relevant Final Dissolution Amount specified in the applicable Final Terms.

Optional Dissolution

If so specified in the applicable Final Terms, a Series of Trust Certificates may be redeemed prior to its Scheduled Dissolution Date at the Optional Dissolution (Call) Amount, as applicable, in the circumstances set out in Condition 10.2.

Delisting Purchase Undertaking Right

If the Tangibility Ratio (as defined under the Servicing Agency Agreement) falls below 33 per cent. at any point in time, other than due to a Total Loss Event, then the Trustee shall promptly delist the Trust Certificates from Euronext Dublin or, if applicable, any alternative Stock Exchange and notify

Certificateholders once the Delisting is complete. Following such Delisting, each Certificateholder shall have the right, at such Certificateholder's option, to require the Trustee to redeem all (but not less than all) of such Certificateholder's Trust Certificates on the Delisting Purchase Undertaking Date at the Delisting Purchase Undertaking Price in the circumstances set out in Condition 10.4.

Dissolution Events

Upon the occurrence of any Dissolution Event, the Trust Certificates may be redeemed on the Dissolution Event Redemption Date at the Dissolution Event Amount (which shall include any accrued but unpaid Periodic Distribution Amount) and the Return Accumulation Period may be adjusted accordingly, as described in Condition 14.

Total Loss Event

Save where the relevant Lease Assets are replaced in accordance with the Servicing Agency Agreement by no later than the 90th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Trust Certificates of that Series and the consequent dissolution of the relevant Trust no later than close of business in London on the 92nd day after the occurrence of such Total Loss Event (being the Total Loss Dissolution Date) in accordance with Condition 10.3. If a Total Loss Event occurs, the Servicing Agent shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 90th day after the occurrence of the Total Loss Event.

If a Total Loss Event occurs and the relevant Lease Assets are not replaced as discussed above, and the amount of the proceeds of Insurances (if any) credited to the Transaction Account is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Transaction Account being the "**Total Loss Shortfall Amount**"), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount directly into the Transaction Account by no later than close of business in London on the 91st day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the Total Loss Dissolution Date represents the aggregate of the proceeds of Insurances payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement. The Servicing Agent shall not be responsible for paying the Total Loss Shortfall Amount if it can prove beyond any doubt that any shortfall in the insurance proceeds is neither attributable in any way to its negligence nor the Servicing Agent's failure to comply with the terms of the Servicing Agency Agreement relating to insurance and Insurances.

Rental payments under the Lease Agreement and, therefore, Periodic Distribution Amounts, shall cease to accrue with effect from the date on which a Total Loss Event occurs, and no additional rental payment shall be made in respect of the period between the date on which the Total Loss Event occurred and the Total Loss Dissolution Date.

Cancellation of Trust Certificates held by the Trustee, the Government and/or any other public sector instrumentality

The Trustee and the Government (as defined in Condition 18(i)) may at any time purchase Trust Certificates at any price in the open market or otherwise. Following any purchase of Trust Certificates, the Trustee and the Government may at its option hold or resell such Trust Certificates.

Should the Government wish to cancel any Trust Certificates so purchased, it shall deliver a Cancellation Notice to the Trustee (in accordance with the Sale and Substitution Undertaking) whereupon (i) in accordance with the terms of the Sale and Substitution Undertaking, the Trustee shall be obliged to transfer all of the Trustee's beneficial interest in the Cancelled Lease Assets to the Government and (ii) in accordance with the terms of the Master Murabaha Agreement, the relevant proportion of the Deferred Sale Price corresponding to the proportion of the Trust Certificates subject of such cancellation shall be cancelled, in each case in consideration for which the relevant Trust Certificates shall be cancelled.

The transfer of the Cancelled Lease Assets will take effect by the Government (as purchaser) and the Trustee (as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, the Trustee shall forthwith surrender to the relevant Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date. For the avoidance of doubt, such cancellation of the relevant proportion of the Deferred Sale Price shall not constitute a rebate under any murabaha contract entered into pursuant to the Master Murabaha Agreement.

Substitution of Lease Assets

Pursuant to the Sale and Substitution Undertaking, the Government may, at any time, exercise its right to require the Trustee to substitute on any Substitution Date some or all of the relevant Lease Assets with New Assets (as specified in the relevant Substitution Notice, and each as defined in the Sale and Substitution Undertaking) having a value which is equal to or greater than the value of the relevant Lease Assets being substituted.

Withholding Tax

All payments in respect of Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction,

unless the withholding or deduction is required by law. In that event, the Trustee shall, save in the limited circumstances provided in Condition 12, be required to pay such additional amounts as will result in the receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required.

Further, in accordance with the terms of the Master Declaration of Trust, the Government has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 12, pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by the Trustee in respect of the Trust Certificates pursuant to Condition 12.

All payments by the Government (in any capacity) under the Transaction Documents to which it is a party shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction unless the withholding or deduction is required by law. In that event, the Government shall be required to pay such additional amounts as will result in the receipt by the Trustee or the Delegate (as applicable) of such amounts as would have been received by it, had no such deduction or withholding been required.

Ratings

The Maldives has been assigned a long- and short-term foreign and local currency sovereign credit rating of "CCC" and "C", respectively by Fitch Ratings Inc. ("**Fitch**") and a long-term foreign and local currency sovereign credit rating of "B3" with a negative outlook by Moody's Investors Service Singapore Ptd. Ltd. ("**Moody's**"). Fitch and Moody's are not established in the EEA or in the UK and are not certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the ratings it has given to the Republic of Maldives are not endorsed by a credit rating agency established in either the EEA and registered under EU CRA Regulation or in the UK and registered under the UK CRA Regulation.

The Programme has not been rated.

The ratings assigned to each Series of Trust Certificates (if any) to be issued under the Programme will be specified in the applicable Final Terms. A rating is not a recommendation to buy,

sell or hold the Trust Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Whether or not each any credit rating applied for in relation to the relevant Series of Trust Certificates will be issued by a credit rating agency established in the European Union or the United Kingdom and registered under the EU CRA Regulation or Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"), will be disclosed in the applicable Final Terms.

Listing and admission to trading

Application will be made to (i) Euronext Dublin for each Series of the Trust Certificates issued under the Programme to be admitted to the Official List and to trading on its regulated market; (ii) the DFSA for Trust Certificates issued under the Programme to be admitted to the DFSA Official List and to Nasdaq Dubai for such Trust Certificates to be admitted to trading on Nasdaq Dubai; or (iii) as otherwise specified in the applicable Final Terms and references to listing shall be construed accordingly. As specified in the applicable Final Terms, a Series of Trust Certificates may be unlisted.

Irish Listing Agent

Walkers Listing Services Limited.

Governing Law and Dispute Resolution

The Trust Certificates will be governed by, and construed in accordance with, English law.

The Master Declaration of Trust, each Supplemental Declaration of Trust, the Dealer Agreement, each Subscription Agreement, the Agency Agreement, the Master Murabaha Agreement, the Servicing Agency Agreement, the Purchase Undertaking and the Sale and Substitution Undertaking will be governed by and construed in accordance with English law. In respect of any dispute under any such Transaction Document to which it is a party, the Government has consented to arbitration in London under the rules of arbitration of the London Court of International Arbitration ("**LCIA**") (with the seat in London). The Government has also agreed to submit to the exclusive jurisdiction of the courts of England (the "**English Courts**") in respect of any dispute under any such Transaction Document (subject to the right of the Delegate, the Agents or the Trustee, as the case may be, to require any dispute to be resolved by any other court of competent jurisdiction).

The Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement will be governed by the laws of the Maldives and will be subject to the exclusive jurisdiction of the courts of the Maldives.

Waiver of Immunity

Each of the Trustee and the Government has agreed in the Transaction Documents to which it is a party that to the extent that it may in any jurisdiction claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal or arbitral proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it has agreed not to claim and irrevocably and unconditionally waives such immunity to the full extent permitted by the laws of that jurisdiction in relation to any proceedings or disputes. Further, each of the Trustee and the Government has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal or arbitral proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any proceedings or disputes.

Limited Recourse

Each Trust Certificate represents solely an undivided ownership interest in the Trust Assets of the relevant Series. No payment of any amount whatsoever shall be made in respect of the Trust Certificates of each Series except to the extent that funds for that purpose are available for the Trust Assets of that Series, as described in Condition 4.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Trust Certificates in the Cayman Islands, the DIFC, the EEA, the UAE (excluding the DIFC), the Kingdom of Bahrain, Hong Kong, Singapore, the Sultanate of Oman, the United Kingdom and the United States (and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates) (see "*Subscription and Sale and Transfer and Selling Restrictions*" below).

United States Selling Restrictions

There are restrictions on the transfer of the Trust Certificates sold pursuant to Regulation S, Category 2, Rule 144A and Section 3(c)(7) of the Investment Company Act. See "*Subscription and Sale and Transfer and Selling Restrictions*" below.

RISK FACTORS

An investment in the Trust Certificates involves risks. Accordingly, prospective investors should carefully consider, amongst other things, in the light of their own financial circumstances and investment objectives, the risks described below, as well as the detailed information set out elsewhere in this Base Prospectus and reach their own views before making an investment decision. The risks and uncertainties described below are not the only risks and uncertainties related to the Trustee, the Government and the Trust Certificates. Additional risks and uncertainties not presently known, or currently believed to be immaterial, could also impair the ability to make payments on the Trust Certificates. If any of the following risks actually materialise, the financial condition and prospects of the Trustee and/or the Government could be materially adversely affected. If that were to happen, the trading price of the Trust Certificates could decline and the Trustee may be unable to make payments due on the Trust Certificates, and investors may lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, consult their financial and legal advisors and reach their own views prior to making any investment decision. The Trustee and the Government disclaim any responsibility for advising prospective investors on these matters. Words and expression defined elsewhere in this Base Prospectus (including in the Terms and Conditions) shall have the same meanings in this section.

Risk factors relating to the Trustee

Factors that may affect the Trustee's ability to fulfil its obligations under or in connection with the Trust Certificates issued under the Programme

The Trustee has limited operating history and no material assets and will depend on receipt of payments from the Government to make payments to Certificateholders

The Trustee was incorporated under the laws of the Cayman Islands on 18 February 2021 as an exempted company with limited liability and has limited operating history. The Trustee has not and will not engage in any business activity other than the issuance of Trust Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series. As the Trustee is a Cayman Islands company, it may not be possible for Certificateholders to effect service of process on it outside the Cayman Islands.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Trust Certificates, including the obligation of the Government to make payments to the Trustee under the relevant Transaction Documents to which it is a party relating to each Series. Therefore, the Trustee is subject to all the risks to which the Government is subject to the extent that such risks could limit the Government's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

The ability of the Trustee to pay amounts due on the Trust Certificates will therefore be dependent upon receipt by the Trustee from the Government of amounts to be paid pursuant to the Transaction Documents (which may not be sufficient to meet all claims under the Trust Certificates and the Transaction Documents). As a result, the Trustee is subject to all the risks to which the Government is subject, to the extent such risks could limit the Government's ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party. See "*Risks relating to the Maldives*".

Risks relating to the Maldives

The Maldives' tourism industry is the main contributor to the Maldivian economy and has been severely affected by the COVID-19 pandemic

The tourism industry is a significant part of the Maldivian economy and accounted for 24.72 per cent. of the GDP on average from 2015 to 2019. As the largest principal sector of the Maldivian economy, tourism provides both direct and indirect employment to other areas of the Maldivian economy such as transport, telecommunication and trading.

Factors such as political instability, global economic conditions and future public health crises and pandemics will have a direct impact on the tourism sector of the Maldives.

In particular, the Maldives and other developing and developed market countries globally have in recent years been negatively affected by the unprecedented financial and economic conditions in global markets, particularly caused by the COVID-19 pandemic. The tourism industry of the Maldives has been adversely affected by policies implemented by the Government as well as other governments to deter the spread of COVID-19, including but not limited to international travel restrictions. In particular, the Government made a Public Health Emergency Declaration for the first time in its history on 12 March 2020 and closed its borders to travellers on 27 April 2020. Though borders have been gradually reopening since 15 July 2020, tourist arrivals for the eight months ended 31 August 2020 decreased by 65 per cent. as compared to the same period in 2019. Tourist bed-nights also decreased by 60 per cent. over the same period. Consequently, GDP attributed to the tourism sector decreased by 68 per cent. to MVR 6,442 million in 2020 compared to 2019. There can be no assurance that the continuation of the COVID-19 pandemic or further global economic downturns or future public health crises will not result in further decline in tourist numbers to the Maldives, which would have a significant adverse impact to this important section of the economy.

The continued growth of the Maldivian economy is dependent upon the continued success of its significant economic, social and fiscal reforms

The Maldives achieved its tenth consecutive year of economic growth in 2019. Between 2015 and 2019, real GDP grew at an average compound rate of 5.72 per cent. per annum, achieving growth rates of 5.7 per cent. in 2019, 6.9 per cent. in 2018, 6.8 per cent. in 2017, 6.3 per cent. in 2016 and 2.9 per cent. in 2015. However, the Maldives has been negatively affected by the unprecedented COVID-19 pandemic. In 2020, GDP decreased by 29.3 per cent. as compared to 2019, reaching a total of MVR 57,941.6 million. The tourism industry of the Maldives in particular has been adversely affected (please see the risk factor entitled: "*The Maldives' tourism industry is the main contributor to the Maldivian economy and has been severely affected by the COVID-19 pandemic*" above).

During this period, the Maldives has also undertaken significant economic, social and fiscal reforms and the continued development of its economy is dependent on the ongoing implementation of such reforms. The Maldives has adopted a set of economic strategies to facilitate investment and sustainable economic growth, increase exports and stabilise external accounts. See "*The Republic of Maldives — Overview of the Economy — Key Economic Initiatives*". A number of factors, including a downturn in economic and business conditions, lack of investment in infrastructure and related industries, failure to generate employment and decline in economic activity could impact the achievement of Maldivian growth targets. If the Maldivian economy does not meet its growth targets, or if growth begins to slow, contract or stop, or if the current level of fiscal deficit increases, the Maldives' financial and economic condition could be adversely affected.

The Strategic Action Plan 2019 - 2023 (the "**SAP**") of the Government sets out the central policy framework that guides the overall development direction of the Maldives between 2019 and 2023. The SAP serves as the main implementation and monitoring tool to track the progress of the delivery of the Government's policies and

development priorities. The development of the Maldives will depend on the ongoing successful implementation of the SAP. There can be no assurance that the continued implementation of the SAP and its priorities will be successful or that its objectives will be achieved.

The Maldives depends on the continued success of the tourism industry

Over the past few decades (other than in 2020, See "— The Maldives' tourism industry is the main contributor to the Maldivian economy and has been severely affected by the COVID-19 pandemic"), the number of tourists to the Maldives has risen continuously, with over 1.70 million tourists visiting the Maldives in 2019, an increase from 1.48 million tourists in 2018. There can be no assurance that a positive trend in relation to the number of visitors will resume in the future.

The geographic location of the Maldives makes it susceptible to earthquakes and the seismic effect of movements in the ocean floor in the region. See "— *The Maldives may be affected by extreme climatic events, including rising sea levels*". Such natural disasters can severely impact tourism in the Maldives, either through the destruction of resort infrastructure or by affecting the perceived attraction of the Maldives to tourists.

Global warming and other ecological events may also adversely affect the tourism industry in the Maldives, with coral bleaching, sand mining and the removal of beach vegetation each contributing to habitat degradation. In addition, the Maldives may also be affected by global trends towards violent extremism and terrorism and there have been isolated incidents of assaults on foreign tourists and defacement and destruction of government property carried out by extremists in the past.

Any reduction in tourism revenue or tourist numbers in the Maldives will directly and adversely affect other sectors of its economy which depend on tourism in whole or part, including wholesale and retail trade, hotels and restaurants, the construction and the number of transportation industries.

Future declines in the tourism industry may adversely affect real GDP, the Government's revenue collection and fiscal balance and other aspects of the Maldivian economy.

The Maldives has a high fiscal deficit and remains dependent upon technical and financial assistance from international organisations

The Maldives may have to increase its borrowings if its fiscal deficit increases, as a percentage of GDP. The Maldives' fiscal deficit for the year ended 31 December 2019 was estimated to be 5.7 per cent. of GDP, compared to a fiscal deficit of 5.2 per cent. for the year ended 31 December 2018. The budget deficit approved for 2020 was 6.2 per cent. of GDP, however based on a revised estimate for revenue and grants, the budget deficit for 2020 is expected to stand at 27.5 per cent. of GDP. The Maldives' fiscal deficit is predominantly financed by domestic financial institutions through the issuance of bonds and treasury bills. As of 31 December 2020, the domestic debt issued by the Government amounted to approximately MVR41,628 million, representing approximately 62 per cent. of its total debt, compared to MVR32,227 million and 59 per cent., respectively, as of 31 December 2019. As of 31 December 2020, the Maldives' budgetary central government debt amounted to MVR66,550 million.

If the Maldives were to experience a sustained worsening of its fiscal balance, it might be required to increase its borrowings to finance its increasing deficit which may in turn affect the rating of the Maldives. See "— *The ratings assigned to the Trust Certificates may be lowered or withdrawn entirely in the future*". If such borrowings involved significantly higher costs, this could negatively impact the Maldives' fiscal balance and payments on the Trust Certificates.

The Maldives currently receives training, technical and financial assistance from a number of international organisations including the World Bank Group, the International Monetary Fund and the Asian Development Bank. There can be no assurance that the Maldives will continue to receive such assistance in the future.

The Maldives has experienced and may continue to experience political instability

The Maldives continues to face various socio-political issues and has, from time to time, experienced political instability. Increased political activity can be expected in the Maldives as a result of recent developments. In February 2018, a Supreme Court ruling quashed the convictions of certain opposition leaders in the Maldives and declared that the Judicial Service Commission had no mandate over the judges of the Supreme Court. The Supreme Court also ordered the executive to release nine individuals, some of whom were still under investigation or had exhausted their avenues of appeal. As a result of the orders of the Supreme Court, President Abdulla Yameen Abdul Gayoom imposed a 15-day state of emergency by Presidential Decree No. 2018/3, under Article 253 of the Constitution of the Maldives. The Parliament of the Maldives on 20 February 2018 approved a 30-day extension of a state of emergency sought by President Abdulla Yameen Abdul Gayoom who cited an ongoing national security threat and constitutional crisis. The 45-day long state of emergency ended on 22 March 2018.

Presidential elections were held in the Maldives on 23 September 2018. President HE Mr. Ibrahim Mohamed Solih of the Maldivian Democratic Party, who was nominated as the joint candidate of a coalition of opposition parties, received over 58 per cent. of the vote and was elected as the seventh President of the Maldives. On 6 April 2019, parliamentary elections were held in the Maldives and the Maldivian Democratic Party won 65 of the 87 seats in the People's Majlis. Former President Mohamed Nasheed became the new Speaker of the People's Majlis.

Political and social developments in the Maldives have been unpredictable in the past. There can be no assurance that similar or other political instability will not occur in the future. Any resurgence of political instability could lead to an adverse effect on the economy of the Maldives.

Corruption and money laundering issues may hinder the growth of the Maldivian economy, and ongoing high-profile corruption investigations in the Maldives may affect the perception of the country and its ability to access financing in the international markets.

The Maldives has experienced allegations and/or cases of corruption and money laundering involving members of the Government and other public officials which may have a negative effect on the country's reputation and ability to attract foreign investment and international financing, which, in turn, could affect the Maldives' economic growth. In the 2020 Transparency International Corruption Perceptions Index, the Maldives ranked 75 out of 180 countries and territories under review. In the past, there have been arrests and convictions of former Government officials (including both the former President Abdulla Yameen and the former Vice President Ahmed Adeeb) and municipal officials, in connection with the abuse of their power while in office. The Government cannot predict how long any such corruption and/or money laundering investigations may continue, whether these investigations will have negative effects or whether new allegations against Government officials will arise in the future. Corruption, diversion or misuse of public resources or assets or money laundering in the Maldives, or allegations thereof, and/or the resulting negative publicity may have a material adverse effect on the Maldives' economy and its reputation abroad, especially on its ability to attract foreign investment.

Uncertainties and instability in geopolitical conditions could adversely affect the Maldives' economy

Global markets have experienced, and may continue to experience, significant dislocation and turbulence due to economic instability in several areas of the world. These ongoing global economic conditions have led to significant volatility in capital markets around the world. For example, there has been continued global economic uncertainty resulting from global trade disputes between the United States and China, with both countries implementing tariffs on certain imports from the other or otherwise increasing tariffs and barriers to entry. There can be no assurance that the uncertainties affecting global markets will not negatively impact credit markets in the region including the Maldives.

The Maldives is an emerging market economy and may be subject to economic, political or social instability caused by many different factors

The Maldives is an emerging market economy and investing in securities of emerging markets issuers may involve special risks such as:

- high international interest rates;
- macroeconomic instability and volatility in general economic and business conditions;
- adverse changes in currency exchange rates;
- adverse changes in foreign currency reserves;
- changes in governmental, economic, political, tax, social or other policies;
- economic, social and political instability in its trading partners or neighbouring countries and regions;
- volatility in the local political landscape;
- unexpected changes in foreign laws and regulations or in trade, monetary or fiscal policies;
- high inflation, deflation or monetary fluctuations;
- exchange controls;
- wage and price controls; internal security issues;
- the imposition of trade barriers;
- poor growth rates; and
- disruption to the evolution of the Maldivian democratic system and institutions.

An investment in the Maldives is subject to substantially greater risk than an investment in a more developed country and any of the factors set out above, as well as volatility in the markets for securities similar to the Trust Certificates, may adversely affect the liquidity of and trading market for, the Trust Certificates.

Global and regional economic conditions may exert pressure on gross international reserves in the future and negatively affect the Maldives' liquidity

The Maldives' gross international reserves increased from U.S.\$712.2 million as of 31 December 2018 to U.S.\$753.5 million as of 31 December 2019. The forecast for gross international reserves for 2020 is U.S.\$984.8 million. While the MMA considers the current international reserves level to be adequate, there can be no assurance that such international reserves will not decrease in future. Further, the gross international reserve levels of the Maldives is subject to global and regional economic conditions as well as Government initiatives to reduce public debt and increase international reserves. Any decrease in international reserves may have a material adverse effect on the Maldives' liquidity.

The Maldivian Rufiyaa is allowed to fluctuate within a set 20 per cent. band as against the US dollar and may be subject to revaluation

The foreign exchange market in the Maldives is regulated by the monetary regulations issued by the MMA and with effect from 11 April 2011, the Maldivian Rufiyaa was allowed to fluctuate within a horizontal band of 20 per cent. on either side of a central parity of MVR12.85 per US dollar. The introduction of a horizontal band was intended to remove the Maldivian Rufiyaa's peg to the US dollar, which was the prior exchange rate policy introduced in 1994. However, while the 2011 mechanism was intended to allow the Maldivian Rufiyaa to fluctuate freely within the band, the Maldivian Rufiyaa has remained near the upper boundary of the band since

its introduction, resulting in the Maldivian Rufiyaa practically being pegged to the US dollar (see "*The Republic of Maldives — Monetary Policy and System — Foreign Exchange System*").

Any devaluation of the Maldivian Rufiyaa will lead to an increase in the cost of servicing the Maldives' external debt, while any appreciation of the Maldivian Rufiyaa against the currencies of the Maldives' major trading partners can reduce the competitiveness of Maldivian exports.

The Maldivian population is dispersed throughout the islands, making the provision of basic services extremely costly due to lack of economies of scale

With a population dispersed across approximately 188 of 1,190 coral islands covering roughly 90,000 square km, the Maldives suffers from having a highly dispersed population. The dispersion of the population restricts the country's production base and competitiveness. It also increases the cost of providing basic services to the population. The cost of delivering basic provisions such as clean drinking water and sanitation services increases with distance from Malé.

There can be no assurance that the recent trend of migration from the smaller islands to the larger islands in the Maldives will continue and that the cost of providing basic services to the Maldivian population as a result of larger clustering of the population will decrease in the foreseeable future. If the cost of providing basic services does not decrease in the foreseeable future, this could lead to an adverse effect on the economy of the Maldives.

The Maldives may be affected by extreme climatic events, including rising sea levels

The Maldives has experienced extreme climatic events in the past, including a tsunami and flooding. In December 2004, the Maldives was hit by a tsunami originating in Sumatra, Indonesia. The tsunami caused loss of lives, significant damage to infrastructure and disruption to power and utilities. It also had a significant adverse effect on tourism.

The Maldives is also at risk of rising sea levels due to 80 per cent. of the country lying below 1 metre in height with no significant elevation across the country. A small increase in sea level may therefore result in additional flooding of coastal regions and disruption to marine biodiversity, coastal industries and tourism. Currently, more than 97 per cent. of inhabited islands have reported beach erosion, of which 64 per cent. have reported severe beach erosion. Since 2013, the Government has completed 41 coastal protection projects which provided protection to 30.64 km of coast, which includes areas reclaimed for shore protection. While the Government will continue to invest in coastal protection measures to mitigate these impacts, there can be no assurance that the rate of erosion will be reduced.

Any extreme climatic events or other natural disasters may immediately result in casualties, the destruction of crops and livestock, a reduction in the supply of agricultural products and commodities, a reduction of food supply in general, the outbreak of waterborne diseases and the destruction of infrastructure, such as roads and bridges. Longer term, such extreme climatic events or other natural disasters may impact the Maldives' freshwater resources through contamination of groundwater aquifers by saltwater. In addition to the direct effect of such events, expenditures and measures associated with natural disaster relief efforts would adversely affect the Maldivian economy.

The Maldives has a high dependency on foreign resources and imports to satisfy local demand for general necessities and energy

As a small island economy with natural resources that do not satisfy all of its industrial or consumer needs, the Maldives is heavily dependent on foreign resources. This makes the country's economy vulnerable to developments in the external environment that can impact a country of its location, size and geography.

With limited land area classified as arable, except for coconut and fresh fish, the Maldives imports significant amounts of food and beverages. In addition to imports for the local Maldivian population, imports are essential

for servicing the wider tourism industry. Due to its geography, all imports must be brought to the islands by either plane or ship and there can be no assurance that the country is able to provide suitable storage facilities for all imports or that the country holds sufficient stocks to cater for any unexpected disruption to its imports.

The Maldives is also dependent on imports of fuel for transport purposes and industrial supplies, capital goods and transport equipment, as well as consumer goods. Changes in commodity prices such as oil and foreign exchange movements are able to affect the economy's resource allocation and consequently the performance of the economy of the Maldives. Furthermore, any development that affects travel patterns globally, such as increases in energy prices, has the potential to affect adversely the principal sector of the economy, tourism, which could subsequently affect the economy of the Maldives.

Future economic growth may be subject to development projects in relation to the infrastructure of the Maldives

Inadequate infrastructure results in bottlenecks and other inefficiencies that create barriers to growth and development. As an island economy dependent on imports (see "*The Maldives has a high dependency on foreign resources and imports to satisfy local demand for general necessities and energy*"), growth in the economy will place additional stress on the existing infrastructure of the Maldives. If the capacity of the existing infrastructure (including the seaports and airports of the Maldives) is unable to cater for the increased demand resulting from economic growth or cannot be expanded at a rate sufficient to cope with such additional import demands, future economic growth may be hindered until the existing infrastructure has been upgraded. There can be no assurance that any increase in infrastructure capacity will necessarily be sufficient for future economic growth or will be delivered without delay. Infrastructure investment bolsters productive capacity, improves competitiveness, and expands export capacity. Significant economic benefits and faster economic growth are expected from the infrastructure scale-up and improved connectivity in the Greater Malé region, including the 6.7 km Greater Malé Connectivity Project which will connect Malé with three neighbouring islands. The Government has invested in infrastructure projects, such as the construction of the China-Maldives Friendship Bridge, the expansion of its international airports, to boost tourism and domestic demand and plans to develop a modern export and/or import port and logistics hub in Gulhifalhu by 2022. However, there can be no assurance that the Government is able to continue to introduce budgetary measures for increased investment in infrastructure.

Due to the small labour market, growth in the private sector of the Maldivian economy may be impacted by a shortage of skilled domestic workers

There are currently insufficient Maldivians to fulfill roles on offer in the Maldivian private sector. With a small domestic labour market, the private sector is reliant on expensive foreign workers to satisfy roles, including those requiring technical, administrative and managerial skills. There can be no assurance that the Government will be able to address any shortage of skilled workers in the near term, or that such a shortage will not impact the development of the private sector due to the associated costs of employing foreigners equipped with the necessary skills. Any adverse impact on the private sector due to a lack of skilled domestic workers or limitation on future growth in the private sector may impact the Maldives' GDP.

The Maldivian legal system continues to develop and this may create an uncertain environment for investment and business activity

The Maldives is in the process of developing its legal and regulatory institutions and as a result, implementation and enforcement of laws and regulations may involve significant uncertainties, which may in turn adversely affect the legal protections and remedies that are available. In addition, it may be difficult to obtain a swift and equitable enforcement of laws in the Maldives, or the enforcement of judgments by a court of another jurisdiction.

Further, as the Constitution evolves, and the legal environment matures, it may become apparent that there are gaps in the legal framework governing activities of private enterprise and that investors in the Maldives may face uncertainty as to the security of their investments. The alternative dispute resolution mechanism contained in the Arbitration Act 2013 (Act No. 10/2013) is relatively new and untested and the Government is in the process of drafting a Mediation Bill in order to further strengthen its alternative dispute resolution regime. Legal practices relating to mortgage- based secured transactions and the registration of rights are only partially developed and settled.

Any unexpected changes in the Maldivian legal system may have a material adverse effect on the rights of the relevant series of Noteholders.

The Maldives is reliant on the export of fish and is therefore vulnerable to decreases in catch, as well as the demand for and price of such fish.

Fisheries is the second most important industry in the Maldives, accounting for 3.7%, 3.6% and 3.6% of GDP (at market prices) for the years ended 31 December 2017, 2018 and 2019 respectively. Therefore the Maldives may be adversely affected if exports of fish decrease as a result of weaker demand, if the amount of catch declines or if prices for fish decrease.

Additionally, the sector faces several sustainability challenges, such as destructive fishing methods, sub-optimal fisheries management in the Indian Ocean, increased coral reef mortality due to changes in sea surface temperature and high levels of illegal fishing. If such sustainability challenges are not properly addressed, the amount of catch may decline which could adversely affect the fisheries sector.

Due to the lack of storage and processing capacity in the Maldives, a large share of the fish caught is exported frozen or chilled to the international market, thereby leading to a loss in potential value-added earnings from the industry. Whilst the current administration is committed to enhancing the storage and processing capacity in the Maldives, there can be no assurance that such plans will be successful.

Risk factors relating to the Trust Certificates

The Trust Certificates are limited recourse obligations

The Trust Certificates are not debt obligations of the Trustee. Instead, the Trust Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of the Trust Certificates is limited to the Trust Assets and the proceeds of such Trust Assets are the sole source of payments on the Trust Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders, will be against the Government to perform its obligations under the Transaction Documents to which it is a party. Certificateholders will have no recourse to any assets of the Trustee or the Government in respect of any shortfall in the expected amounts due under the Trust Assets. The Government is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against the Government to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to the Government and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of the Government's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Trust Certificates. After enforcing the rights in respect of the Trust Assets (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 5.2, the obligations of the Trustee in respect of the Trust Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Trust Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against the Government shall be to enforce the obligation of the Government under the Transaction Documents to which it is a party.

The Conditions contain a "collective action" clause under which the terms of any one Series of Trust Certificates or multiple Series of Trust Certificates may be amended, modified or waived without the consent of all Certificateholders

The Conditions contain provisions regarding amendments, modifications and waivers, commonly referred to as "collective action clauses". Such clauses permit defined majorities to bind all Certificateholders, including Certificateholders who did not vote and Certificateholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to Reserved Matters, multiple Series of Trust Certificates to be aggregated for voting purposes (*provided that* each such Series also contains the same or similar collective action clauses in the relevant Conditions).

The Trustee expects that all Series of Trust Certificates issued under the Programme will include such collective action clauses, thereby giving the Trustee the ability to request modifications or actions in respect of Reserved Matters across multiple Series of Trust Certificates. This means that a defined majority of the holders of such Series of Trust Certificates (when taken in the aggregate only, in some circumstances, and/or individually) would be able to bind all holders of Trust Certificates in all the relevant aggregated Series.

Any modification or actions relating to Reserved Matters, including in respect of payments and other important terms, may be made to a single Series of Trust Certificates with the consent of the holders of 75 per cent. of the aggregate face amount outstanding of such Series of Trust Certificates, and to multiple Series of Trust Certificates which may be issued by the Trustee with the consent of both: (i) the holders of 66 2/3 per cent. of the aggregate face amount outstanding of all Series of Trust Certificates being aggregated; and (ii) the holders of 50 per cent. in aggregate face amount outstanding of each Series of Trust Certificates being aggregated. In

addition, under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the Conditions), any such modification or action relating to Reserved Matters may be made to multiple Series of Trust Certificates with only the consent of 75 per cent. of the aggregate face amount outstanding of all Series of Trust Certificates being aggregated, without requiring a particular percentage of the holders in any individual affected Series of Trust Certificates to vote in favour of any proposed modification or action. Any modification or action proposed by the Trustee or the Government (as the case may be) (with the agreement of the Delegate) may, at the option of the Trustee or the Government (as the case may be), be made in respect of some Series of Trust Certificates only and, for the avoidance of doubt, the provisions may be used for different groups of two or more Series of Trust Certificates simultaneously. At the time of any proposed modification or action, the Trustee or the Government (as the case may be) will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the Trustee or the Government (as the case may be).

There is a risk, therefore, that the Conditions of a Series of Trust Certificates may be amended, modified or waived in circumstances whereby the Certificateholders voting in favour of an amendment, modification or waiver may be holders of different Series of Trust Certificates and as such, less – even significantly less – than 75 per cent. of the Certificateholders would have voted in favour of such amendment, modification or waiver.

In addition, there is a risk that the provisions allowing for aggregation across multiple Series of Certificates may make the Trust Certificates less attractive to purchasers in the secondary market on the occurrence of a Dissolution Event or in a distress situation. Further, any such amendment, modification or waiver in relation to any Trust Certificates may adversely affect their trading price.

Consents to variation of the Conditions, the Trust Certificates and the Transaction Documents

The Conditions, the Trust Certificates, the provisions of the Declaration of Trust or any other Transaction Document can only be amended by the Government and the Trustee with the prior written consent of the Delegate. The Delegate may agree, without the consent of the Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions, the Trust Certificates, the Declaration of Trust or any other Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such, if, in the opinion of the Delegate:

- (a) such modification is of a formal, minor or technical nature; or
- (b) such modification is made to correct a manifest error; or
- (c) such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter,

provided that, in the case of (c) above, no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of Trust Certificates.

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Trustee to Certificateholders in accordance with Condition 17. Further, any such modification, waiver, authorisation or determination in relation to any Trust Certificates may adversely affect their trading price.

Credit ratings are subject to revision or withdrawal, either of which could adversely affect the trading price of the Trust Certificates

One or more independent credit rating agencies may assign credit ratings to the Government or the Trust Certificates issued under the Programme. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and any other factors that may affect the value of the Trust Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The Trustee has no obligation to inform Certificateholders of any revision, downgrade or withdrawal of its current or future sovereign credit ratings. A suspension, downgrade or withdrawal at any time of a credit rating assigned to the Government and/or the Trust Certificates may adversely affect the trading price of the Trust Certificates.

In general, European and United Kingdom regulated investors are restricted under the EU CRA Regulation or UK CRA Regulation (as applicable) from using credit ratings for regulatory purposes unless such ratings are issued or endorsed by a firm that is registered under the EU CRA Regulation or UK CRA Regulation (as applicable) (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit ratings agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU and non-UK rating agency is certified in accordance with the EU CRA Regulation or UK CRA Regulation (as applicable) (and such endorsement or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Trust Certificates changes, European and United Kingdom regulated investors may no longer be able to use the rating for regulatory purposes and the Trust Certificates may have a different regulatory treatment. This may result in European and United Kingdom regulated investors selling the Trust Certificates which may impact the value of the Trust Certificates and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation and by the FCA on its website in accordance with the UK CRA Regulation, respectively, are not conclusive evidence of the status of the relevant rating agency included in such lists, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Trust Certificates where denominations involve integral multiples: Definitive Trust Certificates

In relation to any issue of Trust Certificates which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Trust Certificates may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination, would need to purchase an additional amount of Trust Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Trust Certificates.

A holder who holds an amount which is less than the minimum Specified Denomination in his or her account with the relevant clearing system at the relevant time may not receive a definitive Trust Certificate in respect of such holding (should definitive Trust Certificates be printed or issued) and would need to purchase a face amount of Trust Certificates at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination in order to be eligible to receive a definitive Trust Certificate.

If definitive Trust Certificates are issued, holders should be aware that definitive Trust Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Trust Certificates may be subject to early dissolution by the Government

An early dissolution feature of any Trust Certificate is likely to limit its market value. During any period when the Government may elect to dissolve Trust Certificates, the market value of those Trust Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any dissolution period.

The Government may be expected to exercise an early redemption option when the Government's cost of financing is lower than the profit rate on the Trust Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Trust Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, if the amount payable on the Trust Certificates is required to be increased to include additional amounts in certain circumstances and/or the Government is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the Cayman Islands or the Maldives or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Trust Certificates upon giving notice in accordance with the Conditions.

There is no assurance that the Trust Certificates will be compliant with the principles of Islamic finance

The Islamic Development Bank Group Shari'ah Board, HSBC Global Shariah Supervisory Committee and the Internal Sharia Supervisory Committee of Emirates NBD – Al Watani Al Islami have confirmed that the Transaction Documents are, in their view, compliant with the principles of *Shari'a* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or any issue and trading of any Trust Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars. None of the Trustee, the Government, the Delegate, the Arrangers, the Dealers or the Agents makes any representation to potential investors as to the *Shari'a* compliance of any Trust Certificates and potential investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applicable by different Shari'a Boards. Potential investors should obtain their own independent *Shari'a* advice as to the compliance of the Transaction Documents and whether the Trust Certificates will meet their individual standards of compliance and the issue and trading of the Trust Certificates with *Shari'a* principles, including the tradability of the Trust Certificates on any secondary market. Questions as to the *Shari'a* compliance of the Transaction Documents or the *Shari'a* permissibility of the issue and the trading of the Trust Certificates may limit the liquidity and adversely affect the market value of the Trust Certificates.

Shari'a requirements in relation to interest awarded by a court

In accordance with applicable *Shari'a* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by an arbitrator as a result of any arbitration and/or by a court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment or arbitral award given against the Government, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

Fixed rate risks

Investment in the Trust Certificates involves the risk that if market interest or profit rates subsequently increase above the Profit Rate paid on the Trust Certificates, this will adversely affect the value of the Trust Certificates.

The Trust Certificates may be subject to exchange rate risks and exchange controls

The Trustee will pay all amounts due on any Trust Certificates, and the Government will make any payments pursuant to the Transaction Documents, in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Any appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (a) the Investor's Currency equivalent yield on the Trust Certificates; (b) the Investor's Currency-equivalent value of the Dissolution Amount payable in respect of the Trust Certificates; and (c) the Investor's Currency-equivalent market value of the Trust Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less than expected, or no payment at all.

A secondary market may not develop or be maintained for the Trust Certificates

The Trust Certificates of any Series may have no established trading market when issued, and one may never develop. If a market for the Trust Certificates does develop, it may not be very liquid. The Trust Certificates may also be delisted from the Official List pursuant to Condition 10.4, which would adversely affect the liquidity and market value of the Trust Certificates and could also result in certain investors exercising their rights under their early dissolution rights under Condition 10.4, further reducing liquidity. Therefore, investors may not be able to sell their Trust Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Investors in the Trust Certificates must rely on DTC, Euroclear and Clearstream, Luxembourg procedures

Each Series of Trust Certificates issued under the Programme will be represented on issue by one or more Global Trust Certificates that may be deposited with, and registered in the name of a nominee for, DTC and/or a Common Depository for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in each Global Trust Certificate, investors will not be entitled to receive Trust Certificates in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the interests in each Global Trust Certificate held through it. While the Trust Certificates of each Series are represented by Global Trust Certificates, investors will be able to trade their interests only through the relevant clearing systems and their respective participants.

While the Trust Certificates of each Series are represented by Global Trust Certificates, the Trustee will discharge its payment obligation under the Trust Certificates by making payments through the relevant clearing systems. A holder of an interest in a Global Trust Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the relevant Series of Trust Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, interests in any Global Trust Certificate.

Holders of interests in a Global Trust Certificate will not have a direct right to vote in respect of the Trust Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks relating to Enforcement

Certificateholders may not be able to enforce foreign judgments or arbitral awards

The payments under the Trust Certificates are dependent upon the Government making payments to the Trustee in the manner contemplated under the Transaction Documents. If the Government fails to do so, it may be necessary to bring an action against the Government to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming. Furthermore, to the extent that any enforcement of remedies must be pursued in the Maldives, there is a limited number of self-help remedies available under Maldives law, which must be pursued through the courts.

The Government has irrevocably agreed that the Transaction Documents (other than the Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement) and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, English law. Any dispute in relation to the Trust Certificates and/or the Transaction Documents, and any non-contractual obligations arising out of, or in connection with, them, may be referred to arbitration in London, England under the Arbitration Rules (the "Rules") of the London Court of International Arbitration ("LCIA"). However, before the arbitration tribunal has been constituted in respect of a claim asserted or brought by or against the Trustee or the Delegate, the Trustee or the Delegate, as the case may be, may, by notice in writing to the Government, require that the dispute be referred to the courts of England (who shall have exclusive jurisdiction to settle any such dispute). In these circumstances, each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England.

If the choice of law by the parties in relation to any applicable agreement relating to the transaction is English law, the courts of Maldives are likely to apply English law as the governing law of the transaction at the request of a party, provided that the relevant provisions of English law are proved, as a matter of evidence, by the parties relying on it. The Contract Act of Maldives (Act No.: 4/91) expressly permits foreign laws as the governing law of transaction documents.

The Maldives acceded to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral in 2019. Pursuant to the Arbitration Act 2013 (Act No. 10/2013), foreign arbitral awards can be enforced by order of a relevant court in the Maldives provided that such arbitral award is not in contravention of the provisions of the Act. Recognition or enforcement of a foreign arbitral award may be refused only if the court determines so upon the following grounds:

- a party to the arbitration agreement was under some legal incapacity; or
- the arbitration agreement contradicts Maldivian law agreed between the parties to be applicable to the agreement; or
- the party appointing the arbitrator failed to give proper notice to the other party of the appointment of an arbitrator; or
- the party was not given the opportunity to present their case or their arguments during the arbitral proceedings; or
- the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration; or
- the arbitral procedure or composition of the arbitral tribunal was not in accordance with the agreement between the parties; or
- a charge of fraud or corruption is sustained against an arbitrator in relation to his duties in connection with the arbitral proceedings.

Additionally, the court may, at its initiative, set aside an arbitral award if it finds that the subject matter of the dispute is not capable of settlement by arbitration under Maldivian law, or where the award is in conflict with the public policy of the Republic.

The Republic is subject to suit in competent courts in the Maldives.

The Government is a sovereign state and a substantial portion of the assets of the Government are therefore located outside the United States and the United Kingdom. All of the directors of the Trustee reside in the Maldives. As a result, it may not be possible for investors to effect service of process within the United States and/or the United Kingdom upon the Government or to enforce against it in the United States courts or courts located in the United Kingdom judgments obtained in United States courts or courts located in the United Kingdom, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States. A judgment of a non-Maldivian court will not be automatically recognised or enforceable by the courts of the Maldives as the Republic is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments, although such a judgment may be admissible as evidence in a proceeding on the underlying claim in a Maldivian court, provided that the Maldivian court has jurisdiction to litigate on the subject matter. Re-examination of the underlying claim *de novo* would therefore be required before the Maldivian court under such circumstances.

Further, notwithstanding the agreement to submit to the exclusive jurisdiction of the courts of England, there is a possibility that the courts of the Maldives may assume jurisdiction where any defendants in a claim filed before the courts of the Maldives have an elected domicile or place of residence in the Maldives.

As the Obligor has not submitted to jurisdiction or waived its sovereign immunity in connection with any action arising out of or based on United States federal or state securities laws, it will not be possible to obtain a judgment in the United States against the Obligor based on such laws unless a court were to determine that the Obligor is not entitled to sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to such actions. The Obligor may assert immunity to such actions or with respect to the property or assets described above. Investors may have difficulty making any claims based upon such securities laws or enforcing judgments against the property or assets described above.

The Trustee and the Obligor appointed Walkers as its authorised agent upon whom process may be served in any action arising out of or based on the Trust Certificates or the Declaration of Trust. Such appointment is irrevocable until all amounts in respect of the Trust Certificates have been paid in full or unless and until a successor has been appointed as the Obligor's authorised agent and such successor has accepted such appointment. Each of the Trustee and the Obligor agreed that it will at all times maintain an authorised agent to receive such service, as provided above. Walkers is not the agent for receipt of service of process for actions under the United States federal or state securities laws.

The Government's waiver of immunity may not be effective under the laws of the Maldives

The Maldives provides that public or private assets owned by the Government may not be confiscated. It is likely that the Lease Assets will fall within the ambit of government assets and as such cannot be attached or executed upon.

The Trustee and the Obligor has irrevocably waived, to the fullest extent permitted by the Maldivian law, any immunity, including foreign sovereign immunity, from jurisdiction with respect to the Maldives and its property to which it may otherwise be entitled in any action arising out of or based on the Trust Certificates. The Trustee and the Obligor, however, has not waived its immunity with respect to (1) actions brought against the Trustee and the Obligor arising out of or based upon U.S. federal, U.S. state or any other securities laws; (2) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961;

(3) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (4) military property or military assets or property or assets of the Maldives related thereto; or (5) properties and assets located in the Maldives and used solely or mainly for public or governmental purposes; provided that the foregoing limitations shall not preclude any proceeding to enforce any provision of the relevant Transaction Documents relating to the Assets (as defined herein). There can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Transaction Documents to which it is a party are valid and binding under the laws of the Maldives. The Obligor's waiver of immunity is a limited and specific waiver for the purposes of the Trust Certificates and the Transaction Documents and under no circumstances should it be interpreted as a general waiver by the Obligor or a waiver with respect to proceedings unrelated to the Trust Certificates or the Transaction Documents.

Investors should be aware that Government may assert immunity to such actions or with respect to the property or assets described above pursuant to Article 247 of the Maldives Constitution 2008 (as amended), which states that "all property, assets and monies [...] shall continue to vest in the State". As of the date of this Base Prospectus, there are no judicial precedents on this subject as there have been no claims submitted to the Maldivian courts with respect to enforcing a waiver of immunity provided by the Government. Investors may have difficulty making any claims or enforcing judgments against the property or assets described above.

Claims for specific enforcement

In the event that the Government fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the Government's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement which is a discretionary matter.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Government to perform its obligations set out in the Transaction Documents to which it is a party.

ENFORCEABILITY OF FOREIGN JUDGMENTS

The agreements entered into with respect to the Trust Certificates (other than the Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement) are governed by English law. See Condition 25.

SHC Lawyers LLP, as legal advisers to the Arrangers and the Dealers as to Maldivian law, has advised as follows:

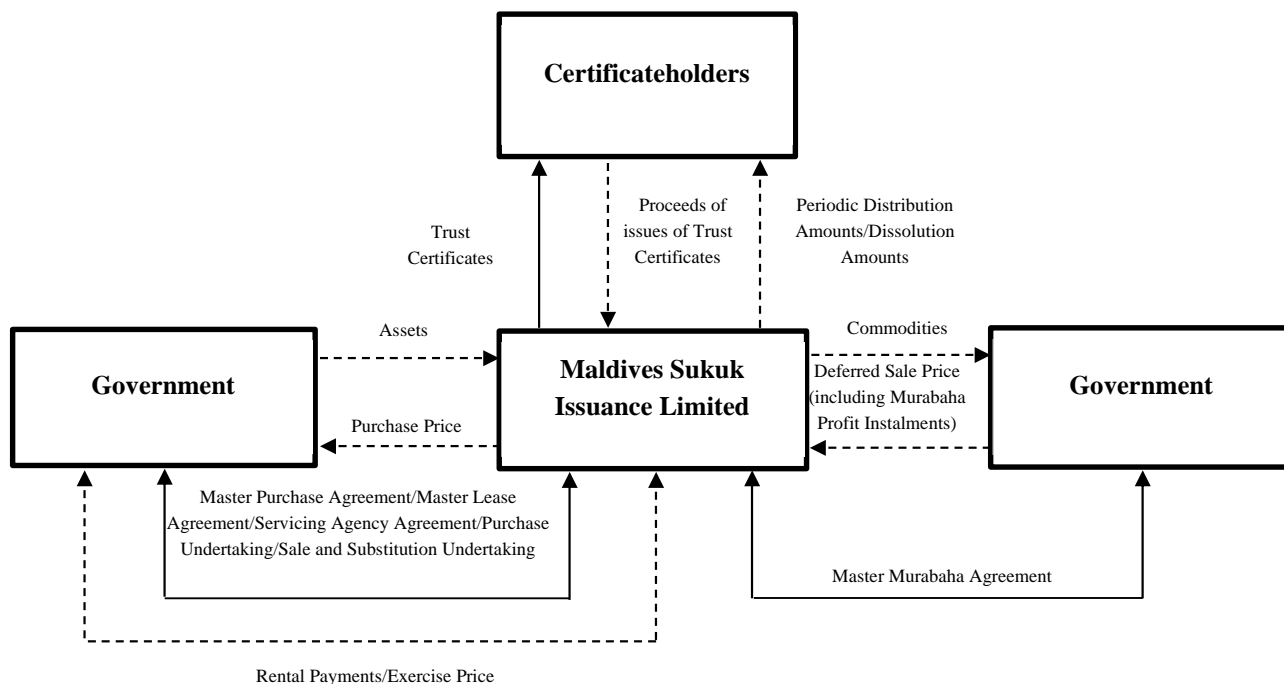
The Maldives is not a party to any bilateral treaty in relation to the recognition and enforcement of foreign judgments. The Maldives acceded to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 2019. Pursuant to the Arbitration Act 2013 (Act No. 10/2013), foreign arbitral awards can be enforced by order of a relevant court in the Maldives provided that such arbitral award is not in contravention of the Act. We note that there have been limited instances where parties have sought to enforce arbitral awards, and the courts of the Maldives have not always applied the law consistently to date.

For the Transaction Documents governed under Maldivian law, there is the possibility that the claims or remedies available under Maldivian law may not be the same, or as extensive, as those available in other jurisdictions.

The Trustee and the Obligor will irrevocably waive, to the fullest extent permitted by law, any immunity, including foreign sovereign immunity, from jurisdiction with respect to the Maldives and its property to which it may otherwise be entitled in any action arising out of or based on the Transaction Documents. The Trustee and the Obligor, however, has not waived its immunity with respect to (1) actions brought against the Trustee and the Obligor arising out of or based upon U.S. federal, U.S. state or any other securities laws; (2) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (3) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (4) military property or military assets or property or assets of the Maldives related thereto; or (5) properties and assets located in the Maldives and used solely or mainly for public or governmental purposes. See Condition 26.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series of Trust Certificates to be issued under the Programme. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this document for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.



Cashflows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Trust Certificates, the relevant Certificateholders will pay the issue price (the "**Issue Proceeds**") in respect thereof to the Trustee, and the Trustee will pay:

- (a) an amount equal to not less than 52 per cent. of the aggregate face amount of the relevant Trust Certificates as specified in the applicable Final Terms as the purchase price (the "**Purchase Price**") payable under the relevant Supplemental Purchase Agreement for the relevant assets comprised of the beneficial interest in certain identified land, buildings and/or moveable physical assets (in the case of the first Tranche of a Series of Trust Certificates, the "**Assets**" or, if applicable, (in the case of each subsequent Tranche of such Series) the "**Additional Assets**");
- (b) U.S.\$500,000 to the Servicing Agent as an expenses reserve in respect of its expenses in acting as Servicing Agent (the "**Servicing Agent Expenses Reserve**"); and
- (c) the remaining portion of the Issue Proceeds (if any) of the aggregate face amount of the relevant Trust Certificates as specified in the applicable Final Terms in the purchase of commodities to be sold to the Government on a deferred payment basis for an amount specified in a letter of offer and acceptance (the "**Deferred Sale Price**") pursuant to the Master Murabaha Agreement.

Periodic Payments by the Trustee

On each Periodic Distribution Date, the Principal Paying Agent (on behalf of the Trustee) will apply amounts standing to the credit of a Transaction Account (comprised of a rental payment (pursuant to the relevant Lease Agreement) and an instalment payment of any Profit Amount (as defined in the Master Murabaha Agreement) each as paid by the Government (acting in its relevant capacities under the Lease Agreement and the Master Murabaha Agreement, as applicable, into the Collection Account)) in payment of the Periodic Distribution Amount payable by the Trustee under the Trust Certificates.

Dissolution Payments

On the Scheduled Dissolution Date:

- (a) the aggregate amounts of the Deferred Sale Price then outstanding, if any, shall become immediately due and payable by the Government; and
- (b) the Trustee and the Delegate will have the right under the Purchase Undertaking to require the Government (in its capacity as obligor) to purchase all of its beneficial interest in the relevant Lease Assets for an amount equal to the Exercise Price.

The Exercise Price payable by the Government (in its capacity as Purchaser) to the Trustee (in its capacity as seller), together with the aggregate amounts of the Deferred Sale Price then outstanding, if any, are intended to fund the relevant Dissolution Amount payable by the Trustee under the Trust Certificates.

The Trust may be dissolved prior to the Scheduled Dissolution Date for a number of reasons including: (i) unless the relevant Lease Assets have been replaced in accordance with the Servicing Agency Agreement, upon the occurrence of a Total Loss Event (as defined herein); (ii) upon the occurrence of a Dissolution Event (as defined herein); (iii) upon the occurrence of a Delisting (as defined herein); or (iv) in certain cases where so specified in the applicable Final Terms, at the option of the Government. In the case of (ii), (iii) and (iv) above, the relevant Dissolution Amount will be funded by requiring the Government to (A) purchase the relevant Lease Assets and pay the relevant Exercise Price (or, in the case of (iii) above, the relevant Delisting Purchase Undertaking Exercise Price) and (B) pay the aggregate amounts of the Deferred Sale Price then outstanding, if any, in each case to or to the order of the Trustee (pursuant to the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, and the Master Murabaha Agreement, if applicable). In the case of (i) above, the Dissolution Amount will be funded using (a) any proceeds of Insurances payable in respect of the Total Loss Event (as defined herein), which are required to be paid into the Transaction Account (as defined herein) by no later than the 90th day after the occurrence of the Total Loss Event and (b) the aggregate amounts of the Deferred Sale Price then outstanding.

Should there be any shortfall in the proceeds of the Insurances paid into the Transaction Account for funding the amounts payable by the Trustee on the due date for dissolution in the case of (i) above, unless the Servicing Agent proves beyond any doubt that such shortfall is not in any way attributable to its negligence nor its failing to comply with the terms of the Servicing Agency Agreement relating to the Insurances, the Servicing Agent will irrevocably and unconditionally undertake to pay an amount equal to such shortfall into the Transaction Account by no later than close of business in London on the 91st day after the occurrence of the Total Loss Event.

USE OF PROCEEDS

The net proceeds of each Tranche of Trust Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents and Final Terms on the relevant Issue Date as follows: (A) not less than 52 per cent. of the aggregate face amount of the relevant aggregate face amount of the Trust Certificates of such Tranche as specified in the applicable Final Terms towards the purchase from the Government of all of its beneficial interest in (in the case of the first Tranche) the Assets and, if applicable (in the case of each subsequent Tranche) the Additional Assets pursuant to the relevant Purchase Agreement; (B) U.S.\$500,000 to the Servicing Agent as an expenses reserve in respect of its expenses in acting as servicing agent; and (C) if applicable, the remaining portion of the Issue Proceeds (if any) of the aggregate face amount of the relevant Trust Certificates as specified in the applicable Final Terms towards the purchase of commodities to be sold to the Government pursuant to the Master Murabaha Agreement. The Trustee and the Government confirms that no proceeds of the Trust Certificates will be used for military or defence purposes. None of the Arrangers or Dealers shall have any responsibility for the application of the net cash proceeds from the sale of the Trust Certificates.

DESCRIPTION OF THE TRUSTEE

General

The registered office of the Trustee is at c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the telephone number of the registered office is +1 345 814 7600.

The Trustee is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Act (as amended) of the Cayman Islands on 18 February 2021 (with registration number WC-371910).

The authorised share capital of the Trustee is US\$50,000.00 and the issued share capital of the Trustee is comprised of one hundred (100) ordinary shares of US\$1.00 par value each. The Trustee is a wholly owned subsidiary of the Government. The directors of the Trustee are representatives of the Government and are responsible for the management of the Trustee, however, all activities of the Trustee must be carried out in compliance with the Trustee's covenants described in Condition 6.

Purpose and business activity

The principal objects of the Trustee are unrestricted and, as set out in its Memorandum of Association, the Trustee has full power and authority to carry out any object not prohibited by law.

The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.

The Trustee has not and will not engage in any business activity other than the issuance of Trust Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Trust Certificates, including the obligation of the Government to make payments to the Trustee under the relevant Transaction Documents to which it is a party relating to each Series.

Directors of the Trustee

The directors of the Trustee and their respective business addresses and principal activities are as follows:

Name	Occupation
Ismail Ali Manik	Director
Ashraf Rasheed	Director

The business address of each of the directors of the Trustee is c/o Ministry of Finance, The Government of the Maldives, Ameene Magu, Malé, 20379, Republic of Maldives.

There are no conflicts of interest between the private interests or other duties of the Directors of the Trustee listed above and their respective duties to the Trustee.

The Trustee has no employees and is not expected to have any employees in the future.

Financial Statements

The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors. Since the date of its incorporation, no financial statements of the Trustee have been prepared.

Corporate Services Provider

The corporate services provider of the Trustee is Walkers Corporate Limited (the "**Corporate Services Provider**").

Pursuant to the standard terms of engagement of the Corporate Services Provider (the "**Registered Office Agreement**") the Corporate Services Provider has agreed to provide certain administrative services to the Trustee. The Registered Office Agreement is governed by the law of the Cayman Islands.

THE REPUBLIC OF MALDIVES

Location and Geography

The Republic of Maldives is a sovereign archipelago consisting of approximately 1,190 islands grouped in a collection of 26 natural atolls situated in the Indian Ocean. The northernmost atoll is approximately 600 kilometres (“**km**”) south-southwest of the Indian mainland, and the central area of the Maldives (including the capital) is approximately 645 km southwest of Sri Lanka. The Maldives covers a land area of 298 square km spread across 90,000 square km of territorial waters, with the islands forming a narrow chain 820 km in length (north to south) by 80 to 120 km in width (east to west).

The low-lying islands of the Maldives are almost entirely made of coral sands, with the highest point being approximately 1.8 metres above sea level. Barrier reefs protect the sandy islands from the destructive effects of monsoons. From May to August the country is subject to rainy weather resulting from a southwest monsoon. From December to March the northeast monsoon brings dry and mild winds to the islands. The average annual temperature varies from 24°C to 33°C with an average rainfall of 2,130 millimetres per year.

The Maldives has five international airports across the country and 14 domestic airports in operation, along with four local airlines and the world's largest operational seaplane fleet.

The capital, Malé, is the main financial, commercial and industrial centre of the Maldives, occupying a land area of approximately 193.2 hectares. Malé is also the main population centre, with more than 40 per cent. of the population living there.

Population, Religion and Language

Based on the 2014 Census, as of 2020 the total population of the Maldives was estimated to be 557,426 persons. The population is spread across 20 administrative atolls. Approximately 227,486 people resided in Malé (which, for purposes of the census, includes Hulhumalé and Villingili).

With the exception of Malé and, increasingly, Hulhumalé – an artificial island that was reclaimed to establish a new land mass required to meet existing and future housing needs – the inhabitants of the Maldives live in villages on small islands across the atolls. The southern islands are more densely populated than the northern ones. Tourism is concentrated around the uninhabited islands. However, since changes to the law in 2011, tourism has grown on inhabited islands as well. By 25 February 2021, there were 356 guesthouses on 52 islands and 147 resorts on 147 islands around the country.

Maldivians are represented by a mix of ethnicities including South Indians, Sinhalese and Arab ethnic groups. Since the 12th century, the national religion has been Islam with the majority of the population being Sunni Muslims. The national language is Dhivehi, and English and Arabic are also spoken throughout the islands. Maldivians have a literacy rate of 98 per cent. and an English literacy rate of 75 per cent. Literacy rates among persons aged 15 to 24 is 99 per cent. English is the official language of schooling in the Maldives and is widely used, especially in business. Since the population is Muslim, Arabic reading is taught from a young age, although Arabic is not spoken widely.

COVID-19

The Maldives has been negatively affected by the unprecedented COVID-19 pandemic and the Government has taken pro-active measures to contain the spread of COVID-19 and to help pave the way for economic recovery.

The Government has reacted swiftly to the pandemic to contain the spread of COVID-19, having taken the following measures:

- February to March 2020 – the Government established travel restrictions, including a ban on flights from China;
- 12 March 2020 – the Government declared a State of Public Health Emergency;
- 20 March 2020 – the Government announced a US\$162 million Economic Recovery Plan to support businesses and individuals through schemes such as income support, loan recovery and discounts on utility bills; and
- 27 March 2020 – the Government imposed a temporary suspension of on-arrival visas.

Approaching the second half of 2020, the lockdown was gradually eased in phases to reopen the economy in a controlled manner:

- 15 July 2020 – the Government reopened borders and 40 resorts resumed operations while complying with guidelines from the Ministry of Tourism;
- 10 September 2020 - tourists required to present a negative COVID-19 test report on arrival to manage potential spikes in cases;
- 15 September 2020 – the Maldives received the safe travel stamp as endorsed by UN World Tourism Organisation and more than 200 travel companies;
- 15 October 2020 – the Government permitted guesthouses and hotels outside the Greater Malé region to re-open;
- 15 November 2020 – guesthouses and hotels in Male were allowed to re-open;
- 28 November 2020 – the Maldives received the World’s Leading Destination award at the Grand Final of the World Travel Awards 2020, which is the first time the Maldives has won the award and this is also the most distinguished award category of the World Travel Awards; and
- 6 December 2020 – record daily arrivals since the re-opening of the Maldives which was a total of 3,006 tourists, with air traffic movement of 352 flights;
- 27 January 2021 – all events, parties and gatherings in the Greater Malé region were prohibited, a curfew from 12a.m. to 4a.m. was imposed in the Greater Malé region and all persons travelling from the Greater Malé region to other inhabited islands must observe a mandatory quarantine of 10 days;
- 29 January 2021 – all international arrivals except tourists must observe a mandatory quarantine of 10 days;
- 17 February 2021 – CNN reported that the Maldives was the biggest 2020 international tourism success story, mentioning the strong COVID-19 protocols in the country;
- 21 February 2021 – the Maldives registered the highest daily tourist arrival of over 5,200 tourists since reopening its borders in July 2020;
- 10 March 2021 – 30 airlines in operation flying to the Maldives including British Airways, Emirates, Air India, Air France, Etihad Airways and Turkish Airlines; and
- 14 March 2021 – 148 tourist resorts, 11 tourist hotels, 136 safari vessels and 376 tourist guesthouses were now in operation with a total bed count of 45,2253beds; and

While COVID-19 cases initially spiked after the reopening, new cases have largely been on a downtrend since September 2020. The Maldives reported 36 infections on average each day for the period from 1 December 2020 to 23 January 2021, a 72 per cent. reduction from the highest daily average cases reported in August 2020 of 129 new infections each day. As of 14 March 2021, there had been a total of 21,572 COVID-19 cases with approximately 2,400 active cases.

The Maldives has taken swift and proactive steps to secure vaccines against COVID-19 and is part of the COVAX facility, which is a global partnership to provide safe and effective vaccines equitably to all participating countries. Through the COVAX facility, the Maldives has secured 180,000 doses of the AstraZeneca/SII vaccine and 5,850 doses of the Pfizer/BioNTech vaccine. It is estimated that the Maldives will receive such vaccines through the COVAX facility in the first quarter of 2021. India has donated 200,000 doses of the CoviShield vaccine and China has pledged 200,000 doses of the SinoPharm vaccine to the Maldives. The Government is also separately making arrangements to purchase vaccines directly from vaccine production companies and, as of the date of this Base Prospectus, the Government has signed an agreement to purchase 700,000 doses from AstraZeneca and 200,000 doses from CoviShield. As of 14 March 2021, eight vaccination centres and two mobile teams have been established in the Greater Malé region, while 169 vaccination centres have been established in the atolls. Testing capacity increased from 0 to 3,000 tests per day early in the pandemic and it is currently at approximately 5,500 tests per day. Over 8,800 tourism frontline workers have been vaccinated. Vaccination drives have been set up in over 40 resorts. Resort staff are able to travel to nearby resorts for vaccines. Over 50 resort doctors have been trained to administer the vaccines. As of 14 March 2021, approximately 206,144 doses of vaccines against COVID-19 have been administered, enough to have vaccinated about 20 per cent. of the country's population (assuming every person needs two doses) and equivalent to an average of 1.44 daily doses administered per 100 people. Approximately 57 per cent. of those vaccinated are from the Greater Malé region.

Environment and Biodiversity

The Maldives has the fifth richest reef biodiversity and the seventh largest reef ecosystem in the world with over 200 species of corals and a marine biodiversity including over 20 species of whales and dolphins and over 40 species of sharks, while tuna remains the most exploited species commercially. The Maldives is also home to over 167 species of birds with five endemic to the country. The Maldives' rich biodiversity and unique environment forms the bedrock of the country's economy – tourism and fisheries, two of the largest sectors of the economy, are heavily dependent on the country's healthy and diverse marine ecosystem. The Maldives' coastal and marine biodiversity additionally provides indirect benefits to the country's economy and people by providing cost savings from shoreline protection.

However, environmental changes and overexploitation of resources threaten the stability of the Maldives' ecosystem, affecting the economic development of the country and the livelihood of the people. The topography of the Maldives makes the country subject to high surface erosion and the effects of rising sea levels resulting from climate change. The Maldives is a low-lying country, with 80 per cent. of the country lying below one metre in height. With no significant elevation across the country, small increases in sea level may result in additional flooding of coastal regions and disruption to marine biodiversity, coastal industries and tourism. Rising sea levels have impacted the Maldives' freshwater resources as groundwater aquifers are shallow and subject to inundation by saltwater. It is estimated that the Maldives would lose 77 per cent. of its land area if sea levels were to rise by 0.5 metres without preventive action by the Government. The Maldives has already implemented several measures to combat rising sea levels including the building of sea walls and barriers around Malé and on many other islands in the Maldives.

The geographic location of the Maldives makes it susceptible to earthquakes and the seismic effect of movements in the ocean floor in the region. In December 2004, the Maldives was hit by a tsunami originating

in Sumatra, Indonesia. The tsunami caused loss of life, significant damage to infrastructure and disruption to power and utilities in the Maldives. Such natural disasters can severely impact tourism, either through the destruction of resort infrastructure or by affecting the perceived attractiveness of the Maldives to tourists. See "*Risk Factors – The Maldives may be affected by extreme climatic events, including rising sea levels*".

Several major environmental incidents have occurred in recent years. On 20 September 2019, a fire broke out through a residential area of Malé, displacing more than 300 people and causing an estimated MVR36 million in damage. The fire happened due to improper storage of hazardous chemicals on the ground floor of a residential building. Two oil spills occurred in the last three years, including in May 2020 where a barge with 35,000 litres of diesel oil grounded at Landaa Giraavaru in the Baa Atoll. Salvage work has since been completed and assessment of damages is ongoing. In the past decade, the Maldives has recorded eight ship grounding incidents which have caused damage to the reef ecosystem. While Maldivian fishermen practice environmentally friendly and sustainable 'pole-and-line' fishing, the Maldives is also susceptible to illegal, unregulated and unreported ("**IUU**") fishing. IUU fishers use fishing methods which are destructive of habitats such as trawl nets, blast charges and electrical charges. Through overfishing of mature fish, IUU fishers compromise the future health of ecosystems and the value of fisheries, upset marine food webs, and threaten species with extinction.

The Maldives published the National Biodiversity Strategy & Action Plan ("**NBSAP**") in 2015 to critically evaluate the impact of changes to the national biodiversity and ecosystems surrounding the Maldives. The Government recognises that the diverse and unique marine biodiversity and ecosystems surrounding the Maldives are fundamental to the economy and livelihoods of the people of the Maldives. With multiple industries, including fisheries, agriculture, tourism and handicrafts benefitting directly from the biological resources, any disruption to such biodiversity and ecosystems will have a significant impact on the Maldivian economy.

The NBSAP has identified multiple emerging factors impacting the biodiversity and ecosystems of the Maldives such as the destruction of habitats, including reefs, lagoons, beaches and mangroves due to land reclamation, harbour building, channel construction, seawall construction and many related infrastructure development activities. It is estimated that such land reclamation has resulted in the construction of over 202 artificial harbours and modification to over 10 square km of lagoon and reef area. Climate change including increases in sea surface temperature, ocean acidification and increased frequency of extreme weather events such as storms has had a severe impact on biodiversity, livelihoods and consequently the adaptive capacity of people to climate change.

Population and economic growth has also resulted in unsustainable agricultural practices with an increase in chemical-based fertilisers and pesticides. These chemicals enter into the food chain and into the freshwater aquifers and ultimately affect the natural vegetation as well as humans. Demand for improved market value has also resulted in the introduction of many alien species. Overexploitation of biodiversity, a decline in certain species including turtles and tuna and the increase in demand for land development have led to an increase in the clearance of vegetation. Furthermore, improper waste management throughout the country results in the disposal of dangerous chemicals, oils and non-biodegradable waste into the surrounding sea threatening the biodiversity of the reefs, lagoons and other habitats.

Several initiatives were introduced to preserve the country's ecosystem. Under the Environmental Protection and Preservation Act 1993 (Act No. 4/93), 214 bird and marine species and 76 areas totalling over 242 square km (the "**Protected Areas**") have been declared protected. However, only five Protected Areas were covered by effective management regulation. Furthermore, a 'sensitive area list' with 274 environmentally sensitive areas has been identified by the Environmental Protection Agency, which requires careful consideration to be given before approval for any type of development may be given. In 2018, a regulation was gazetted relating to the management of the Protected Areas and has since then provided effective management of the Protected Areas.

Additionally, a migratory bird regulation that protects all migratory species of birds has been in effect since 2014. A further regulation controls the import of bird species as pets. In addition to the legally Protected Areas, the house reefs of more than 150 resort islands in the Maldives are well managed with certain activities restricted, and in most cases access limited to snorkelling. These areas extend to 1,000 metres from the beach line in some resorts. The total reef and lagoon area of more than 150 resorts, although not yet calculated, represents a significant area of well-managed territorial waters. Considering the Protected Areas and the house reefs of resorts, the percentage of area protected under the legislative framework of the Maldives is expected to cover up to seven per cent. of territorial waters.

In 2011, Baa Atoll was declared a UNESCO Biosphere Reserve. Following its declaration, a conservation fund was established to regulate the biosphere reserve and to promote sustainable livelihood, conservation, education, and research in Baa Atoll. The fund has awarded seven grant projects to the local communities of the atoll. At present, the Government is reviewing the implementation of the policy to connect the entire Maldives through a network of Biosphere Reserves. Two atolls, Addu and Fuvahmulah, were submitted to UNESCO in 2019 for consideration as Biosphere Reserves and accepted by UNESCO on 28 October 2020.

The NBSAP has instigated a 10-year plan, the Strategic Action Plan 2013-2023, designed to ensure that threats to biodiversity are addressed, biodiversity is conserved and sustainably used and benefits arising from them are shared equitably through addressing five broad areas of concern:

- (a) Blue Economy (tourism, small and medium enterprises, fisheries and marine resources, agriculture, labour, employment and migration and economic diversification) – enhancing the sustainability of the economic sectors related to the ocean, including tourism and fisheries, while also enhancing economic diversification;
- (b) Caring State (health, education, higher education, social protection, prevention of narcotics and drug rehabilitation) - improving social progress, consistent with increasing access to healthcare and education. In particular, substance abuse is a prevalent problem affecting the Maldivian youth and special measures by the National Drug Agency are in place to strengthen rehabilitation and reintegration;
- (c) Dignified Families (housing, youth, community empowerment, Islamic faith, sports and family) - prioritising improvements related to community development;
- (d) Jazeera Dhiriulhun (clean energy, waste as a resource, environment protection and preservation, resilient communities, information, communication and technology, water and sanitation, transport network, arts, culture and heritage and decentralisation) – enhancing community infrastructure and services; and
- (e) Good Governance (national security and public safety, accountable state, independent institutions and public service reform, rule of law and judicial reform, gender equality, foreign affairs and eliminating corruption) - improving state accountability, transparency and the rule of law while eliminating corruption.

Past Governments

The Maldives was a British protectorate from 1887 and gained its independence in 1965. Following a referendum in 1968, the Maldives became a republic for the second time on 11 November 1968, with Ibrahim Nasir, then Prime Minister becoming the first President of the second republic of the Maldives. Maumoon Abdul Gayoom succeeded Ibrahim Nasir as President in 1978 and was elected to six successive five-year terms. Following political demonstrations in Malé in August 2003, the President and his Government pledged democratic reforms, including a more representative political system and expanded political freedoms. In 2004, a constitutional assembly was established to draft a new constitution. Political parties were legalised in 2005. In August 2008, the new constitution was ratified and in October 2008, the first democratic multi-party election

by popular vote, under the new constitution took place. In the first round, the incumbent, Abdul Gayoom, won the most votes but not the majority required to win the election outright. In the second round, all opposition candidates pledged their support for Mohamed Nasheed, from the opposition Maldivian Democratic Party which resulted in Nasheed being elected President over the incumbent Abdul Gayoom.

In June 2010, citing frustration over its inability to pass Nasheed's reform agenda in the opposition- controlled legislature, the members of Nasheed's cabinet tendered their resignations. Nasheed reappointed the cabinet, but the reappointments required the approval of the legislature. Disagreements arose around the reappointment process, specifically regarding whether ministers could be individually interviewed by the legislature. In December 2010, the Supreme Court decided that cabinet members not reappointed by the legislature must resign. Political gridlock continued into the following year, and the legislature's delay in ratifying legislation to appoint a new Supreme Court led to the resignation of the attorney general in August 2011. Against this backdrop, widespread unrest and protests broke out in Malé and elsewhere in the country. In February 2012, Nasheed resigned from the presidency, stepping down to allow vice-President Mohamed Waheed to become head of state.

Elections were held in September 2013. No candidate received a majority of the initial vote on 7 September 2013, which nevertheless was annulled by the Supreme Court amid reported voting irregularities. The first round was held again on 9 November 2013 producing a similar result to the annulled election, with former President Nasheed winning most votes but not the majority required to avoid a runoff. The runoff election was held on 16 November 2013. Following a 91 per cent. voter turnout, Abdulla Yameen Abdul Gayoom, from the Progressive Party of Maldives, was elected President of the Maldives. Observers from the Commonwealth Observer Group to the 2013 Maldivian presidential election concluded that, overall, the election results were credible and duly reflected the democratic will of the Maldivian people.

In February 2015, former President Nasheed was sentenced to a 13-year prison sentence for violations of the Anti-Terrorism Act 2015 (Act No. 32/2015) of Maldives with respect to his decision to arrest the chief judge of the Criminal Court in January 2012, when he held the office of the President.

In February 2018, a Supreme Court ruling quashed the convictions of certain opposition leaders in the Maldives and declared that the Judicial Service Commission had no mandate over the judges of the Supreme Court. The Supreme Court also ordered the executive to release nine individuals, some of whom were still under investigation or had exhausted their avenues of appeal. As a result of the orders of the Supreme Court, President Abdulla Yameen Abdul Gayoom imposed a 15-day state of emergency by Presidential Decree No. 2018/3, under Article 253 of the Constitution of the Republic of Maldives. The Parliament of the Maldives on 20 February 2018 approved a 30-day extension of a state of emergency sought by President Abdulla Yameen Abdul Gayoom who cited an ongoing national security threat and constitutional crisis. The 45-day long state of emergency ended on 22 March 2018. Charges of money laundering were raised against former President Abdulla Yameen Abdul Gayoom during February 2019, and he was convicted in November 2019. He is currently serving his sentence in Maafushi Prison. Mr. Ahmed Adheeb Abdul Gafoor, the former vice-President of the Republic of Maldives, was convicted in June 2016 for a number of terrorism and embezzlement charges for which he finished his sentences in July 2019. In September 2019 seven new charges were raised against Mr. Ahmed Adheeb Abdul Gafoor in relation to the embezzlement of state funds through the state-owned entity Maldives Marketing and Public Relations Corporation ("**MMPRC**") which were all dismissed in July 2020. However, the decision was appealed and in September 2020 the High Court ordered the re-trial of the seven cases.

Presidential elections were held in the Maldives on 23 September 2018. President HE Mr. Ibrahim Mohamed Solih of the Maldivian Democratic Party, who was nominated as the joint candidate of a coalition of opposition parties, received over 58 per cent. of the vote and was elected as the seventh President of the Maldives. On 6 April 2019, parliamentary elections were held in the Maldives and the Maldivian Democratic Party won 65 of the 87 seats in Parliament. Former President Mohamed Nasheed became the new Speaker of Parliament.

Current Government and Politics

On 17 November 2018, President HE Mr. Ibrahim Mohamed Solih ("**President Solih**") assumed office as the seventh President and third democratically elected President of the nation. This administration came with the promise of restoring the rule of law and democratic values, promoting and protecting human dignity and human rights, and strengthening the governance system in the country. In the first 100 days of the new Government, the Government freed all political prisoners and reviewed cases of such detainees and those arrested under political motivation or personal gain.

On 17 November 2018, merely hours into his presidency, President Solih also established the Commission on the Investigation of Murders and Enforced Disappearances, with a view to conduct transparent, impartial and thorough investigations into matters of deaths under suspicious circumstances and inexplicable disappearances, that took place during the period from 1 January 2012 to 17 November 2018.

President Solih also established the Presidential Commission of Corruption and Asset Recovery, which is investigating misuse of Government funds within the previous administration, with a special focus on the MMPRC corruption scandal in which Mr. Ahmed Adheeb Abdul Gafoor while acting as Tourism Minister allegedly colluded with the Managing Director of MMPRC to, amongst other things, lease out Maldivian islands to investors for resort development without undergoing a public bidding process, thus granting undue advantage to the investors, to obtain funds from state owned enterprises and to transfer such funds to private local companies and embezzle state funds. Presidential committees were also set up to look into employment cases where people may have been unjustly fired or transferred, and to investigate unjust and corrupt awarding practices with regards to social housing.

Additionally, the Transitional Justice Act was passed by Parliament on 29 November 2020 at the 23rd sitting of the third session of Parliament and ratified by President Solih on 17 December 2020. Pursuant to the Transitional Justice Act, an Ombudsperson's Office tasked with overseeing transitional justice related measures including finding, investigating and understanding, through judicial and non-judicial mechanisms, the actions committed by the previous regimes (looking at the period 1 January 2012 to 17 November 2018) in violation of human rights and fundamental freedoms, was established on 17 December 2020.

In the domestic sphere, the Government launched the Strategic Action Plan 2013-2023. In the international sphere, in addition to strengthening engagement with international organisations and solidifying bilateral relations, the Maldives completed the process of re-entrance to the Commonwealth on 1 February 2020.

The Constitution

The current Constitution of the Maldives came into force on 7 August 2008, replacing and repealing the 1998 constitution. The Constitution is the supreme law of the land and provides the legal foundation for the existence of the Maldives, sets out the rights and duties of the citizens of the Maldives, and defines the structure of the Government of the Maldives.

Under the Constitution, the President and the vice-President are each elected to a five-year term by popular vote. The President's responsibilities include acting as head of state and commander-in-chief of the armed forces, and appointing a cabinet.

The Constitution provides for the freedom to form political parties within the Maldives, as well as for the freedom of expression, freedom of the press, right to form assemblies and societies, right to strike and similar fundamental freedoms.

The Constitution states Islam as the official state religion. Non-Muslims cannot become citizens, and Parliament is prohibited from making any law that contravenes the tenets of Islam.

On 22 July 2015, Parliament approved amendments to the Constitution pursuant to which new articles were added to clarify the criteria under which foreign ownership of land in the Maldives will be permitted. On 23 July 2015, President Abdulla Yameen Abdul Gayoom ratified the amendments to the Constitution providing for foreign ownership of land in the Maldives. However, such amendments to the Constitution have since been repealed by Parliament on 23 April 2019, therefore returning to the original position under Article 251 of the Constitution, which provides that (a) no foreign party shall own or be given ownership of any part of the territory of the Maldives and (b) a foreign party shall not receive a lease of, or be given in any other way, any part of the territory of the Maldives for a period exceeding ninety nine years.

Form of Government

The Maldives is a democratic republic with two spheres of Government: national and local. At the national level, the Constitution defines the powers of the executive, legislative and judicial branches. The executive power is vested in the President. The legislative power is vested in Parliament, or the People's Majlis. The judicial power is vested in the courts of the Maldives. The Local Government Authority has responsibility for local Government.

Executive

The President is the head of state and head of Government. The President also serves as the commander-in-chief of the armed forces and the police.

The executive may not spend public funds, levy taxes or borrow or guarantee loans except pursuant to a law enacted by the legislature.

The current cabinet consists of the President, the vice-President, 14 Government ministers and the attorney general.

Legislature

Parliament meets at least three times per year. Its members are elected from the 85 parliamentary constituencies into which Malé island and the other 20 atoll groups are divided. The number of representatives from each constituency is determined on the basis of population, with a minimum of two per division. The quorum of a sitting of Parliament is 25 per cent. of its members. If at any time during a sitting of Parliament, quorum is lost, such sitting is then adjourned or suspended until quorum is met. The speaker and the deputy speaker are elected among members of Parliament by secret ballot. The current 19th People's Majlis is comprised of 87 elected members, instated on 28 May 2019.

The functions of the legislature are to formulate, amend and abolish laws, amend the Constitution, approve the Government budget and supervise the policies and actions of the Government and public referendums. Parliament is also responsible for determining matters related to independent commissions and independent offices.

There are two types of parliamentary committees in Parliament: standing committees, which are permanent committees to which members are elected by Parliament for examining bills in detail, and select committees, which are temporary committees elected among members to deal with a specific inquiry or issue until the inquiry is over or the issue is resolved.

Judiciary

The sources of law in the Maldives are the Constitution, Islamic Sharia law, regulations, presidential decrees, international law, and English common law, which is codified as the applicable law in commercial matters. The Civil Court has jurisdiction over commercial cases. The Employment Tribunal is mandated to hear claims of unfair labour practices. The Judicial Services Commission ("**JSC**"), a body of 10 members appointed or elected

from various branches of the Government, the judiciary and the general public, is responsible for nominating, dismissing, and examining the conduct of all judges.

The Supreme Court, the highest legal authority in the Maldives, was established under the Constitution. Its judges are appointed by the President in consultation with the JSC. In addition to the Supreme Court, there are six courts in Malé: a High Court; a civil court; a criminal court; a family court; a juvenile court; and a drug court. There are approximately 200 magistrate courts, one in each inhabited island. The Supreme Court and the High Court serve as courts of appeal. There are no jury trials in the Maldives. The JSC independently appoints all non-Supreme Court judges and in August 2010, the JSC reappointed and confirmed for life 191 of the 200 existing judges. There are no judicial term limits for judges and the mandatory retirement age is 70. All judges must be Sunni Muslims.

Pursuant to the Constitution, a prosecutor general is tasked with the prosecution of criminal offences. The attorney general acts as the legal adviser to the Government and represents the Government in all courts except in criminal proceedings, where the Government is represented by the prosecutor general.

In 2018, following the imposition of a state of emergency by President Abdulla Yameen Abdul Gayoom, two Supreme Court Justices were arrested on criminal charges, and lost their position following criminal convictions pursuant to Law No: 1/2018 (Fifth Amendment to the Judges' Act). In 2019, five Supreme Court Justices were investigated for abuse of power and breach of professional conduct, out of which four were impeached by Parliament. The remaining Justice retired.

All seven members of the current Supreme Court bench have been newly appointed by President Solih upon approval from the current Parliament.

In order to increase transparency of the judicial system, all court rulings within the Maldives are made available to the public through the relevant court's website. As part of the current Judiciary's commitment to the concept of open court, the Supreme Court and the High Court of Maldives now broadcasts all virtual hearings on the online platform YouTube. Audio/video conferencing is now available in all courts in the capital Malé, as well as all the magistrate courts in the islands.

The current Government has initiated a comprehensive judicial reform plan which is three-pronged and focuses on reforming the jurisdiction and structure of the courts, enhancing internal court administration and ensuring accountability and integrity of judges. The current Government has also taken steps to instigate legal sector reform.

Equal gender representation in the judiciary is a top priority in the judicial reform agenda, and as such, upon nomination by the President, and approval by Parliament, the first two female Justices to the Supreme Court were appointed on 4 September 2019 and the first female judge to the Criminal Court was appointed by JSC on 2 September 2020. A female judge was also appointed to the High Court on 4 October 2020, meaning that for the first time in the Maldives, currently there are female judges presiding over cases at all tiers of the court system – from the magistrate courts to the Supreme Court.

Local Government

Prior to 2008, the President appointed island and atoll chiefs for each populated island and atoll. Following 2008, however, pursuant to the Constitution, the Local Government Authority has responsibility for overseeing and increasing the capacity of the local councils as well as coordinating their works and functions. The main legislative texts are the Decentralisation Act 2010 (Act No.: 7/2010) and the Local Council Election Act 2010 (Act No.: 10/2010).

There are 18 atoll councils, four city councils (Malé, Addu, Fuvahmulah and Kulhudhuffushi) and 179 island councils. Local governments are either unitary (the four city councils) or two-tier (the 179 island councils) and are each accountable to one of the 18 atoll councils.

Every year all councils are allocated 5 per cent. from the state budget for office administration, service provision and development projects. Councils are also required to allocate 5 per cent. of their budget for the Women's Development Committees. Councils are empowered to enter into contracts and business ventures with various parties in order to provide the services mandated to them. They are also tasked with fostering the growth of tourism, fisheries, agriculture and other industries. Additionally, all rent and fee collected by the councils and 40 per cent. of land rent from areas outside of council jurisdiction received by the state are allocated for councils. Local councils also have ownership of all assets and resources within their jurisdiction. Furthermore, all public service investment projects under MVR5 million and other projects under MVR15 million are managed and monitored by island councils and city councils respectively.

The role of the atoll councils is to coordinate and monitor the activities and functioning of the island councils. The atoll councils consist of the presidents and mayors of the island councils and city councils within the administrative region, and the President of the atoll council is elected by direct vote of the people of the atoll. The vice-President of the atoll council is elected by secret ballot of the members of the atoll council.

Every inhabited island in the Maldives, except islands where city councils are established, is governed by an elected island council which prepares island development plans in consultation with the community, and submits them to the atoll council. They are also mandated to take all necessary measures to establish a safe and peaceful environment on the island in collaboration with the police. Islands with a population less than 3,000 have a five member council, out of which two seats are designated for female councillors, and islands with a population greater than 3,000 have a seven member council, with three seats designated for female councillors.

City councils with a population of more than 10,000 must have the necessary capacity to deliver the appropriate services in specific sectors such as education, health, transport and bank facilities as specified by central Government from time to time. The number of seats in the city council is based on the population of the city: a city with a population between 10,000 and 30,000 has a seven member council; and a city with a population between 30,000 and 60,000 has a 13 member council; whereas a city with a population greater than 60,000 has a 19 member council.

33 per cent. of the seats in island and city councils are specifically designated for female councillors under the latest amendment to the Decentralisation Act (Act No.: 7/2010), so as to empower women and increase women's participation in the councils.

International Relations

General

The Maldives has diplomatic relations with 172 countries and maintains resident missions in 16 countries including Bangladesh, China, Belgium (European Union), Geneva (the United Nations), India, Japan, Malaysia, Pakistan, Saudi Arabia, United Arab Emirates, Singapore, Sri Lanka, Germany, Thailand, the United States (the United Nations) and the United Kingdom.

The Maldives is currently a member of 95 international organisations. The Maldives joined the United Nations (the "UN") in September 1965, 56 days after independence. The UN has a resident mission in the Maldives, with four resident agencies represented: United Nations Development Programme, United Nations International Children Fund, World Health Organisation and United Nations Population Fund. The ongoing United Nations Development Assistance Framework (the "UNDAF") covers the period of 2016 to 2020. It has since been extended to the end of 2021. After the end of the current cycle, UNDAF will be known as the United Nations Sustainable Development Cooperation Framework (UNSDCF). The four strategic focus areas of the UNDAF

are Youth and Children, Gender, Governance and Environmental & Climate Change. The Maldives is also a member of the UN's Group of 77.

The Maldives became a founding member of the World Trade Organisation on its establishment in 1995 when it replaced the General Agreement on Tariffs and Trade, to which the Maldives was a party from 1983. The Maldives joined the International Labour Organisation in 2009.

The Maldives became a member of the World Bank (the International Bank for Reconstruction and Development and the International Development Association) in 1978 and receives assistance from the World Bank in the form of training, technical and financial assistance. The World Bank has provided over US\$295 million in support across multiple areas with its lending commitments in 2020 expected to be US\$70 million. In particular, it has provided COVID-19 support of over US\$30 million for emergency health operations and to mitigate the impact of the pandemic on poor and vulnerable workers and families.

The Maldives joined the International Financial Corporation (the "**IFC**") in 1983 and the Multilateral Investment Guarantee Agency in 2005. The Country Partnership Framework 2016-2019 (the "**CPF**") presents the scope of the World Bank's current engagement in the Maldives, and its scope has been extended whilst discussions are still ongoing to agree a new framework. Under the CPF, the World Bank programme will provide assistance under three main areas: (i) enhancing employability and economic opportunities for Maldivians; (ii) strengthening natural resource management and climate resilience; and (iii) improving the efficacy of public finance management and policy making. In addition, the World Bank will address issues affecting youth, gender and governance policies. The World Bank's IFC has invested over US\$148 million in the Maldives since 1983. The IFC's strategy in the Maldives focuses on inclusive growth, clean growth and global integration, under which the IFC promotes inclusive and sustainable growth within the tourism sector, the financial sector, infrastructure and climate smart solutions.

The country has been a member of the Asian Development Bank ("**ADB**") since 1978. As of the date of this Base Prospectus, the ADB has provided the Maldives US\$197 million in cumulative loan and grant disbursements with US\$327 million of total commitments. The ADB also provided US\$50 million in budgetary support in June 2020 to help the Government fund its response to COVID-19. ADB operations in the Maldives have recently focused on energy, transport, public sector management and private sector development. At the request of the Government, the focus of the ADB's assistance to the Maldives has been shifted to the Greater Malé region. The ADB Country Operations Business Plan 2019-2021 includes an indicative pipeline of priority projects to support the development of the region. These projects include the Greater Malé Environmental Improvement and Waste Management Project for which ADB has provided a project loan of more than US\$100 million.

The Maldives became a member of the Organisation of Islamic Cooperation (the "**OIC**") in 1976. The OIC is the second largest inter-Governmental organisation after the UN and has a membership of 57 states spread over four continents. The OIC was established on 25 September 1969. The Maldives is also a member of the Islamic Development Bank (the "**IsDB**"), a specialised institution of the OIC which provides financial assistance for development projects. The IsDB has provided over US\$3 billion to the Maldives for over 60 projects, including over US\$45 million for COVID-19 support.

The country is also a founding member of the Asian Infrastructure Investment Bank (the "**AIIB**"), established in 2015, and was elected to the bank's inaugural board of directors. The AIIB has co-financed with the World Bank a COVID-19 project through a US\$7.3 million loan and provided an ongoing waste-to-energy project loan of US\$40 million.

The Maldives has also benefited from funding from the International Monetary Fund (the "**IMF**") and the OPEC Fund for International Development ("**OFID**"), including a US\$28.9 million loan in April 2020 provided under the IMF's Rapid Credit Facility to help the Maldives cover the balance of payments and fiscal needs and a

US\$20 million public sector investment programme budgetary support loan in April 2020 from OFID to support the Government's economic recovery plan.

The Maldives joined the Commonwealth of Nations ("**Commonwealth**") on 9 July 1982 as a special member, becoming a full member on 20 June 1985. On 23 September 2016, the Commonwealth Ministerial Action Group, the inter-ministerial body of the Commonwealth, placed Maldives on its formal agenda for the country's ongoing political turbulence. On 13 October 2016, the Maldives withdrew voluntarily from the Commonwealth. On 1 February 2020, the Maldives formally re-joined the Commonwealth.

On 6 January 2021, the Government announced its decision to reinstate full diplomatic relations with Qatar, nearly three years after the island nation severed ties with the Gulf nation in response to the 2017 embargo by Saudi Arabia, amongst others, against Qatar. Reinstating diplomatic ties with Qatar was one of the electoral pledges of incumbent President Solih's government.

IMF

The Maldives has been a member of the IMF since 13 January 1978 and has a representative sitting on the Board of Governors of the IMF. The Maldives cooperates with the IMF on a regular basis under the IMF surveillance framework known as Article IV consultations ("**Article IV**"). Under Article IV, the IMF monitors a country's economic and financial policies and holds annual bilateral discussions with the surveyed country on its policies, providing a feedback report on the country's economic condition and recommending certain courses of action to maintain economic stability.

Following the conclusion of the Article IV consultation in June 2019 (the "**2019 Article IV Consultation**"), the IMF noted that Maldivian economic growth had been strong in recent years, driven by tourism, commerce and construction. Their outlook was for continued strong growth and moderate inflation and only a gradual improvement in fiscal and current account deficits.

The IMF recognised the following risks:

- (a) a failure to reduce fiscal deficits, continued debt accumulation and drawdowns on reserves could call into question fiscal sustainability;
- (b) a sharp tightening of global financial conditions could lead to higher costs of financing, weaker balance of payments and possible depreciation pressures and weaker consumption;
- (c) rising protectionism and retreat from multilateralism in the global economy could result in slower export growth, less tourism and reduced foreign direct investment inflows thus leading to a weaker current account balance and lower growth potential; and
- (d) a slowdown in growth in China and Europe could adversely affect arrivals from these countries and result in weaker tourism revenues, with adverse impacts on tax revenues and growth.

In the staff report for the 2019 Article IV Consultation, the IMF made the following policy recommendations:

- (a) putting in place moderate growth-friendly fiscal adjustment to reduce the fiscal deficit and public debt to GDP ratio in the medium-term and contribute to faster current account deficit reduction;
- (b) tightening fiscal policy whilst protecting pro-growth and pro-poor spending;
- (c) tightening monetary policy to support the exchange rate peg and protect foreign reserves;
- (d) accelerating productivity-enhancing structural reforms and diversification of the economy;
- (e) reducing barriers to trade and in relation to inward foreign direct investment; and
- (f) promoting diversification of tourism and the economy.

The Maldives regularly receives technical assistance and training from the IMF. The IMF recently approved a US\$29 million disbursement to the Maldives to address the COVID-19 pandemic.

Regional Relationships

The Maldives was a founding member of the South Asian Association for Region Cooperation (the "SAARC"), established on 8 December 1985, along with Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka. Afghanistan joined in 2007 as the eighth member of SAARC. SAARC was established to provide a platform for the economic and social development of South Asian countries. SAARC had 11 regional centres, but currently there are four regional centres operating from different member states of SAARC, acting as implementation arms of SAARC. There are nine observers, namely Australia, China, the EU, Iran, Japan, Mauritius, Myanmar, South Korea and the United States.

The Government has established several multilateral trade agreements for the promotion and development of trade and economic relations through the exchange of trade preferences taking into account most favoured nation principles. These include:

- (a) Agreement on the South Asian Free Trade Area, which was signed on 6 January 2004 and commenced on 1 January 2006, as well as the predecessor to this agreement;
- (b) SAARC Agreement on Trade in Services, which was signed on April 2010;
- (c) Agreement on the Establishment of South Asian Regional Standards Organisation, which was signed in August 2008; and
- (d) Framework Agreement on Trade Preferential Systems among the member states of the Organisation of Islamic Countries, which was signed in October 1990, effective in October 2002, and ratified on 11 April 2006.

The MMA is a member of the Islamic Financial Services Board, Asian Clearing Union and the Steering Group of the Asia/Pacific Group on Money Laundering.

The Maldives also enjoys good relationships with many of the largest economies in the region. With its strategic position in the Indian Ocean region, the Maldives has been a beneficiary of China's pan-regional economic plan. The Maldives is a participating country in the Belt and Road Initiative and has benefitted greatly with the implementation of key projects such as the "China-Maldives Friendship Bridge". The Maldives has also benefited from assistance from various Gulf Arab states, including in relation to the Velana International Airport expansion project and other initiatives described in this Base Prospectus. The Maldives established diplomatic relations with Japan in 1967 and 2017 marks the 50th anniversary of diplomatic relations between the two nations. During this period, Japan has cumulatively extended a significant amount of overseas development assistance to the Maldives, including to develop a digital terrestrial broadcast network, and to pay for coastal protection around Malé and many of the modern primary schools in the capital. Japan has also extended its assistance programmes to other areas as well, such as public finance and emergency response. India, which was among the first to recognise the Maldives after its independence, is an important trading partner pursuant to a trade agreement signed in 1981 that provides for export of essential commodities. India has historically provided financial and economic aid and participated in bilateral programmes for the development of infrastructure, health, civil aviation, telecommunications and labour resources in the Maldives.

Over the past four decades and more, the commercial partnership between the Maldives and China has grown considerably. The signing of a Free Trade Agreement in December 2017 between the Maldives and China is indicative of this partnership and the wide range of opportunities for cooperation, irrespective of the difference in size and economic strength. While recognising the significance of such a historic agreement between the two

countries, the Government is currently undertaking a thorough review of the agreement before the final ratification process is to be completed.

Overview of the Economy

With more territorial sea than land, marine resources have played a vital role in the economic development of the Maldives, with nature-based tourism being the main driver of economic growth and fishing being the major source of livelihood for many locals. The Maldivian economy is heavily dependent on tourism, which is the major source of foreign exchange earnings and Government revenue and has been the principal driver of growth in the past four decades. Tourism is the primary economic activity in the Maldives, accounting directly for over a fifth of total production, and indirectly contributing to the growth in sectors such as transport, telecommunication and trading, among others.

The major market for tourism in the Maldives has traditionally been the European market. Save for 2020 due to the COVID-19 pandemic, in the past few years the country has witnessed a surge in tourist arrivals from China. Despite the COVID-19 pandemic, the Chinese middle class and the increase of visitors from China remains one of the long-term trends benefiting the tourism industry and economy in the country generally.

Growth in the tourism sector was, until recently, on an upward trend after a period of recent decline, and construction has contributed significantly to GDP growth due to large-scale infrastructure projects being undertaken to diversify the economy and increase its resilience. The country's medium-term fiscal plan is anchored by large multi-year investment projects fuelled by an increase in public and private investments.

However, the Maldives has been negatively affected by the unprecedented COVID-19 pandemic. For further information on restrictions imposed to safeguard against COVID-19, please refer to the section titled "*COVID-19*" above. Construction work projects were temporarily stopped due to supply chain disruptions, though work has since progressively recommenced. The tourism industry of the Maldives has also been adversely affected by policies implemented by the Government as well as other governments to deter the spread of the disease, including international travel restrictions. In particular, the Government made a Public Health Emergency Declaration for the first time in its history on 12 March 2020 and closed its borders to travellers on 27 April 2020. However, since the reopening of the borders on 15 July 2020, tourist arrivals have been picking up steadily. February and January 2021 and December 2020 arrivals were 96,881, 92,103 and 96,412, as compared with 35,757, 21,515 and 9,605 for the months of November, October and September 2020 respectively. The monthly average tourist arrivals for 2020 was 46,291 compared to a monthly average of 141,907 in 2019. The recovery in tourist arrivals has resulted in a steady improvement in bed nights, with 783,000 bed nights recorded in January 2021 as compared to 24,673 bed nights in July 2020.

Similarly, since the reopening of the borders, occupancy rates have also been picking up steadily. January 2021 and December 2020 occupancy rates were 57.4 per cent. and 47.7 per cent., as compared with 24.9 per cent., 16.8 per cent. and 9.9 per cent. for the months of November, October and September 2020 respectively. The yearly occupancy rate for 2020 was 25.7 per cent. compared to a yearly occupancy rate of 62.3 per cent. in 2019. As the tourism sector recovers, currency risk is expected to improve further. With the administration of the COVID-19 vaccination, the Government now targets to welcome 1.5 million tourists in 2021.

For the period from 1 January 2021 to 10 March 2021, the top five countries in terms of tourist arrivals were India (23.2 per cent.), the Russian Federation (21.6 per cent.), India (21.1 per cent.), Ukraine (6.6 per cent.), Kazakhstan (4.3 per cent.) and Germany (4.1 per cent.). However, China has been the top source market for tourist arrivals in recent years. Air travel with other markets such as Singapore, South Korea, Japan, China and Italy is expected to commence by the summer of 2021.

The fisheries sector is a critical contributing sector for the country's national economy and forms the most important primary economic activity. Before the development of tourism, fisheries was the most important industry and source of growth for the Maldives. Although the relative importance of the fisheries sector has declined since the late 1970s (due mainly to the rapid growth of tourism), its role in the Maldivian economy (and culture) remains significant. Fisheries remain a large source of employment, the largest source of physical exports, one of the few local industries supplying the touristic resorts, and a major source of food supply for the local market.

According to the World Bank, the Maldives was one of the world's 20 poorest countries in the early 1980s. Over the past 40 years, the Maldives has successfully built on its extraordinary natural assets to promote growth and socioeconomic development such that it is now a middle income country. The country still faces significant economic challenges, however, which are compounded by the country's high geographic dispersion. In particular, the domestic market continues to be small, the country has a narrow and fragile resource base, a high cost of social and economic infrastructure provision, is dependent on external trade and remains vulnerable to external shocks and natural disasters, including as a result of climate change. The World Bank has additionally called for the Maldives' model of economic development, based on tourism-led growth and redistribution of tourism-generated revenues, to be more inclusive, as poverty reduction has been slow and the level of inequality remains high.

To address these challenges, the Government has prioritised the decentralising of administration and development, launching major economic initiatives that include the development of an urban centre in the greater Malé region, specifically in the reclaimed island of Hulhumalé, which the Government envisions as an urban centre with housing, public goods and economic activities that would draw a larger proportion of the population to the region and allow for economies of scale. The Government has also embarked on a major infrastructure scale-up, especially in improving the key economic infrastructure. On the transport side, there is an ongoing project to upgrade the main international airport for the Maldives. Furthermore, the Government plans to relocate and modernise the maritime port of the Maldives and to develop additional domestic airports across the country to ease connectivity within the country.

Employment

Like other island economies, the Maldives has a small domestic market and a limited labour force. The lack of productive employment opportunities for Maldivians has been a critical contributor to uneven development and a constraint to economic inclusiveness. The growth in the tourism sector over the last few decades has made it a major source of employment in the country. The public sector, however, continues to be the largest employer of locals in the country.

Economic growth in the Maldives has attracted a large influx of immigrant workers, mostly from Bangladesh, Sri Lanka and India. Many of the new jobs created in the past few decades, particularly in the tourism and construction sectors, have been taken by foreign workers because Maldivian workers avoid manual, semiskilled, and unskilled jobs. The Government is currently undertaking initiatives to implement its "localisation" policy to reduce dependency on foreign workers and increase the engagement of the local workforce in reserved sectors of the economy. See "*Foreign Direct Investment – Limits on Foreign Control*". The 2014 Census counted 67,496 foreigners living in the Maldives who are legally classified as "temporary migrant workers", constituting 29 per cent. of the total resident population of the country. It is estimated that there is a substantial number of additional foreign workers employed informally in the country.

Levels of employment vary significantly across the country. The Household Income and Expenditure Survey ("**HIES**") in 2019 reported an unemployment rate of 5.3 per cent. nationally, 6.1 per cent. in Malé and 4.4 per cent. in the atolls (however unlike the census the sample of HIES is the residential islands). The unemployment

rate in Malé has historically tended to be higher than the national average as a result of significant migration from the outer islands to the capital in search of employment opportunities and higher salaries.

Key Economic Initiatives

The Maldives has launched ambitious initiatives to address the challenges of fiscal consolidation, uneven economic advancement and slow progress to date on economic diversification by seeking to achieve strategic and operational policy reforms and to reinforce the resilience of the national economy by widening the economic base and increasing trade. Specifically, in 2019, the Government enacted the Strategic Action Plan 2019–2023, presenting five sectors of development:

- Blue Economy – which outlines economic priorities and how these will be delivered in a sustainable manner;
- Caring State – which outlines priorities relevant to social progress;
- Dignified Families – which outlines priorities relevant to social progress
- Jazeera Dhiriulhun – which outlines priorities relevant to community and infrastructure services; and
- Good Governance – which outlines key governance reforms.

Major Government economic policies include the development of an urban centre in the greater Malé region, specifically on the reclaimed island of Hulhumalé, to which the Government hopes to attract up to two-thirds of the population in order to facilitate the provision of social services and reduce the cost of doing so. An urban centre with housing, job opportunities, public goods and economic activities would draw a bigger population to the region and allow the Government to reap scale economies.

The Government also aims to develop 50 new resorts in the next five years, introduce vertical tourism, position the Maldives as a 'vacation home', harness untapped markets, develop live-aboard marina infrastructure, develop medical tourism with world-class facilities, establish the country as an attractive destination for passenger liners and introduce educational tourism. For the country's fisheries sector, the Government aims to strengthen eco-friendly fishing in the Maldives, establish collection, packaging and distribution mechanisms for local fresh product to encourage individual and community level farming, diversify the fishing sector by opening economic zones, and become a certified highest standard processor and exporter of tuna to the international market.

Furthermore, by promoting a nationwide shift to clean energy, the Government is addressing climate change as one of the biggest development challenges for the country. The objectives for the initiative, aside from mitigating climate change risk, are to reduce dependency on imported fossil fuels for power generation, increase energy security and reduce dependency on foreign economies. Major components of this initiative involve identifying potential energy alternatives, scaling up investment in renewable power generation, promoting environment-friendly technologies for households, industry and business, promoting energy efficiency and conservation through standards, regulations, pricing policies and public awareness and introducing demand management measures.

In addition, the Government has identified the creation of Special Economic Zones ("SEZs") as a key economic initiative to promote industrial, economic, social and infrastructure development, create investment opportunities and increase foreign earnings, employment opportunities and productivity. Under the Special Economic Zones Act of 2014, special incentives and concessions are available for investing and doing business in the SEZs, including certain tax exemptions and tax benefits, depending on the status of the applicant, the nature of the investment and negotiation with the SEZ Investment Board.

Recent large-scale infrastructure projects by the Government include:

- The expansion of Velana International Airport (formerly known as Ibrahim Nasir International Airport), the main gateway to the Maldives, with the construction of a new international passenger terminal building, a new code-F runway, a new fuel farm and new fuel hydrant system, a new cargo terminal complex and a new sea plane terminal.
- The Government and the Export-Import Bank of India ("**EXIM India**") signed a loan agreement on 12 October 2020 for the purpose of financing the Greater Malé Connectivity – Malé to Thilafushi Link Project. The proceeds of the loan will be utilised to develop interconnectivity links between Malé, Villingili, Thilafushi and Gulhi Falhu. This project will allow transportation of goods and workers between Gulhifalhu and Hulhumale', creating synergies, agglomeration effects, and opportunities for growth and development of the Greater Malé region.
- On 19 March 2020, an agreement was signed between the Government and EXIM India for a line of credit to finance certain infrastructure projects, including to provide water and sewerage services on several islands, the development of three international ports at Malé, Hithadhoo and Kulhudhiffushi, and other projects such as the relocation of the Malé commercial port to the nearby Thilafushi industrial island.
- The redevelopment of Hanimaadhoo International Airport into a multi-modal international transport hub with an expanded runway and new terminal facilities. This project has secured funding under the Indian EXIM India line of credit facility and is expected to commence in 2021.
- The openings of Maafaru International Airport in 2019, Hoarafushi Airport in 2020, Sh. Funadhoo Airport in 2021 and the planned opening of Faresmaathodaa Airport in 2021, including land reclamation, to facilitate travel within the country by tourists and the local population. The projects have been and are being developed by the Regional Airports, under the Ministry of Tourism.
- The establishment of the Technopolis and Knowledge Park, an IT park in Hulhumalé with physical and IT infrastructure and supporting facilities to develop an IT training institute and space for the provision of incubator services and seed funding for start-ups.
- A national, multi-sports stadium that caters for local and international sporting events.

Key public sector investment programme projects are expected to be funded 47 per cent. by loans, 39 per cent. by domestic budget, 7 per cent. by grants and 7 per cent. by trust funds.

Additionally, the Government has introduced efforts to encourage investments in non-tourism projects, including:

- Establishing the Agro National Corporation, a state-owned enterprise formed with the overall mandate to assist in developing the agricultural sector. The Agro National Corporation commenced activity in 2021;
- De-regulating the fish processing industry in relation to skip jack tuna;
- Increased investment by the Government in fisheries value added products;
- Port investment by the Government, one of the largest projects for non-tourism diversification, which could potentially generate foreign investments in the logistics and travel industry; and
- Encouraging foreign direct investment in non-tourism areas, including new telecommunications, renewable energy projects and development of the service and manufacturing industry.

National Accounts

The following table sets out selected economic indicators of the Maldives for, or as of the end of, the periods specified:

	2015 (restated)	2016 (restated)	2017 (restated)	2018	2019	2020 ⁽²⁾ (estimate)
Real sector						
Gross domestic product ⁽¹⁾						
Real GDP growth rate (%)	2.9	6.3	7.2	8.1	7.0	(29.3)
Nominal GDP (<i>millions of MVR</i>)...	63,146.7	67,300.3	73,155.2	81,567.7	86,787.9	57,941.6
Tourism ⁽⁶⁾						
Total tourist arrivals (<i>thousands</i>) ...	1,234	1,286	1,390	1,484	1,703	555
Tourist bednights (<i>thousands</i>).....	7,323	7,771	8,596	9,478	10,689	3,985
Bednight capacity (<i>thousands</i>).....	11,471	12,373	14,089	15,291	17,260	10,146
Average stay (<i>days</i>).....	5.9	6.0	6.2	6.4	6.3	7.2
Fisheries ⁽⁶⁾						
Fish purchases (<i>mt</i>)	45,235.2	53,876.0	76,620.7	78,886.1	81,199.9	79,341.0
Inflation						
Malé (%)	1.0	0.5	2.8	(0.1)	0.2	(1.4)
Fiscal sector						
Government finance statistics ⁽²⁾						
Total revenue & grants (millions of MVR)	17,306.2	18,578.1	20,258.6	22,223.0	23,231.8	14,692.8
Total expenditure & net lending (millions of MVR)	21,336.9	25,263.4	22,420.2	26,418.7	28,856.9	30,627.7
Overall balance (<i>deficit/surplus</i>) (<i>millions of MVR</i>)	(4,134.7)	(6,728.4)	(2,238.9)	(4,299.3)	(5,762.9)	(15,934.9)
Overall balance as a percentage of GDP (%).....	(6.5)	(10.0)	(3.1)	(5.3)	(5.8)	(27.5)
Financial sector						
Monetary financial statistics ⁽⁶⁾						
Broad money (<i>millions of MVR</i>) .	30,491.9	30,436.3	32,005.9	33,088.3	36,241.4	41,394.8
Net foreign assets (<i>millions of MVR</i>)	12,297.4	7,796.0	10,335.6	9,852.1	13,166.1	6,261.3
Net domestic assets (<i>millions of MVR</i>)	18,194.8	22,566.9	21,652.4	23,269.1	23,199.7	35,133.5
o/w						
Net claims on central govt (<i>millions of MVR</i>)	11,390.1	13,393.5	11,789.2	13,004.5	13,298.0	25,207.7
Claims on pvt. sector (<i>millions of MVR</i>).....	16,817.1	18,583.0	20,723.4	23,084.4	24,788.6	27,140.6
Reserve money (<i>millions of MVR</i>).....	10,274.1	8,977.7	10,683.2	11,530.9	11,106.2	12,248.7
Monetary operations						

	2015 (restated)	2016 (restated)	2017 (restated)	2018	2019	2020 ⁽²⁾ (estimate)
Overnight deposit facility (avg.).....	2,496.4	3,229.4	3,095.1	3,152.2	2,347.5	3,138.2
Open market operations (avg.) ⁽³⁾	—	—	—	—	—	—
External sector						
Gross international reserves (millions of US\$)	564.0	467.1	587.3	712.0	753.3	984.8
Balance of payments ⁽⁴⁾						
Balance on goods (millions of US\$).....	(1,654.7)	(1,838.7)	(1,908.1)	(2,424.9)	(2,392.4)	(1,420.2)
Goods: credit (millions of US\$)	239.8	256.2	318.3	339.2	360.7	256.4
Goods: debit (millions of US\$)	1,894.5	2,094.9	2,226.5	2,764.2	2,753.1	1,676.7
Current account balance (millions of US\$)	(301.7)	(1,032.4)	(1,026.7)	(1,502.5)	(1,513.3)	(1,099.0)
Current account balance as a per cent. of GDP (%).....	(7.4)	(23.7)	(21.7)	(28.4)	(26.0)	(29.2)
Exchange rates ⁽⁵⁾ (MVR per US\$)	15.41	15.35	15.41	15.41	15.38	15.41

Source: National Bureau of Statistics, Ministry of Tourism, Ministry of Fisheries and Agriculture, Ministry of Finance, MMA, Maldives Customs Service, Maldives Airport Company Limited ("MACL") and Gan International Airport

Notes:

- (1) GDP Figures for 2015 to 2019 are actual numbers published by the National Bureau of Statistics. The figures for 2020 are the official GDP forecasts published with the approved Government budget for 2021. In 2017, the GDP figures for 2015, 2016 and 2017 were rebased by the National Bureau of Statistics, from a base year of 2003 to 2014.
- (2) Figures up to 2019 are actuals and figures for 2020 are estimates.
- (3) Open market operations temporarily suspended from May 2014 onwards.
- (4) Balance of Payment figures are based on information available as of February 2021. Figures for 2020 are revised estimates.
- (5) Exchange rates refer to MMA daily reference exchange rate.

Gross Domestic Product

The Maldives' GDP is measured using the production approach (also known as the output approach) where the GDP is measured as the difference between the value of output less the value of goods and services used in producing these outputs in a given year.

The following tables show the trend in GDP growth for the periods indicated:

	Gross Domestic Product (at 2014 constant prices) ⁽¹⁾					
	2015 (restated)	2016 (restated)	2017	2018	2019	2020 ⁽²⁾
	(y/y % change)					
Gross domestic product (at market prices).....	2.9	6.3	6.8	6.9	5.7	(29.3)
Taxes less subsidies.....	(3.7)	3.8	8.6	8.4	6.3	N/A

Gross Domestic Product (at 2014 constant prices)⁽¹⁾

	2015	2016	2017	2018	2019	2020⁽²⁾
	(restated)	(restated)				
	<i>(y/y % change)</i>					
Gross domestic product (at basic prices).....	3.7	6.6	7.1	8.1	7.1	N/A
Primary	(0.4)	1.5	8.3	4.8	5.0	N/A
<i>o/w</i>						N/A
Fisheries.....	(1.1)	1.3	11.0	5.6	5.9	N/A
Secondary	18.1	8.9	13.0	15.6	1.5	N/A
<i>o/w</i>						N/A
Construction.....	27.2	5.6	14.1	20.5	(0.3)	N/A
Tertiary	2.4	6.7	6.2	7.3	8.0	N/A
<i>o/w</i>						N/A
Tourism.....	(1.3)	4.5	10.3	9.7	13.2	N/A
Transport.....	3.9	3.1	(1.3)	2.4	4.5	N/A
Communication	25.6	21.6	4.6	3.0	6.1	N/A
Real estate.....	3.6	3.7	0.5	5.8	4.3	N/A
Govt. administration	6.3	6.4	12.4	5.4	11.1	N/A

Source: National Bureau of Statistics, Ministry of Finance & Treasury

Notes:

- (1) Figures for 2015 to 2019 are actual numbers published by National Bureau of Statistics. The figures for 2020 are the official GDP forecasts published with the approved Government budget for 2021. The GDP figures for 2015 and 2016 were rebased by the National Bureau of Statistics, from a base year of 2003 to 2014.
- (2) The breakdown of figures for 2020 will not be available until end of April 2021.

Gross Domestic Product (at 2014 constant prices)⁽¹⁾

	2015	2016	2017	2018	2019	2020⁽²⁾	2020⁽²⁾
	(restated)	(restated)					
	<i>(in millions of MVR, except as indicated otherwise)</i>						<i>(millions of US\$)⁽²⁾</i>
Gross domestic product (at market prices).....	58,507.1	62,215.5	66,701.1	72,123.1	77,161.9	38,147	2,473.9
Taxes less subsidies	5,952.6	6,177.4	6,709.9	7,273.1	7,734.7	2,333	151.3
Gross domestic product (at basic prices).....	52,554.5	56,038.1	59,991.2	64,850.0	69,427.2	35,816	2,322.7
Primary	3,005.8	3,050.1	3,302.0	3,459.8	3,633.9	2,737	177.5
<i>o/w</i>							
Fisheries.....	2,209.7	2,238.7	2,484.9	2,624.5	2,779.1	2,094	135.8
Secondary.....	5,652.8	6,155.9	6,956.3	8,040.5	8,160.2	4,633	300.5
<i>o/w</i>							
Construction	3,530.1	3,726.8	4,251.8	5,122.2	5,109.1	2,588	167.8
Tertiary.....	43,895.9	46,832.1	49,732.8	53,349.8	57,633.1	28,445	1,844.7

Gross Domestic Product (at 2014 constant prices)⁽¹⁾

	2015	2016	2017	2018	2019	2020⁽²⁾	2020⁽²⁾	
	(restated)	(restated)						
	<i>(in millions of MVR, except as indicated otherwise)</i>						<i>(millions of US\$)⁽²⁾</i>	
<i>o/w</i>								
Wholesale and Retail trade.....	5,001	5,589	5,706	6,120	6,042	2,683	174.0	
Tourism	14,161	14,792	16,323	17,902	20,269	5,451	353.5	
Transportation and communication ...	7,767.0	8,434.0	8,593.0	8,911.0	9,509.0	4,089	265.2	
Real estate.....	4,315.3	4,473.5	4,495.1	4,754.1	4,956.4	3,799	246.4	
Public administration	4,646.7	4,942.5	5,554.3	5,854.2	6,506.1	5,187	336.4	
Percentage of GDP (at basic prices)								
Primary	5.7	5.4	5.5	5.3	5.2	7.9	—	
Secondary	10.8	11.0	11.6	12.4	11.8	12.7	—	
Tertiary	83.5	83.6	82.9	82.3	83.0	74.5	—	
Fisheries.....	4.2	4.0	4.1	4.0	4.0	6.0	—	
Construction.....	6.7	6.7	7.1	7.9	7.4	6.9	—	
Wholesale and Retail trade.....	8.6	9.0	8.6	8.5	7.9	7.1	—	
Tourism.....	24.2	23.8	24.4	24.7	26.2	10.2	—	
Transportation and communication.....	13.3	13.6	12.9	12.4	12.3	10.7	—	
Real estate.....	8.2	8.0	7.5	7.3	7.1	11.1	—	
Public administration	8.4	8.8	9.3	9.0	9.4	15.2	—	

Source: National Bureau of Statistics, Ministry of Finance

Notes:

- (1) Figures for 2015 to 2019 are actuals figures published by the National Bureau of Statistics. The figures for 2020 are the official GDP forecasts published with the approved Government budget for 2021. The GDP figures for 2015 and 2016 were rebased by the National Bureau of Statistics, from a base year of 2003 to 2014.
- (2) Data for 2020 is as at 30 September 2020.
- (3) Exchange rate of US\$1 to MVR15.42 as of 31 January 2021.
- (4) Percentages of GDP (at basic prices) for 2020 represent the averages for the first, second and third quarters of 2020.

In 2020, the decline in the Maldivian economy was due to the impact of COVID-19, which has left a significant number of workers unemployed or in debt due to pay cuts or closure of tourist facilities, in particular small and medium-sized enterprises, such as local guesthouses. See the section titled "COVID-19" above for further information.

In 2019, growth in the Maldivian economy was mainly driven by the exceptional performance of the tourism sector on the back of strong global demand and increased air connectivity. Consequently, activity in tourism-

related sectors such as transport and communications also expanded and contributed positively to growth. In contrast, following strong growth in the last few years, activity in the construction sector slowed significantly in 2019, while wholesale and retail trade activity also weakened, which contributed to the slowdown in pace of overall economic growth during the year. The weakening of construction sector growth during 2019 reflected the completion of the majority of large scale public infrastructure projects towards the end of 2018, and delays in the tendering and initiation of Government projects planned for 2019.

The Maldivian economy maintained its robust growth trajectory during 2018 with real GDP growth accelerating. The better-than-expected performance in 2018 was predominantly driven by the exceptional performance of the tourism sector on the back of strong global demand and increased air connectivity. In 2018 growth was also bolstered by strong activity in wholesale and retail trade, and construction investment led by the mega infrastructure projects of the Government and strong bank credit growth to the private sector.

In 2017, the Maldivian economy gained momentum. This growth was spearheaded by the strong performance of the tourism sector on the back of the favourable economic environment within the main source markets. Further, the construction sector continued its strong growth during the year, buoyed by large public infrastructure projects and residential projects. In addition, activity in the fisheries sector further strengthened during the year as evidenced by the higher fish purchases by fish processing companies and strong fish export volume.

In 2016, activity in the domestic economy remained buoyant and recorded a strong real GDP growth. The growth was largely driven by the continued robust performance of the construction sector throughout the year. Further, the tourism sector improved during the latter part of 2016 on the back of higher arrivals from the European market. In addition, activity in the fisheries sector rebounded after performing weakly over the previous few years.

In 2015, the Maldivian economy slowed to 2.2 per cent. in real GDP terms, compared with growth of 7.3 per cent. in 2014. The slowdown was mainly driven by the sluggish performance of the tourism sector, which fell short of expectations owing to the strengthening of the U.S. dollar against most currencies, the worsening economic conditions in Russia, a major source market from Europe, and increased domestic political tensions during the latter half of 2015. The performance of the tourism sector was partly offset by strong construction output, which was largely driven by the commencement of several public sector infrastructure projects and the increase in resort development projects and residential projects. Primary fishing activity and fishing-related manufacturing activity also weakened in 2015, exacerbated by adverse conditions in the international tuna market, such as low demand and declining prices.

Principal Sectors of the Economy

The principal sectors of the Maldivian economy, as determined by contribution to the country's GDP, are tourism, wholesale and retail trade, public administration, construction, postal and telecommunication, transportation, and real estate. Fisheries, while less significant in recent times in its contribution to the economy, is nonetheless an important source of export production and employment.

Tourism

The Maldivian economy is dominated by the tourism sector accounting directly for close to a quarter of total production, and as such any impact on the tourism sector has a consequential impact on the rest of the economy. Tourism in the Maldives began in 1972 with the launch of Kurumba village, the first resort in the Maldives and expanded rapidly over the next few decades, becoming a major driver of the country's economic growth. In recent times, the Maldives has capitalised on its position as a high-end holiday destination by commanding high premiums over other tourist destinations. The development of the tourism sector has supported the country's

progress, including through job creation, improving the country's transport infrastructure, expansion of public services such as health and education facilities beyond Malé, provision of social insurance for the elderly, and provision of subsidies covering food and energy. Tourism growth is impacted by both cyclical factors and certain structural factors. In 2019, tourist arrivals increased by 14.7 per cent. compared to 2018. However, tourist arrivals in 2020 fell by 67.5 per cent. compared to 2019 due to the impact of COVID-19. However, with the re-opening of borders allowing tourism to recommence on 15 July 2020, the Maldives has seen a substantial rate of recovery, exceeding that of the initial projections. Despite closing its borders from March until July 2020, the Maldives received over 555,000 tourists by the end of 2020. From 1 January 2021 to 17 February 2021, the Maldives has received over 145,000 tourists.

Tourists to the Maldives mainly come from China, India, Germany, the United Kingdom, Russia and Italy. In the 1970s, 1980s and 1990s, Europe accounted for between 70 per cent. and 80 per cent. of tourist arrivals. The recent upward trend of Maldives holiday prices coupled with the economic downturn in Europe resulted in a decline in the European share of the tourism market in the years since the 2008 global financial crisis. While the proportion of European tourists has declined, the proportion of Asian tourists has grown. Chinese tourist arrivals have increased from 41,511 in 2008 to 284,029 in 2019, showing an increase in the share of Chinese tourists out of total tourist arrivals from 6 per cent. to 16.7 per cent. in this period. As of 31 December 2019, Asian tourists formed 41 per cent. of total tourist visitors to the Maldives while European tourists formed 49 per cent. The arrivals of European visitors accelerated at an unprecedented level in 2016 and 2019 after a period of slow growth.

As of the end of 2019, there were 164 resorts located throughout the atolls, with 16 more resorts in operation than as of the end of 2018, and over 1.7 million tourists visited the Maldives, a 14.7 per cent. increase from tourists in 2018. During the year, total bed nights grew by 12.8 per cent. in annual terms and average duration of stay decreased slightly from 6.4 days in 2018 to 6.3 days in 2019. Meanwhile, the occupancy rate in 2019 increased slightly by 0.2 per cent. to 62 per cent. compared to 2018.

Over the past few decades, the number of tourists in the Maldives has risen continuously. In 2009, a change in law allowed tourists to stay among the local population, rather than just on privately owned resort islands, allowing for the introduction of guesthouses in the Maldives.

The Maldives tourism industry benefits from the nation's geography, pristine marine environment with rich biological diversity, white sand beaches and clean air. The climate allows visitors to engage in water sports such as swimming, fishing, scuba diving, snorkelling, water-skiing, windsurfing and kite boarding. The Maldives is ranked among the best recreational diving destinations in the world.

While the tourism sector has flourished, there are a few challenges to its continued growth. The Government allocates resort leases to companies for resort development. While the legal framework allows for open and competitive bidding for such leases, the sector is currently dominated by a few large groups and there are significant barriers to entry. According to the World Bank, at the end of 2013, the four largest tourism groups established in the Maldives controlled 31 per cent. of resorts and 38 per cent. of resort beds in the country. In addition, inefficiencies in the resort development process, in particular with respect to construction delays following lease allocations, has hampered the growth of the sector. In 2019, 18 new resorts were registered in the Maldives, and as of December 2020, there were 159 registered licences granted for resorts with 140 of the licensed resorts in operation. As of the date of this Base Prospectus, the Government has also tendered four new resorts and another 24 resorts will be tendered for the remainder of 2021. Construction of upcoming projects has commenced and it is now forecasted that more than 15 resorts will open by the end of 2021.

In addition, although the tourism sector has been affected due to the ongoing COVID-19 pandemic, the Maldives is well-positioned for a recovery in the tourism sector due to:

- natural segregation of tourists with its "one island one resort" concept;
- planned implementation of travel bubbles to encourage safer recovery of travel / tourism between partner countries;
- proposed "Maldives Border Miles" loyalty programme to encourage repeat travellers; and
- a "Visit, Vaccine and Vacation" programme being contemplated to ensure the safety of tourism workers.

As of the date of this Base Prospectus, the key guidelines for the tourism sector are as follows:

- tourists traveling to Maldives are required to complete an online health declaration form and provide a negative PCR test result taken at least 96 hours prior to their departure;
- to reopen, resorts must have a medical clinic, medical officer and a nurse who are oriented on the protocols of the COVID-19 management plan;
- tourists are recommended to download and use the contact tracing app "TraceEkee" to facilitate contact tracing;
- tourists can split their stay between resort, hotels, guesthouses and liveaboard boats, with prior approval as per split-stay procedures and guidelines; and
- all tourists departing from the country are required to submit another online health declaration form prior to departure.

The table below shows the total number of visitor arrivals, operational capacity, occupancy rate and the total number of resorts and related data for the periods indicated:

Period (annual except as noted)	2015 (restated)	2016	2017 (restated)	2018	2019	2020 ⁽⁴⁾
Tourist arrivals & stay						
Total arrivals (thousands)	1,234	1,286	1,390	1,484	1,703	555
Bednights (thousands)	7,323	7,771	8,596	9,478	10,689	3,985
Average stay (days)	5.9	6.0	6.2	6.4	6.3	7.2
Capacity & operations						
Operational bed capacity	31,424	33,802	38,592	41,887	47,274	27,745
Bednight capacity (thousands)	11,471	12,373	14,089	15,291	17,260	10,146
Registered bed capacity	32,835	35,353	39,536	43,050	48,910	52,341
Occupancy rate (%)	63.9	62.9	61.1	62.1	62.3	25.7
Resorts in operation ⁽¹⁾	105	111	124	130	146	91
y/y % change						
Tourist arrivals	2.4	4.2	8.0	6.8	14.7	(67.4)
Bednights	(2.4)	6.1	10.6	10.3	12.8	(62.7)
Operational bed capacity	6.5	7.6	14.2	8.5	12.9	(41.3)
Bednight capacity	6.5	7.9	13.9	8.5	12.9	(41.2)
Registered bed capacity ⁽³⁾	7.4	7.7	11.8	8.9	13.6	7.0
Memorandum items						
Goods and Services Tax ("GST") on tourism ⁽²⁾ (millions of MVR)	4,150.3	3,920.7	4,198.5	4,783.3	4,903.4	1,957.6

Source: Ministry of Tourism, Maldives Inland Revenue Authority ("MIRA")

Notes:

- (1) Annual data refers to average number of resorts in operation.
- (2) Annual data refers to Government revenue. Monthly data refers to data published by MIRA as Tourism Goods and Services Tax ("T-GST").
- (3) Refers to average numbers of registered bed capacity during the relevant period.
- (4) Figures for 2020 are revised estimates.

The table below shows the number of visitors from each country or region category for the periods indicated:

Period (annual except as noted)	2015	2016	2017	2018	2019	2020
			(restated)			
Tourist arrivals.....	1,234,248	1,286,135	1,389,542	1,484,274	1,702,887	555,494
Europe.....	535,962	575,176	646,363	726,420	833,939	348,349
Asia.....	578,322	572,336	586,791	580,928	661,000	134,279
Africa.....	9,248	10,752	14,678	15,354	18,695	6,458
Americas.....	46,630	50,458	61,972	68,764	84,794	32,060
Oceania.....	21,777	25,708	30,308	40,510	44,140	7,964
Middle East.....	41,976	51,330	4,9193	52,114	60,003	26,288
UN passport holders & others.....	333	375	237	184	316	96
<i>o/w</i>						
Germany.....	105,132	106,381	112,109	117,532	131,561	36,435
Italy.....	65,616	71,202	88,867	105,297	136,343	46,690
Russia.....	44,323	46,522	61,931	70,935	83,369	61,387
United Kingdom.....	92,775	101,843	103,977	114,602	126,199	52,720
China.....	359,514	324,326	306,530	283,116	284,029	34,245
<i>y/y % change</i>						
Tourist arrivals.....	2.4	4.2	8.0	6.8	14.7	(67.4)
Europe.....	1.3	7.3	12.4	12.4	14.8	(58.2)
Asia.....	1.8	(1.0)	2.5	(1.0)	13.8	(79.7)
Middle East.....	12.8	22.3	(4.2)	5.9	15.1	(56.2)
Germany.....	6.9	1.2	5.4	4.8	11.9	(72.3)
Italy.....	13.4	8.5	24.8	18.5	29.5	(65.8)
Russia.....	(33.2)	5.0	33.1	14.5	17.5	(26.4)
United Kingdom.....	4.6	9.8	2.1	10.2	10.1	(58.2)
China.....	(1.1)	(9.8)	(5.5)	(7.6)	0.3	(87.9)

Source: Ministry of Tourism

The table below shows registered bed capacity by sector within the Maldives' tourism industry for the periods indicated:

Year	Total Bed Capacity ⁽¹⁾					
	2015	2016	2017	2018	2019	2020
Resorts (including marinas).....	24,277	25,685	28,447	30,545	35,016	37,566
Hotels.....	1,682	1,713	1,582	1,759	1,756	1,698

Year	Total Bed Capacity ⁽¹⁾					
	2015	2016	2017	2018	2019	2020
Guest Houses	3,973	5,288	6,778	8,017	9,210	10,343
Safari Vessels	2,905	2,552	2,728	2,729	2,923	2,922
Total	32,837	35,237	39,536	43,050	48,904	52,341

Source: Ministry of Tourism

Note:

(1) Refers to average number of total registered bed capacity during the relevant period.

Wholesale and retail trade

As the Maldives imports a large share of the goods consumed within the country, the trading sector plays an important distribution role in catering to the demands of the local population and the tourists that visit the country.

As of 30 September 2020, the wholesale and retail trade sector accounted for the seventh largest share of GDP, contributing 6.9 per cent. for the nine months ended 30 September 2020. This represents a decline of 0.8 per cent. when compared to the corresponding period in 2019.

In 2019, the sector declined by 1.2 per cent. from the previous year, and the sector generated a real value added of MVR6,043 million. The main indicator used to measure the industry's performance is the imports of goods and services, the decline of which attributed to the 2.3 per cent. decline in import of goods (excluding Government imports). The growth slowdown also partly reflected the contraction in construction sector growth during the year. During the year lending to the sector also fell.

In 2018, the sector grew by 7.3 per cent. from the previous year and the sector generated real value added of MVR6,120 million. This was a result of substantial growth observed for the import of goods during the year (24.5 per cent.). A business survey showed that both the volume of sales and volume of orders placed increased throughout the year.

In 2017, the sector grew by 2.1 per cent. from the previous year and the sector generated real value added of MVR5,706 million. Growth reflected the robust performance of the economy in general, especially in the tourism sector and the construction sector. Growth also reflected the performance of indicators for the sector. Private sector imports (excluding tourism) registered an annual increase of 16 per cent. during 2017, while commercial bank credit to the sector edged upwards marginally during the same period.

In 2016, the sector grew by 11.8 per cent. from the previous year, and the sector generated real value added of MVR5,589 million. This reflected the strong rebound in the Maldives' economy in 2016. Growth also reflected the performance of indicators for the sector. Private sector imports (excluding tourism) registered an annual growth of 10 per cent. during 2016. Meanwhile, commercial bank credit to the sector grew by 7 per cent. during the year. A majority of respondents to a business survey of the wholesale and retail sector indicated an increase in both volume of sales and orders placed with suppliers.

Public Administration

The public administration sector is the one of the largest contributors to the Maldives' GDP. The sector employs a significant proportion of the local population. According to the 2014 Census, 27 per cent. of the total employed resident Maldivian population are Government sector and security services employees.

As of 30 September 2020, the public administration sector accounted for the largest share of GDP, contributing 16.8 per cent. for the nine months ended 30 September 2020. This represents an increase of 7.6 per cent. when

compared to the corresponding period in 2019. In 2019, the public administration sector grew by 11.1 per cent., and the sector generated a real value added of MVR6,506 million. The growth reflected the expansion of Government expenditure due to the change in administration.

In 2018, the public administration sector grew by 5.4 per cent., and the sector generated a real value added of MVR5,854 million. The growth reflected the expansion of Government expenditure during a major election year.

In 2017, the public administration sector grew by 12.4 per cent., and the sector generated a real value added of MVR5,554 million. Despite the cuts in current expenditure and stricter controls on hiring, the sector experienced relatively strong growth in the year.

In 2016, the public administration sector grew by 6.4 per cent. compared to the previous year, and the sector generated MVR4,942 million in constant prices. A similar growth was maintained as in the previous year, especially through strong controls on recurrent expenditure.

Construction

The construction sector focuses on private and public sector construction. This includes the private sector construction of hotels and resorts for the tourism industry as well as the private sector investment in housing. In recent years a major driver of the growth in the sector has been public sector infrastructure works and public housing projects.

As of 30 September 2020, the construction sector accounted for the sixth largest share of GDP, contributing 7.0 per cent. for the nine months ended 30 September 2020. This was an increase of 0.3 per cent. when compared to the corresponding period in 2019.

In 2019, the sector declined by 0.3 per cent. from the previous year, and the sector generated real value added of MVR5,109 million. This decline reflected the completion of the majority of large scale public infrastructure projects towards the end of 2018, and delays in the tendering and initiation of Government projects planned for 2019.

In 2018, the sector grew by 20.5 per cent. from the previous year, and the sector generated real value added of MVR5,122 million. The construction sector continued its robust growth trend during 2018, underpinned by various public infrastructure projects and strong bank credit growth to the private sector.

In 2017, the sector grew by 14.1 per cent. from the previous year, and the sector generated real value added of MVR4,252 million. The construction sector maintained the growth momentum of the previous few years in which work progressed on the major public infrastructure projects, more resorts were opened and housing development accelerated, particularly in Malé. Furthermore, an additional 13 resorts became operational during 2017. Outstanding loans and advances to the construction sector grew by 11.2 per cent. in 2017.

In 2016, growth for the sector was 5.6 per cent., and the sector generated real value added of MVR3,727 million. Growth was fuelled by ongoing major public infrastructure projects, housing construction activities and resort developments by the private sector.

Transportation and communication

Over the past two decades, the communication sector has been one of the fastest growing sectors in the Maldives economy, with major liberalisation of the sector and the fast pace of change in telecommunication technology across the globe. In 1988, Dhivehi Raajjeyge Gulhun Pvt Ltd ("**Dhiraagu**"), the first telecom company in the Maldives, was established as a joint venture between the Government and international partner Cable and Wireless. Dhiraagu maintained a monopoly over the sector until liberalisation in the mid-2000s. In 2005,

Wataniya Telecom Pvt Ltd, a foreign owned private company, was licensed to operate mobile phone services in the Maldives, and Focus Infocom Pvt Ltd, a Maldivian company, was licensed to provide internet services.

Since liberalisation there has been a large build-up in telecommunication infrastructure, sustained decreases in telecommunication prices, and a rapid growth in telecommunication usage, especially in the growing segments of mobile and internet communications. Currently, both Dhiraagu and Ooredoo Maldives Plc. (formerly Wataniya Telecom Maldives Pvt Ltd) provide 100 per cent. mobile phone coverage to all inhabited islands of the Maldives and resorts.

The transport industry consists of road, air and water transport, warehousing and support activities for transportation, including cargo handling, and the "informal" categories (which includes private cars being used as taxis and other hire services and small unregistered businesses providing ferry services). The transport sector has expanded alongside the development of the tourism industry.

As the Maldives is a multi-island state with its population dispersed among more than 190 islands spread across 90,000 square km of territorial waters, there remains vast potential for growth of the transport sector and, outside of the resort islands, insufficient connectivity remains an issue for private individuals and micro, small and medium sized enterprises on the atolls. Not all inhabited islands have adequate harbour access facilities. The Government has established the Integrated Transport Network in 2009, which provides ferry services to all atolls at a low cost. Currently, the Maldives Transport and Contracting Company Plc., a state-owned enterprise ("SOE"), operates the ferry services across the country.

To address the increase in sea transport activities, the Government has developed plans to expand its transport network as part of the Strategic Action Plan 2013-2023. The Government's strategy, set out in the plan, is to: (i) strengthen the legal and regulatory framework of the maritime sector; (ii) strengthen maritime infrastructure and services to enhance socio-economic growth; (iii) increase concerted efforts to reduce congestion and ease accessibility to roads in the Greater Malé region; and (iv) strengthen air transport and maintain a liberal aviation policy that benefits tourism and trade. High priority initiatives include increasing connectivity of administrative islands and improving mobility of individuals, goods and services.

As of 30 September 2020, the transportation and communication sector accounted for the fourth largest share of GDP, contributing 9.2 per cent. for the nine months ended 30 September 2020. This is a decrease of 3 per cent. when compared to the corresponding period in 2019.

In 2019, the transport and communication sector grew by 6.1 per cent. as compared to the previous year, and the sector generated a real value added amount of MVR2,947 million. The sectoral growth was linked with tourism demand and the performance reflected the relatively robust performance of the tourism sector in 2019.

Real Estate

The high contribution of this sector to the GDP of the Maldives reflects the concentration of population and economic activities in Malé over the past decades and the consequent rise in rental and real estate value. The growth in the population of Malé is primarily the result of internal migration within the Maldives, from the atolls to Malé, for access to higher quality services and better economic opportunities.

The limited availability of land in Malé and the fact that demand has exceeded supply for the past decades has resulted in hikes in rental prices and real estate value in Malé. Robust growth is expected for the real estate sector in the coming years with the development of public and private housing in Hulhumalé.

As of 30 September 2020, the real estate sector accounted for the second largest share of GDP, contributing 12.3 per cent. for the nine months ended 30 September 2020. This was an increase of 5.5 per cent. when compared to the corresponding period in 2019.

In 2019, the real estate sector grew by 4.3 per cent. as compared to the previous year, and the sector generated real value added of MVR4,956 million. Growth was due to the growth in housing stock in the year. Lending to the real estate sector grew by 8.5 per cent. in the year.

In 2018, the real estate sector grew by 5.8 per cent. as compared to the previous year, and the sector generated real value added of MVR4,754 million. The sector maintained strong growth backed by growth in the housing stock as well as real estate lending. Real estate lending grew by 3.6 per cent. in 2018.

In 2017, the real estate sector grew by 0.5 per cent. as compared to the previous year, and the sector generated real value added of MVR4,495 million. Despite the growth in real estate lending during the year the slowdown in the industry may have been a delayed reflection of the contraction of real estate lending in two of the previous three years.

In 2016, the real estate sector grew by 3.7 per cent., generating real value added of MVR4,474 million and contributed to 7.2 per cent. of GDP. The real estate sector maintained healthy growth during the year despite lower lending to the real estate sector during the year.

Fisheries

Tuna, mostly skipjack and yellowfin tuna, has historically been the country's main commodity. While the fisheries sector has accounted for just under 4 per cent. of GDP from 2014 to 2019, fisheries is the second most important industry in the Maldives. As a fundamental sector to the domestic economy, the fisheries sector is the second most important source of the nation's foreign currency earnings, and fisheries and fish processing companies provide the most important source of livelihood in the rural islands, where employment opportunities are limited. Further, it is one of the few local industries supplying to the tourist resorts and is a major source of food supply for the local population.

However, the fisheries sector has experienced certain negative trends, with declining contributions as a percentage of employment in the same period. The decrease of employment in the fisheries sector is largely attributed to the increased mechanisation of the sector. Additionally, the sector faces several sustainability challenges, such as destructive fishing methods, sub-optimal fisheries management in the Indian Ocean, increased coral reef mortality due to changes in sea surface temperature and high levels of illegal fishing. Due to the lack of storage and processing capacity in the Maldives, a large share of the fish caught is exported frozen or chilled to the international market, thereby leading to a loss in potential value-added earnings from the industry. Enhancing the domestic value-added capacity is a key commitment of the current administration. The Maldives practices a sustainable form of pole and line fisheries.

As of 30 September 2020, the fisheries sector accounted for the third largest share of GDP, contributing 9.5 per cent. for the nine months ended 30 September 2020. This was an increase of 5.9 per cent. when compared to the corresponding period in 2019 (mainly attributable to a general contraction of the economy in other sectors).

In 2019, the fisheries sector grew by 5.9 per cent. as compared to the previous year, and the sector generated real value added of MVR2,779 million. Fish processing sector grew by 5.6 per cent. and generated real value added of MVR440 million. Growth reflected the growth in fish caught and purchases by fish processors.

In 2018, the fisheries sector grew by 5.6 per cent. as compared to the previous year, and the sector generated real value added of MVR2,625 million. The fish processing sector grew by 2.5 per cent. and generated real value added of MVR417 million. The fisheries sector slowed down during 2018 as indicated by the deceleration in the growth of fish purchases by fish processing companies and the sizeable decline in the volume of fish exports.

In 2017, the fisheries sector grew by 11.0 per cent. as compared to the previous year, and the sector generated MVR2,485 million. The fish processing sector grew by 35.8 per cent. and generated real value added of

MVR407 million. This was the fastest growth recorded in more than a decade. Activity in the fisheries sector further strengthened during the year as evidenced by the higher fish purchases by fish processing companies and strong fish export volume.

In 2016, the fisheries sector grew by 1.3 per cent. as compared to the previous year, and the sector generated MVR2,239 million. Major indicators for the fisheries sector, such as fish purchases made by collector vessels from local fisherman, and exports, recovered in 2016, with fish purchases growing by 19.1 per cent. and fish exports growing by 6.8 per cent.

Annual fish catch

Species	2015 (tons)	2016 (tons)	2017 (tons)	2018 (tons)	2019 (tons)
Skipjack tuna	69,244.32	69,589.48	89,683.15	100,099.49	88,019.67
Yellowfin tuna.....	51,472.46	53,705.45	49,376.81	47,216.70	44,423.90
Bigeeye tuna.....	1,828.27	2,480.04	1,074.17	432.31	395.98
Albacore tuna.....	1.25	15.29	3.47	10.57	4.17
Dogtooth tuna	46.03	11.45	21.81	10.29	3.32
Little tuna	226.34	29.99	161.34	90.91	45.76
Frigate tuna.....	115.78	143.18	345.28	338.61	132.91
Other fish.....	4,417.38	3,216.10	2,493.93	2,825.45	2,043.23
Total.....	127,351.82	129,191.00	143,159.96	151,024.32	135,068.93

In 2018, annual fresh fish purchased grew by 56 per cent. in 2018, compared to 2014. Annual fresh fish purchased represented 78,886.1 tons, 76,620.7 tons, 53,876.0 tons, 45,235.16 tons and 50,511.17 tons in 2018, 2017, 2016, 2015 and 2014, respectively.

Fishing activity as a share of GDP has increased from 2014 to 2018, with the primary harvesting sector's contribution to real GDP increasing from 3.9 per cent. in 2014 to 9.5 per cent. of real GDP as of 30 September 2020. Major indicators for the fisheries sector, such as fish purchases made by collector vessels from local fisherman, and exports, recovered in 2016, with the value derived from fish exports growing by 12.8 per cent., over the course of six years, from 2015 to 2020. Annual fish exports represented US\$155.0 million, US\$150.1 million, US\$173.8 million, US\$193.1 million, US\$134.8 million and US\$137.3 million in 2020, 2019, 2018, 2017, 2016 and 2015, respectively.

Inflation

Inflation in the Maldives is measured by the year-on-year changes in the CPI, with a reference base of 2019. The CPI is calculated using the Laspeyres index formula and is measured on a monthly basis by the National Bureau of Statistics. The CPI tracks the price changes in relation to a basket of goods consisting of food and non-alcoholic beverages, housing, water, electricity, gas and other fuels, furnishing, household equipment and routine maintenance of the house, health, transport, communications, education, restaurants and hotels. Average inflation in the Maldives was 0.5 per cent. from 2015 until 2020.

The following table outlines the levels of national inflation for the major categories of goods that are in the CPI basket for the years indicated:

	Period (annual except as noted)					
	2015	2016	2017 (restated)	2018 (restated)	2019	2020 ⁽²⁾
y/y % change in CPI(1) All items	1.0	0.5	2.8	(0.1)	0.2	(1.4)
<i>o/w</i>						
Food & non-alcoholic beverages..	0.5	0.6	5.6	(1.1)	(0.8)	2.7
<i>o/w</i>						
Food	0.4	0.7	5.9	(1.2)	(0.9)	3.0
<i>o/w</i>						
Fish (ND)	(0.5)	(1.6)	3.2	1.7	(2.8)	2.5
Housing, water, electricity, gas & other fuel	1.0	0.3	1.3	(0.2)	2.2	(4.7)
Furnishing, household equipment & routine maintenance of the house	0.6	0.9	1.1	(1.3)	(0.5)	(0.6)
Health	2.1	1.8	(0.2)	0.5	1.9	0.5
Transport	(2.3)	(1.5)	0.5	1.0	0.3	(1.1)
Communications	0.3	(0.8)	(0.1)	0.8	(0.1)	(9.8)
Education	7.6	4.9	4.2	2.3	0.0	(0.1)
Restaurants & hotels	(0.2)	1.7	2.0	2.1	4.0	1.0
Total excluding Fish	1.1	0.7	2.8	(0.3)	0.5	(1.6)
Total excluding Food & non-alcoholic beverages⁽¹⁾	1.1	0.5	1.7	0.3	0.7	(2.6)

Source: National Bureau of Statistics

Note:

(1) CPI based on August 2019 = 100.

CPI decreased by 1.4 per cent. as of 31 December 2020 compared to 31 December 2019. This was mainly due to discounts on internet and mobile telecommunication by telecom providers, discounts on utility services provided by the Government, discounts on rent provided by many landlords due to COVID-19, price control on some food products and the overall drop in demand due to the COVID-19 economic downturn.

CPI increased by 0.2 per cent. as of 31 December 2019 compared to 31 December 2018, contributed mainly by persistent growth in housing rent and the dissipation of the base effects of policy changes that came into effect in the second quarter of 2018, through the harmonisation of utility tariff rates across the country, and reduction of administered prices of staple food items.

CPI decreased by 0.1 per cent. as of 31 December 2018 compared to 31 December 2017, largely due to the harmonisation of electricity prices across the country, coupled with the reduction in the administered prices of staple food items during the year. Meanwhile, the base effects from the earlier revision of import duty on petroleum products in 2017 also contributed to the dampening of inflation during 2018.

CPI increased by 2.8 per cent. as of 31 December 2017 compared to 31 December 2016, which largely stemmed from the base effects of a number of domestic policy changes. Following the removal of the blanket subsidy on

staple food items, food price inflation remained buoyant during most of the year. The upward revision of import duties on cigarettes and selected drinks also contributed to the inflationary pressure. Prices, however, were dampened to some extent by the downward revision of import duties on petroleum items, which caused a drop in electricity prices.

CPI increased by 0.5 per cent. as of 31 December 2016 compared to 31 December 2015. The main driving force behind subdued inflation was lower global oil prices and a continued decline in domestic fish prices. However, the dampening effect of these declines was offset by a hike in food prices owing to the removal of the blanket subsidy on staple food items, coupled with an increase in housing rent.

Debt

Overview

The MMA manages the issue of domestic debt for and on behalf of the Ministry of Finance.

The following table outlines the domestic, external and total debt of the Government as of the end of the periods indicated in aggregate amounts and as a percentage of nominal GDP for such periods:

	As of end of year					
	2015 (restated)	2016 (restated)	2017 (restated)	2018 (restated)	2019	2020
	<i>(millions of MVR)</i>					
External	10,666	14,066	17,734	30,975	34,814	37,784
Domestic.....	24,081	29,452	29,551	29,360	33,187	36,171
Total	34747	43,518	47,285	60,335	68,001	73,955
Debt to GDP ⁽¹⁾	56%	67%	65%	74%	77%	108%

Source: Ministry of Finance

Notes:

- (1) As a percentage of GDP for the relevant period, as of 31 December.
- (2) Figures for 2020 represent the budget approved by parliament in November 2020.

The Government's total debt is projected to increase by 23 per cent. in 2020 in comparison to 2019. The composition of debt is expected to shift towards external debt, with an estimated increase from MVR22,021 million in 2019 to MVR24,919 million in 2020. Due to expenditure on the Government's key infrastructure projects, loan disbursements in 2020 are expected to be higher at MVR2,724.6 million. The Government's main project relating to Velana International Airport is expected to account for 11.9 per cent. of funds expected to be disbursed in 2020, see "— Key Economic Initiatives".

The Government's existing external debt portfolio is composed of maturities ranging from 5 to 50 years, with a weighted average maturity of 18.89 years. Interest rates in the external debt portfolio currently range from 0 to 7 per cent., and the weighted average interest rate is 2.25 per cent. A small portion of the external debt portfolio has interest rates above 3 per cent.

In 2020, the composition of total external debt was 38 per cent. buyers' credit, 25 per cent. multilateral credit, 21 per cent. bilateral credit and 16 per cent. debt from commercial banks. The currency composition of external debt in 2020 was 14 per cent. special drawing rights, 53 per cent. U.S. dollars, 17 per cent. Chinese Yuan Renminbi, 4 per cent. euros, 6 per cent. Saudi Riyal, 4 per cent. Japanese Yen and 2 per cent. other.

In 2019, 58 per cent. of total domestic debt was held in short term instruments, with the composition being 89 per cent. MVR treasury bills ("**T-bills**"), 9.6 per cent. US\$ T-bills and 1.4 per cent. Islamic Instruments. 42 per cent. of the total domestic debt was held in long term instruments, with the composition being 97 per cent. treasury bonds, and less than 3 per cent. commercial loans. Banks hold 23 per cent. of the Government's domestic debt, while the MMA and the Maldives Pension Administration Office hold 34.3 per cent. and 40 per cent., respectively. A smaller share of 2.7 per cent. is held by state owned enterprises and other parties.

To date, the Government has paid all principal and interest payments in respect of its outstanding foreign borrowings when they fell due and has not entered into any restructuring arrangements with its creditors to defer the repayment of its borrowings.

The Government secured funding support in 2020 from various multilateral and bilateral partners totalling approximately US\$1,336.8 million, of which US\$464.3 million was COVID-19 related support and US\$872.5 million was from other loans and grants.

Multilateral funding support secured in 2020 included:

- US\$28.9 million rapid credit facility as provided by the IMF;
- US\$88 million facility provided by the ADB for COVID-19 support, waste management and renewable energy;
- US\$68 million provided by the World Bank group for COVID-19 support, urban resilience, education and infrastructure;
- US\$70 million provided by the OPEC Fund as budget support and harbours, sewerage and sanitation;
- EUR20 million provided by the European Investment Bank as COVID-19 support;
- US\$35.6 million provided by the IsDB group as COVID-19 support; and
- US\$47.3 million provided by AIIB provided for COVID-19 support and waste management.

Bilateral funding support secured in 2020 included:

- US\$250 million provided by the government of India as COVID-19 budget support and US\$500 million (US\$400 million in loan and US\$100 million in grant) for the Greater Malé Connectivity Project;
- US\$50 million provided by the Government of Japan as COVID-19 support;
- US\$50 million provided by the Saudi Fund for Development for housing and fisheries;
- US\$19 million to support the Government's Public Finance Management reforms; and
- US\$50 million provided by the Abu Dhabi Fund as budget support.

Funding requirements for 2020 debt repayment have been met and the current focus is on meeting 2021 funding requirements. The Government has secured multiple funding sources for 2021 to fund the budget and meet debt repayments. The Government participated in the G20 Debt Service Suspension Initiative (the "**DSSI**") in 2020, which has been extended to June 2021, thus saving the Government approximately US\$32 million in 2021. Based on the 2021 approved budget, the Government would need US\$928 million to address the expected budget deficit of which only US\$350 million (approximately 38 per cent.) is attributable to external financing (with US\$300 million to be addressed by project loans, US\$30 million to be addressed by privatisation plans and US\$248 million to be addressed by domestic sources).

For additional information relating to the Government's indebtedness, including total external debt and external debt service requirements, claims on the Government by ownership and other related data, please refer to the section titled "Indebtedness of the Republic of Maldives" in this Base Prospectus.

Fiscal Responsibility Act

The Fiscal Responsibility Act 2013 (No. 7/2013) (the "**FRA**") was introduced with effect from May 2014 to ensure responsible and sustainable fiscal behaviour by the Government. The FRA provides guidelines on Government deficit and public debt: (i) by the end of 2019, best efforts are to be made to maintain total public and publicly-guaranteed debt so that it does not exceed 60 per cent. of GDP of the previous year; and (ii) by the end of 2017, the overall budget balance of the Government should be maintained so that it does not exceed 3.5 per cent. of GDP.

The Government will obtain all necessary consents, approvals and authorisations under the laws of the Maldives in connection with the issue of the Trust Certificates and performance of its obligations under the Trust Certificates. The issue of the Trust Certificates was approved on 2 February 2021 through Letter Number 10-FRO/13/2021/32 issued by the President's Office to the Ministry of Finance. Confirmation that the borrowing resulting from the issuance of the Trust Certificates is within the limits authorised by the FRA will be given by the Attorney General of the Maldives in connection with the offering of the Trust Certificates.

Sovereign Development Fund

In November 2016, the Government proposed the establishment of a Sovereign Development Fund (the "**SDF**") to serve as a fiscal reserve. The SDF is kept separate from the Public Bank Account, the MMA acts as custodian and it is funded by charging a US\$25 Airport Development Fee ("**ADF**") to all departing passengers from Velana International Airport and other earmarked revenues. In 2020, in addition to the ADF, dividends from the Maldives Airports Company Limited and the additional revenue generated from the revision to the fees for services provided at Velana International Airport were earmarked for the SDF. As of February 2021, the SDF has accumulated US\$212 million. To minimise the refinancing risk of the debt portfolio, the SDF is earmarked for debt service obligations. To strengthen and to make SDF more sustainable, the Government drafted a separate bill on the SDF which is currently sanctioned under the Public Finance Act (Act No.: 3/2006).

Good Governance and Fiscal Discipline

Policies have been put in place to ensure good governance, fiscal discipline and to stimulate economic growth. Public Finance Management ("**PFM**") reforms have been initiated, with key components including enhancing the medium-term fiscal framework, strengthening debt and cash management, strengthening of the public accounting system ("**PAS**") and asset management, payroll management and control, SOE governance and oversight, procurement reforms, accounting, reporting and internal audit and external audit of the public sector.

To improve governance and efficiency in the procurement process, the State Owned Enterprise – Corporate Governance code is in place to monitor and improve oversight and procurement harmonisation. Public Expenditure and Financial Accountability ("**PEFA**") was initiated in 2001 by seven international development partners to strengthen capacities to assess the status of country public finance management systems and develop a practical sequence of reform and capacity development actions, pursuant to which the Government engages in self-reporting.

To promote transparency, debt statistics are kept up to date and publicly available on the websites of the Ministry of Finance and other related Government agencies and international databases.

The Budgetary Process

The Maldives' budget relates to the period starting on 1 January and ending on 31 December of the same year.

The Constitution governs the Maldives' budgetary process. The annual budget formulation process begins in mid-May. Each year, the Minister of Finance must prepare and present a detailed annual plan setting forth planned current and development expenditure, projected revenues, plans for financing projected budget deficits and projections for macro-economic indicators.

The preparatory stage of the budget formulation takes place between February to April, where the economic forecast and fiscal outlook are updated, revenue projections are revised, and baseline expenditure is reviewed by the Ministry of Finance. The revised budget summary and fiscal strategy is discussed with the President's Office and the Cabinet before determining the baseline budget ceilings. In 2017, changes were made to the annual budget formulation process in order to further strengthen the budget process and align the process with the implementation of the BPC (budget planning and consolidation) module of the Public Accounting System. The formal budget formulation process was phased out in two stages. The first stage focused on the submission of the new policy initiatives ("NPI"), which are the new programmes and projects Government agencies wants to include in the forthcoming budget. The process begins in April when the Ministry issues the First Budget Circular which requests individual ministries and departments to provide information on the NPI for the forthcoming year. Once the data is received, the evaluation criteria is set and evaluated by the Ministry of National Planning, Housing and Infrastructure. The NPI evaluations are shared with the President's Office and the Cabinet for endorsement. The Second Budget Circular is issued, where individual ministries and departments are requested to provide regular and extra budgetary information on actual results for the past year, revised estimates for the current year, and expenditure proposals for the forthcoming year. Once the requested data and estimated budgets are received, the Fiscal Affairs Department of the Ministry of Finance then evaluates the data through technical assessments and meetings with the various ministries. These meetings help to cap expenditure on ceilings provided to each Ministry and Independent Offices. The budget is then consolidated on the basis of the information provided by ministries and departments. The consolidated budget is sent to the President's Office and the Cabinet for endorsement, before being submitted to Parliament. The final budget is then sent to Parliament in late October for approval. Parliament may approve or amend the budget submitted by the Minister of Finance and/or approve any supplementary budget.

2021 Approved Budget

Total revenue and grants expected for 2021 is MVR21.1 billion, a growth of 43.8 per cent. compared to 2020 expected revenue. The sources of revenue for 2021 are expected to be MVR10.9 billion in tax revenues and MVR8.0 billion in non-tax revenues and MVR2.2 billion in grants. Tax revenue is expected to decline in 2021 due to the disruption to trade and economic activities in 2020, resulting in lower yield especially from business profit tax. However, as the economy is expected to recover in 2021, other taxes are expected to perform better than in 2020. Non-tax revenue is expected to increase in 2021 as new revenue measures proposed in the 2020 budget are realised for a full year. Furthermore, resort rents for 2020 that were deferred due to the COVID-19 crisis will now be realised in 2021. The increase in grants for 2021 will come mainly from project grants related to a number of development projects. Revenue will also reflect the yield from new revenue measures proposed in the 2021 budget.

Total expenditure proposed for 2021 is MVR34.9 billion, an increase of 9.9 per cent. compared to the 2020 expected expenditure. Recurrent expenditure is expected to account for 62.0 per cent. of total expenditure and capital expenditure is expected to account for 38.0 per cent. of total expenditure. The largest items of recurring expenditure are wages, salaries and allowances of public employees, which is expected to be MVR4.5 billion, 12.9 per cent. of total expenditure. A major share of the MVR5.9 billion proposed for capital expenditure would go towards major infrastructure projects ongoing and proposed for the 2021 budget.

The 2021 budget projects an overall deficit of MVR12.3 billion and a primary deficit of MVR9.8 billion. This is an overall deficit to GDP ratio of 18.5 per cent. and a primary deficit to GDP ratio of 14.8 per cent.

Pursuant to the PFM reforms, measures have been proposed to achieve medium-term fiscal policy while stimulating economic recovery. These include increasing the capacity of the health sector and increased expenditure on COVID-19 related measures. An Economic Response Package has been introduced for households, businesses and workers to overcome the adverse impacts of COVID-19. Measures have also been proposed to narrow the deficit in the medium term, including increasing revenue through land sales from reclaimed land, introducing telecom operating licences and frequency spectrum charges, and revisions to Airport Development Fee and Airport Service Charge rates. Measures to reduce expenditure include reducing the Government's administrative expenditure, reducing expenditure on Aasandha, the national medical insurance scheme through cost effective purchasing processes and making changes to indirect subsidies such as revising the control rate for food items to reduce the cost of food subsidies.

The 2021 budget also seeks to implement the "National Resilience and Recovery 2020-2022" plan to boost the economy. Measures include adopting more conservative estimates of the pace of recovery. Tourism-related revenue is expected to remain a significant component but would encourage increasing diversification of revenue sources. Total revenue for 2021 is expected to consist of 52 per cent. tax revenue, 38 per cent. non-tax revenue, 10 per cent. grants and the remainder from capital revenue (sale of assets). Expenditure associated with projects already under construction is expected to increase while non-essential projects and expenses will be deferred. Total expenditure for 2021 is expected to consist of 38 per cent. capital expenditure and net lending, 21 per cent. other government expenditures (including food, electricity, water, fisheries and agriculture, training expenses, other benefits and gratuities, repairs and maintenance, travel expenses and subscriptions and membership fees to international organisations, transportation, communication and utilities, suppliers and requisites and pensions), 7 per cent. interest payments, 10 per cent. social welfare contributions, 11 per cent. other allowances and 13 per cent. salaries and wages.

According to the 2021 budget, GDP growth is estimated to recover to 34.1 per cent. in 2021 and 11.6 per cent. in 2022. As travel restrictions ease, tourist arrivals are estimated to grow by 76.9 per cent. in 2021 and 45.0 per cent. in 2022, and GDP growth in the tourism sector is also expected to recover to 113.2 per cent. in 2021 and 31.1 per cent. in 2022. In non-tourism sectors, GDP growth is also expected to recover to 23.5 per cent. in 2021 and 7.1 per cent in 2022.

Overall, the 2021 budget has been formulated with the goals of supporting the recovery from the impact of COVID-19 on the economy and society in general, to deliver on the promised "Jazeera Raajje Manifesto" of the Government, to decentralise services and development to the regions, to invest in regional infrastructure, to diversify the economy and build a more resilient economy.

2020 Budget Revised Estimates

The 2020 budget was approved by Parliament on 5 December 2019. The 2020 Budget was the first budget to be developed by the current administration, reflecting the projects and programmes of the "Jazeera Raajje Manifesto" and the Strategic Action Plan 2013-2023. The budget focused on the development of basic infrastructure, particularly focusing on providing access to water and sanitation in all islands. The 2020 budget allocated resources for economic diversification, particularly the relocation of the Maldives commercial seaport to Gulhifalhu and development of Velana International Airport Terminal. The Government also aims to improve the quality of basic services across the country through the development of regional hubs. As such the budget included the development of five regional tertiary hospitals. The 2020 budget included a major structural development in fiscal decentralisation. As such, the budget allocated "block grants" to local councils, to enhance the fiscal independence and to strengthen councils.

The total revenue and grants estimated in the approved budget for 2020 was MVR29.9 billion, including MVR17.9 billion in tax revenue, MVR6.9 billion in non-tax revenue and MVR5.2 billion in grants. This included MVR2.6 billion to be raised through the enactment of new revenue measures. Due to the disruption

of the COVID-19 crisis, revenue in 2020 was severely disrupted. The total revenue and grants realised in 2020 was 36.8 per cent. lower than the amounts realised for 2019. As a result, the Government substantially revised the revenue and grants estimates for 2020. The revised estimates for total revenue and grants for 2020 was MVR14.7 billion, comprising of MVR10.1 billion in tax revenue, MVR2.4 billion in non-tax revenues and MVR2.1 billion in grants. The revised revenue and grants figure was 50.9 per cent. below the initial estimate in the approved budget and 36.8 per cent. below the 2019 figures.

The approved total expenditure for 2020 was MVR36.0 billion. The expenditure comprised 62 per cent. recurrent expenditure and 38 per cent. capital expenditure. Due to the COVID-19 crisis and the impact on Government revenue, the Government reprioritised expenditure and cut expenditure including stricter controls on hiring and compensation of employees, cuts to non-essential recurrent expenses including travel, repair and maintenance and cuts to operations expenditure. The Government also initiated salary cuts for political positions and high paid workers for four months in the year. The Maldives also participated in the G20 DSSI. The Government also halted the initiation on any new infrastructure investment projects. However, the COVID-19 crisis demanded additional expenditure to tackle the health crisis, and to alleviate the economic impact of the crisis, on workers, families and businesses. Until the end of October 2020, the Government spent MVR1.3 billion on the health and social response and MVR1.3 billion on the economic response. Taking all this into account the revised expenditure for 2020 is MVR30.6 billion. This is a reduction of 14.8 per cent. from the approved budget for 2020, and a 5.6 per cent. increase from 2019. The revised expenditure for 2020 consists of 68 per cent. in recurrent expenditure and 32 per cent. in capital expenditure.

The overall deficit projected in the approved budget for 2020 was MVR6.0 billion and a primary deficit of MVR4.2 billion. This is an overall deficit to GDP ratio of 6.2 per cent. and a primary deficit to GDP ratio of 4.3 per cent. The revised budget for 2020 projected an overall deficit of MVR15.9 billion and a primary deficit of MVR14.2 billion. This is an overall deficit to GDP ratio of 27.5 per cent. and a primary deficit to GDP ratio of 24.6 per cent. In addition to the increase in deficit, nominal GDP for 2020 has also been revised down by 41 per cent.

2019 Budget

The 2019 budget was submitted to Parliament during the transition to the new Government after the 2018 Presidential election, where the incumbent President was defeated. The budget was approved on 28 November 2018, just 11 days after President Solih took office. The budget was prepared in consultation with the transition team to reflect the policies of the “Jazeera Raajjee” manifesto of President Solih. The budget prioritised the completion of ongoing large infrastructure projects and laid the ground work for the pledges of the new Government.

In August 2019, the Government submitted a Supplementary Budget to Parliament, as the approved budget for 2019 did not adequately allocate funds for the first 100-day plans of the Government and additional budget space was anticipated for the implementation of ongoing programmes and projects. The supplementary budget was approved on 27 August 2019.

Total revenue and grants expected for 2019 in the approved budget were MVR23.3 billion. The sources of revenue for 2019 were expected to be MVR16.5 billion in tax revenues, MVR5.6 billion in non-tax revenues and MVR1.3 billion in grants. The supplementary budget included additional grants of MVR716.8 million, bringing the total revenue projected for the year to MVR24.1 billion. Total revenue and grants outturn was slightly lower than budgeted primarily due to lower realisation of grants than estimated. Nevertheless a buoyant economic performance, along with measures undertaken to resolve deficiencies in the taxation system, boosted tax revenue. The actual revenue and grants outturn for 2019 was MVR23.2 billion.

Total expenditure proposed for 2019 was MVR27.3 billion. Current expenditure was expected to account for 67.8 per cent. of total expenditure and capital expenditure was expected to account for 32.2 per cent. of total

expenditure. The largest recurring expenditure was expected to be wages, salaries and allowances of public employees, expected at 29.1 per cent. of total expenditure. Expenditure on wages and salaries for 2019 included salary increments for civil servants, changes to salary structures of nurses, police and national defence staff, staff transfers from state owned enterprises, and the additional staff hiring for the new hospital in Malé. A major share of the MVR8.8 billion expenditure proposed for capital expenditure was allocated for the completion of major infrastructure projects that were ongoing, such as the Velana International Airport upgrading project, the Dharumavantha Hospital (National Diagnostic Centre) project and the Malé-Hulhule bridge project. The supplementary budget included additional expenditure of MVR1.7 billion, bringing total expenditure for 2019 to MVR29.0 billion. The additional expenditure was primarily allocated to capital expenditure. The actual expenditure outturn for 2019 was MVR29.0 billion, 0.2 per cent. below the budgeted figure. The capital expenditure slowed down in the year as the projects initiated by the former administration drew to a close, and the mobilisation of projects by the new Government progressed slowly.

The 2019 approved budget projected an overall deficit of MVR4.0 billion, and an overall deficit as a share of GDP of 4.4 per cent. With the supplementary budget included the overall deficit widened to MVR5.0 billion, and an overall deficit to GDP ratio of 5.6 per cent. The actual outturn for 2019 was an overall deficit of MVR5.8 billion, and an overall deficit to GDP ratio of 6.6 per cent.

2018 Budget

The 2018 budget was the last budget to be executed by the President Yameen administration. The proposed budget for 2018 was submitted to Parliament on 31 October 2017, and was approved by Parliament on 22 November 2017. The main objective of the budget was to tackle the essential needs for housing and water and sewerage facilities. High importance was given to completing the large infrastructure projects that would help in economic diversification and addressing bottlenecks in the economy.

In the approved budget the total revenue and grants expected for 2018 was MVR22.4 billion. The sources of revenue were expected to be MVR16.3 billion in tax revenues, MVR5.3 billion in non-tax revenues, MVR733.7 million in grants and MVR41.3 million in capital revenue. Strong growth in economic activities and the full year realisation of the revenue measure which was implemented in fiscal year 2017, and enactment of amendments to the tax laws proposed in the 2017 supplementary budget boosted revenue growth in 2018. The actual realisation of revenue and grants in 2018 was MVR22.2 billion.

Total expenditure proposed for 2018 was MVR24.7 billion. Current expenditure was expected to account for 65 per cent. of total expenditure and capital expenditure was expected to account for 35 per cent. of total expenditure. In 2018 the increase in total expenditure was attributed to the significant rise in current expenditure, reflecting higher administrative and operational expenses. The largest recurring expenditure were wages, salaries and allowances of public employees, which included in 2018, allocation for the introduction of new allowances and increases in salaries for some Government institutions. The increase in expenditure was also driven by the increases in indirect subsidies given out on food and electricity. Expenditure on the national health insurance system, Aasandha, increased due to the payment of outstanding bills of MVR500 million. The expenditure on public investment projects also grew during the year as the large infrastructure investments progressed substantially, including the China-Maldives Friendship Bridge, and the Velana International Airport Runway. The actual outturn on expenditure in 2018 was MVR26.5 billion.

The 2018 approved budget projected an overall deficit of MVR2.5 billion and a primary deficit of MVR1.1 billion. The overall deficit as a share of GDP was expected at 3.2 per cent. The actual outturn for 2018 was an overall deficit of MVR4.3 billion and an overall deficit to GDP ratio of 5.2 per cent.

2017 Budget

The 2017 budget was approved by Parliament on 24 November 2016. The budget aimed to create new economic opportunities and overcome the economic challenges through the development projects started by the Government. The budget was compiled with a focus of reducing expenditure and sustaining expenditure through the revenues received. It also focused on providing better public services and achieving economic progress, through investment projects.

On 26 October 2017, Parliament approved a supplementary budget for 2017. The supplementary budget was submitted to increase the expenditure allocations for the national health insurance scheme, Aasandha, and for the conduct of bi-elections for Parliament, for members that lost their seats due to the anti-defection law.

The revenue and grants estimated for 2017 in the approved budget were MVR21.9 billion, comprising MVR14.9 billion in tax revenues, MVR5.4 billion in non-tax revenues, MVR875.6 million in grants and MVR701.9 million in capital revenue. The revenue included MVR2.0 billion in new revenue measures. The supplementary budget included additional revenue of MVR268 million, bringing total revenue and grants to MVR22.2 billion. The actual outturn for revenue and grants for 2017 was MVR20.3 billion, falling short of the initial budget estimates as some of the envisaged new revenue measures did not materialise during the year and grants fell below forecast through slower disbursements on projects grants. Revenue was nevertheless bolstered by a prosperous economy.

The proposed total expenditure for 2017 was MVR22.2 billion. This comprised 61.0 per cent. as current expenditure and 39.0 per cent. as capital expenditure. The expenditure was proposed to be reduced through measures to contain the growth of recurrent expenditure, including cuts to indirect subsidies paid for food and electricity, and through reforms to the national health insurance system. With the addition of MVR493 million through the supplementary budget, the revised estimated for total expenditure was MVR22.7 billion. The actual outturn for total expenditure in 2017 was MVR22.5 billion. While expenditure was cut significantly compared to the previous year, the cuts in recurrent expenditure fell short of the budget targets, while capital expenditure reduced due to the slower than expected progress on some infrastructure projects.

The 2017 budget targeted an ambitious reduction in the budget deficit, by reducing expenditure. The objective of the Government was to enact the measure to reduce the budget deficit without hindering progress of the ongoing development projects, ensuring macroeconomic stability and achieving a balanced budget in the medium term. The budget deficit projected for 2017 was MVR303.7 million, with an overall deficit to GDP ratio of 0.5 per cent. The actual out turn for 2017 was a deficit of MVR2.2 billion, which gave a debt to GDP ratio of 2.9 per cent.

Revenues and Expenditure

For information regarding the revenue and expenditure of the Government for the periods indicated, including breakdowns of revenue and expenditure items, please refer to the sections titled "*Revenue*" and "*Expenditure*" below.

Revenue

MIRA collects both major tax and non-tax revenue for the Government. While the major taxes make up the top contributors of Government revenue, a notable portion is also collected in the form of non-tax revenue. Some sources of tax and non-tax revenue, such as import duties and business registration fees, are collected by other Government agencies.

The total revenue collected by MIRA decreased from MVR1.65 billion in 2019 to MVR1.01 billion in 2018. While GST, import duty and Business Profit Tax ("**BPT**") make up the bulk of payments (over 50 per cent. of total tax revenue collected is attributable to these taxes), other taxes and non-tax revenue also make up a

significant portion of revenue collected. The decrease in revenue collected can be attributed to the impact of COVID-19.

The following is a description of the taxes collected by MIRA:

Income Tax

The Income Tax Act (Act No.:25/2019) came into effect on 1 January 2020. The Act abolished taxes on business and bank profits charged under the Business Profit Tax Act (Act No.: 5/2011) and the Bank Profit Tax Act (Act No.: 9/85), and brought taxes on income under one main Act. While the taxes on businesses and banks are charged at the same rate and threshold as the Business Profit Tax Act and the Bank Profit Tax Act, tax on individuals were changed to a progressive rate. Taxes on remuneration were also introduced under the Income Tax Act. In this regard, tax on individual income (including sole proprietors) is charged in the following manner.

Taxable Income (Annual)	Tax Rates
MVR0 – MVR480,000	0%
MVR480,001 – MVR720,000.....	8%
MVR720,001 – MVR1,200,000.....	10%
More than MVR1,200,000	15%

In addition, withholding tax is charged at 10 per cent. on some payments made to non-residents.

Goods and Services Tax

The T-GST Act 2010 (Act No.: 19/2010) came into effect on 1 January 2011. Under the Act, T-GST was charged on the value of goods and services supplied by tourist resorts, tourist hotels, guest houses, picnic islands and tourist vessels, and on certain other services supplied by providing services to tourists in the Maldives. The tax rate under the Act was 3.5 per cent. In October 2011, the T-GST regime was repealed and replaced by the Goods and Services Tax Act 2011 (Act No.: 11/2011), which applied the tax to all sectors of the economy. The Act imposed a GST at the rate of 3.5 per cent. from 1 October 2011 to 31 December 2011 and 6 per cent. from 1 January 2012 to 31 December 2012. The GST rate on "tourism goods and services" increased to 8 per cent. on 1 January 2013 and to 12 per cent. on 1 November 2014. The GST rate on "general goods and services" has remained at 6 per cent. since 1 January 2012.

Business Profit Tax

The Business Profit Tax Act 2011 (Act No.: 5/2011) came into effect on 18 July 2011. Under the Act, tax was imposed at the rate of 15 per cent. on profits exceeding MVR500,000 in a tax year. A lower rate of 5 per cent. was applicable to companies resident in the Maldives generating all of their income from outside the Maldives. A withholding tax of 10 per cent. is imposed on the gross amount of any payment made by a business to a non-resident. The Business Profit Tax Act was repealed upon the commencement of the Income Tax Act (Act No.: 25/2019) and business profits are now taxed under the Income Tax Act, effective from January 2020.

Bank Profit Tax

Banks operating in the Maldives are required to pay 25 per cent. of taxable profit as Bank Profit Tax. Banks are exempt from paying Bank Profit Tax. Tax on banks are now taxed under the Income Tax Act, effective from January 2020.

Bed Tax/Green Tax

Previously, a "Bed Tax" was levied at a flat rate of US\$8 per tourist per night. Tourist establishments were responsible for collecting the tax from each tourist. The bed tax was abolished on 1 December 2014 and replaced

by the "Green Tax" on 1 November 2015. Green Tax is levied at a flat rate of US\$6 per tourist per night. Tourist resorts, tourist hotels and tourist vessels are responsible for collecting tax from each tourist. For tourists staying at guesthouses, Green Tax is charged at US\$3 per tourist per night as of 1 October 2016.

Airport Service Charge

Maldivians and foreigners departing abroad from an international airport in the Maldives are required to pay an airport service charge of US\$12 and US\$25, respectively.

The amount of BPT and GST collected has increased from year to year as taxpayers have become increasingly aware of their tax obligations, and the tax base has widened. As of December 2019, 38,669 activities were registered at MIRA for tax purposes, with 4,235 new registrations and 468 activities being deregistered. The BPT amount also includes withholding tax.

At the end of 2020, 2,779 taxpayers were registered for Tourism-GST while 12,782 taxpayers were registered for General-GST. In 2020, 14 new taxpayers were registered for Tourism-GST while 105 new taxpayers were registered for General-GST. 2 taxpayers from the tourism sector GST and 17 taxpayers from general sector were de-registered during the year.

MIRA

MIRA faces many challenges in educating the public on its tax obligations and in the collection of tax revenues. The nature of the Maldives' geography makes education of the public costly and time consuming, and also makes filing returns and paying taxes difficult. However, MIRA has implemented systems and policies to make the tax system as efficient as possible and works with other Government organisations and taxpayers to overcome the challenges faced.

MIRA has undertaken several activities and system developments over the past years to improve revenue collection and to increase tax administration efficiency. In particular, one of MIRA's main objectives is to make tax compliance easier for taxpayers. For this purpose, an online tax filing and payment system called MIRAconnect was launched in 2013. Today, taxpayers are able to file and pay their Income Tax, GST, withholding tax and several non-tax payments through the online system at any time and any place. MIRA has also created a mobile application to allow taxpayers to fulfil their tax obligations via their mobile devices. To facilitate payments for taxpayers in the atolls, who might prefer to not use the online system, MIRA has set up collection centres in eight atolls across the Maldives and aims to establish further branches over the coming years.

In addition, to educate the public about taxes and its tax obligations, educational sessions and training programmes are held throughout the year, both in Malé and on other islands throughout the country. MIRA uses modern communication methods such as email and social media to remind taxpayers about deadlines, their obligations and to inform them about changes to tax compliance. MIRA also produces educational television programmes on taxes and gives weekly interviews on all major television channels of the country to reach the public. Furthermore, major marketing and promotional campaigns are run near all major deadlines to ensure that the public is aware of their upcoming submission and payment requirements. MIRA has also established a toll-free hotline to allow taxpayers to contact MIRA with queries.

MIRA has a stringent reminder and demand process in place to encourage pre-deadline compliance. All taxpayers registered at MIRA are required to share current contact information and reminders are sent to them via SMS and email about upcoming deadlines. After the deadline, demand notices are sent informing of the passed deadline and the fines and penalties they are incurring. If a taxpayer is non-compliant at this stage, enforcement actions are taken against the taxpayer to acquire the dues owed to the Government. Some of the enforcement activities undertaken by MIRA include bank account freezing, interruption of services to the taxpayer from other Government institutions and collecting the money owed to the Government via a third

party, among others. In 2018, MIRA conducted 734 audits, which resulted in a tax impact of MVR860.34 million. 331 desk reviews were also completed during 2018. In 2019, 23 investigations were completed with MVR11.27 million being declared as tax impact, and four criminal investigations were completed throughout the year. In 2020, one investigation was completed with MVR2.47 million being declared as additional tax assessed. One criminal investigation was completed throughout 2020.

MIRA also carries out audits of taxpayers to ensure compliance with tax laws and regulations. All taxpayers who are considered significant taxpayers are audited annually, while SMEs are audited based on risk profiling. Any discrepancies between the tax amount paid and the tax payable calculated by auditors are collected from taxpayers.

To increase the technical expertise of MIRA staff, many staff members are trained in different technical areas both locally and overseas annually. Furthermore, the SAP Tax and Revenue Management System has been implemented at MIRA to make the revenue management system more efficient.

In addition to the taxes specified above, MIRA collects and enforces about 50 non-tax revenue types.

While MIRA might provide the necessary technical expertise to the Government, changes to rates and tax policy are determined by policy and not by MIRA.

The following tables set forth information regarding the revenue and grants of the Government for the periods indicated:

	Year ⁽¹⁾						
	2014 (restated)	2015	2016 (restated)	2017	2018	2019	2020
	<i>(Millions of MVR)</i>						
Total revenue & grants .	15,164.2	17,306.2	18,578.1	20,258.6	22,223.0	23,231.8	14,692.8
Tax revenue.....	10,837.9	12,270.6	13,293.0	14,742.4	15,833.9	16,530.5	10,138.2
Tourism tax.....	804.8	0.6	0.2	0.0	—	—	0.0
GST on tourism....	3,001.8	4,150.3	3,920.7	4,198.5	4,783.3	4,903.4	1,957.6
Import duty.....	1,975.2	2,346.4	2,487.4	2,799.4	3,148.8	3,412.3	2,243.2
Goods & services tax	1,512.9	1,904.2	2,328.1	2,683.0	2,906.1	2,844.9	1,873.9
Airport service charge.....	432.0	496.7	537.5	706.2	644.8	731.1	268.1
Bank profit tax	482.4	512.7	491.7	649.9	564.1	614.0	953.7
Business profit tax	2,471.4	2,673.6	2,748.0	2,677.1	2,710.4	2,898.7	2,411.0
Green tax.....	n/a	36.7	623.1	696.2	810.5	850.6	321.4
Others.....	157.4	149.4	156.5	332.1	265.8	275.5	38.9
Non-tax revenue	4,037.0	4,278.3	4,162.6	4,594.9	5,203.1	5,491.0	2,415.8
Net sales to public enterprises	781.9	488.7	627.9	796.5	960.4	747.6	602.7
Resort lease rent...	1,534.5	1,247.0	1,357.4	1,488.6	1,526.0	1,654.2	442.9
Capital revenue	124.1	120.3	869.4	577.6	366.2	55.4	14.5
Grants.....	117.7	636.9	253.1	343.8	819.8	1,154.9	2,124.3

	Year ⁽¹⁾					
	2015 (restated)	2016 (restated)	2017	2018	2019	2020 (estimate)
	(y/y % change)					
Total revenue & grants	14.1	7.3	9.0	9.7	4.5	(36.8)
Tax revenue	13.2	8.3	10.9	7.4	4.4	(38.7)
Tourism tax	(99.9)	(76.2)	(98.0)	15.9	(100.0)	NA
GST on tourism	38.3	(5.5)	7.1	13.9	2.5	(60.1)
Import duty	18.8	6.0	12.5	12.5	8.4	(34.3)
Goods & services tax	25.9	22.3	15.2	8.3	(2.1)	(34.1)
Airport service charge.....	15.0	8.2	31.4	(8.7)	13.4	(63.3)
Bank profit tax	6.3	(4.1)	32.2	(13.2)	8.8	55.3
Business profit tax	8.2	2.8	(2.6)	1.2	6.9	(16.8)
Green tax	n/a	1,597.8	11.7	16.4	4.9	(62.2)
Non-tax revenue	6.0	(2.7)	10.4	13.2	5.5	(56.0)
Net sales to public enterprises.....	(37.5)	28.5	26.9	20.6	(22.2)	(19.4)
Resort lease rent.....	(18.7)	8.9	9.7	2.5	8.4	(73.2)
Others	(5.1)	4.8	112.2	(20.0)	3.7	(85.9)
Capital revenue.....	(3.1)	622.8	(33.6)	(36.6)	(84.9)	(73.8)
Grants	285.4	(60.3)	35.8	138.5	40.9	83.9

Source: Ministry of Finance. Format based on IMF Government Finance Statistics Manual (GFSM 1986).

Note:

(1) Figures for 2015 and 2016 are revised actuals. Figures for 2020 are revised estimates published in February 2021.

Expenditure

The following table sets forth information regarding the expenditure and net lending of the central Government for the periods indicated:

	Year ⁽¹⁾						
	2014	2015 (restated)	2016 (restated)	2017	2018	2019	2020 (estimate)
	(Millions of MVR)						
Total expenditure & net lending	16,417.2	21,336.9	25,263.4	22,420.2	26,418.7	28,994.7	30,627.7
Expenditure on goods & services.....	10,437.0	13,631.3	13,953.8	13,009.6	15,141.1	17,571.4	16,910.1
Salaries & wages..	3,392.9	3,929.2	4,029.6	3,996.6	4,278.4	4,642.9	4,327.4
Other allowances..	2,435.7	2,891.5	2,868.9	2,975.2	3,398.4	3,651.3	3,811.1
Transportation, communication & utilities	1,366.0	2,050.3	1,633.9	1,597.3	1,793.1	1,930.5	1,916.2

	Year ⁽¹⁾						
	2014	2015 (restated)	2016 (restated)	2017	2018	2019	2020 (estimate)
	<i>(Millions of MVR)</i>						
Social welfare contributions	1,539.3	1,609.8	2,327.4	1,725.7	2,416.7	3,937.3	3,232.1
Others.....	1,703.1	3,150.6	3,093.9	2,714.8	3,254.5	3,409.4	3,623.3
Interest payments	978.3	1,347.6	1,182.3	1,096.9	1,440.3	1,540.8	1,708.1
Subsidies & transfers	2,544.6	1,754.8	1,004.9	848.6	1,686.7	2,259.7	2,258.8
Capital Expenditure..	2,579.4	4,707.2	9,165.5	7,542.4	8,254.3	7,622.8	9,750.7
Net Lending.....	(122.2)	(104.0)	(43.5)	(77.4)	(103.6)	N/A	N/A

	Year ⁽¹⁾					
	2015	2016	2017	2018	2019	2020
	<i>(y/y % change)</i>					
Total expenditure & net lending	30.0	18.4	(11.3)	17.8	9.3	5.6
Expenditure on goods & services.....	30.6	2.4	(6.8)	16.4	16.1	(3.8)
Salaries & wages	15.8	2.6	(0.8)	7.1	8.5	(6.8)
Other allowances	18.7	(0.8)	3.7	14.2	7.4	4.4
Transportation, communication & utilities.....	50.1	(20.3)	(2.2)	12.3	7.7	(0.7)
Social welfare contributions	4.6	44.6	(25.9)	40.0	62.9	(17.9)
Others	85.0	(1.8)	(12.3)	19.9	4.8	6.3
Interest payments.....	37.7	(12.3)	(7.2)	31.3	7.0	10.9
Subsidies & transfers	(31.0)	(42.7)	(15.6)	98.8	34.0	(0.0)
Capital expenditure.....	82.5	94.7	(17.7)	9.4	(7.7)	27.9
Net lending	14.9	58.1	(77.7)	(33.9)	N/A	N/A

Source: Ministry of Finance. Format based on IMF Government Finance Statistics Manual (GFSM 1986).

Note:

(1) Figures for 2015 and 2016 are revised actuals. Figures for 2020 are revised estimates published in February 2021.

Government expenditure policy is one of the cornerstones of fiscal policy. Government expenditure primarily goes towards public services, social protection and public infrastructure development. Government expenditure is the main tool for implementing Government policies, as well as a tool for regulating the economy and instituting structural change in the economy. Government expenditure is categorised under recurrent and capital expenditure. Recurrent expenditure includes expenditure on public administration, public services, social security and subsidies. Capital expenditure primarily goes towards development and infrastructure projects.

In recent years expenditure has expanded continuously with the changes in Government policy. From 2019 to 2020 expenditure increased from MVR28,004.7 million to MVR30,627.7 million. This increase was due to a number of factors, including the establishment of new institutions, increase in public sector employees, and the associated increase in administrative expenses, the introduction of new subsidies and the changes in the pension

system. Furthermore, Government expenditure on public infrastructure projects has expanded rapidly in recent years.

In 2020, total Government expenditure and net lending increased by MVR1.6 billion. Current expenditure fell by MVR0.5 billion, while capital expenditure increased by MVR2.1 billion.

In 2019, total Government expenditure and net lending increased from the previous year by MVR2.5 billion. Current expenditure increased by MVR3.1 billion, while capital expenditure fell by MVR0.6 billion.

In 2018, total Government expenditure and net lending increased from the previous year by MVR4.0 billion. Current expenditure increased by MVR3.3 billion, while capital expenditure increased by MVR685.6 million.

In 2017, total Government expenditure and net lending decreased from the previous year by MVR2.8 billion. Current expenditure decreased by MVR1.2 billion, while capital expenditure decreased by MVR1.7 billion.

In 2016, total Government expenditure and net lending increased from the previous year by MVR3.9 billion. Current expenditure decreased by MVR529.7 million, while capital expenditure increased by MVR4.5 billion.

Monetary Policy and System

The MMA is responsible for the formulation and implementation of monetary policy in the Maldives and maintains a supportive policy stance to facilitate economic growth through the expansion of credit to the private sector. According to the Maldives Monetary Authority Act 1981 (Act No.: 6/81), the main objective of the monetary policy is maintaining price stability. To achieve this objective, the MMA uses the exchange rate peg with the U.S. dollar as the intermediate target and manages the liquidity position of the banking system as the operational target, in order to maintain a level of domestic money supply that is consistent with economic activities.

The main monetary policy instruments currently in place are the Open Market Operations ("**OMO**"), the MMA standing facilities, which consist of the Overnight Deposit Facility ("**ODF**") and the Overnight Lombard Facility ("**OLF**"), the Minimum Reserve Requirement ("**MRR**"), and the Foreign Exchange Swap ("**FX Swap**").

Minimum Reserve Requirement

The MRR is one of the main policy instruments used by the MMA to manage money supply and credit expansion. Effective 23 April 2020, the MRR was reduced temporarily from 10 per cent. to 7.5 per cent. of the average local and foreign currency deposits, excluding interbank deposits of other banks in the Maldives and L/C margin deposits. On 16 July 2020, the MRR for foreign currency deposits was further lowered to 5 per cent. to address the dollar liquidity issues faced by the commercial banks. The reserve requirement for local currency is to be met in the form of rufiyaa deposits, while reserve requirement for foreign currency is to be met in the form of US dollar deposits. The rufiyaa MRR balances are paid an interest of 1 per cent. per annum and US dollar MRR balances are paid 0.01 per cent. per annum. Any amount of excess reserves is not remunerated. Banks that fail to meet the MRR are imposed a penalty of 18 per cent. per annum on the shortfall amount.

Open Market Operations

The MMA commenced OMO on 27 August 2009. The aim of OMO is to inject or mop up excess liquidity in the banking sector to support the monetary policy objectives. Repurchase and reverse repos are used to manage the liquidity in the banking system. Reverse repurchase is the sale of securities by the MMA on an auction basis with the agreement to buy them back at a pre-determined date at a pre-determined price. On the other hand, a repurchase transaction is the purchase of securities by the MMA on an auction basis with an agreement to sell them back at a pre-determined date at a pre-determined price. The OMO has been discontinued temporarily since May 2014.

MMA Standing Facilities

The MMA standing facilities aim to provide and absorb overnight liquidity, signal the general monetary policy stance and establish an interest rate corridor by providing a ceiling and a floor for the market interest rate. There are two standing facilities available to commercial banks, the ODF and OLF.

The MMA commenced the ODF to the commercial banks on 23 March 2010, whereby banks can place their excess funds at the MMA overnight. This facility carries the lowest rate in the system, below the deposit rate offered to commercial banks' customers. The ODF rate is 1.5 per cent. per annum, effective from 1 September 2014.

On 9 May 2010, the MMA introduced the OLF, whereby banks can borrow from the MMA on an overnight basis to avoid disruptions in the payments system, when a bank faces an unexpected outflow of funds, or to meet the MRR level. This facility carries the highest rate in the system, above the overnight lending rates among the commercial banks. The OLF rate is 10 per cent. per annum, effective from 1 September 2014.

Foreign Exchange Swap

The MMA introduced FX swap transactions with commercial banks on 3 July 2011. FX Swaps are a monetary policy instrument that can be used to manage liquidity in the banking system, which involves the purchase of one currency against another on an initial date and by agreement, to reverse the transaction at a future date at a specific rate.

Foreign Exchange System

The Maldivian Rufiyaa is the legal tender in the Maldives and the country has maintained an exchange rate policy since 1994 that pegs the Maldivian Rufiyaa to the U.S. dollar. With effect from 11 April 2011, the Maldivian Rufiyaa was allowed to fluctuate within a horizontal band of 20 per cent. on either side of a central parity of MVR12.85 per U.S. dollar. Upon the introduction of the band, the exchange rate immediately moved toward the upper boundary, where it has largely remained, functioning essentially as a peg against the U.S. dollar.

Despite the exchange rate policy, the Maldives has a liberal capital account and there are no official exchange rate controls. Both residents and non-residents can freely import and export capital through the foreign exchange market. There are also no restrictions in the Maldives on the holding of foreign currency by residents or non-residents, and Maldivians are free to maintain foreign currency accounts both at home and abroad. Businesses and individuals often hold Maldivian Rufiyaa and U.S. dollar accounts in domestic banks.

Exchange Rates

There are no currency or exchange control restrictions currently in force under Maldivian law and the free transfer of currency into and out of the Maldives is permitted, subject to any anti-money laundering regulations and international regulations in force from time to time.

The following table shows the MVR exchange rate as against a selection of foreign currencies as of the end of the periods indicated.

Exchange Rates, 2015 – 2020⁽¹⁾	2015	2016	2017	2018 (restated)	2019	2020⁽²⁾⁽³⁾
	<i>(MVR per foreign currency; end of period mid rate)</i>					
Currency						
US dollar.....	15.4100	15.3500	15.4100	15.4100	15.3800	15.4000
Japanese yen.....	0.1288	0.1313	0.1358	0.1392	0.1406	0.1454

Exchange Rates, 2015 – 2020 ⁽¹⁾	2015	2016	2017	2018 (restated)	2019	2020 ⁽²⁾⁽³⁾
	<i>(MVR per foreign currency; end of period mid rate)</i>					
Singapore dollar.....	10.8079	10.4518	11.4203	11.1910	11.3321	11.2624
Indian rupee.....	0.2315	0.2260	0.2392	0.2193	0.2147	0.2097
Sri Lankan rupee.....	0.1070	0.1029	0.1043	0.0869	0.0876	0.853
Sterling pound	22.6893	18.7847	20.4903	19.4030	20.0371	20.3875
Euro	16.7015	15.9899	18.1140	17.4211	17.0659	18.1455
y/y % change						
US dollar.....	0.1	(0.4)	0.4	—	(0.2)	0.9
Japanese yen.....	0.8	1.9	3.5	2.5	1.1	0.4
Singapore dollar.....	(6.6)	(3.3)	9.3	(2.0)	1.3	2.3
Indian rupee.....	(4.5)	(2.4)	5.9	(8.3)	(2.1)	(1.8)
Sri Lankan rupee.....	(8.7)	(3.8)	1.3	(16.7)	0.9	(3.2)
Sterling pound	(4.7)	(17.2)	9.1	(5.3)	3.3	9.4
Euro	(10.4)	(4.3)	13.3	(3.8)	(2.0)	7.5

Source: MMA, Bank of Maldives Plc, IMF website

Notes:

- (1) Annual figures represent the average of the daily mid rates for the year.
- (2) Through August 2020.
- (3) y/y % change for 2020 represents the change from August 2019 to August 2020.

Foreign Trade and Balance of Payments

The following table shows a summary of the Maldives most favoured nation applied tariffs as of 31 December 2019:

	Average	Range	Duty free
	(%)		
By WTO category			
WTO agricultural products.....			
Animals and products thereof.....	14.3	0-50	59.0
Dairy products	0.0	0-0	100.0
Fruit, vegetables, and plants	3.8	0-200	84.4
Coffee and tea.....	3.8	0-50	92.4
Cereals and preparations	2.1	0-50	95.7
Oils seeds, fats, oil and their products.....	6.5	0-50	76.1
Sugars and confectionary	0.5	0-50	97.5
Beverages, spirits and tobacco	67.6	0-300	27.2
Cotton.....	15.0	0-15	0.0
Other agricultural products, n.e.s.	10.5	0-25	48.3
WTO non-agricultural products			

	Average	Range	Duty free
		(%)	
Fish and fishery products	3.4	0-50	83.5
Minerals and metals	6.9	0-50	28.1
Chemicals and photographic supplies	14.5	0-400	12.6
Wood, pulp, paper and furniture	5.0	0-50	60.5
Textiles	15.1	0-400	1.0
Clothing	0.0	0-0	100.0
Leather, rubber, footwear and travel goods	18.9	0-50	15.6
Non-electric machinery	21.0	0-50	2.9
Electric machinery	20.1	0-50	7.4
Transport equipment	43.1	0-200	6.8
Manufactures, n.e.s.	15.5	0-200	19.3
Petroleum	0.9	0-5	82.1

Source: WTO Secretariat calculations, based on data provided by the authorities.

Balance of Payments

Balance of payments figures measure the relative flow of goods, services and capital into and out of a country as represented in the current account and the capital and financial account. The current account tracks a country's trade in goods and services, as well as income and current transfer transactions. The capital and financial account covers all transactions involving capital transfers, acquisitions or disposals of non-produced, non-financial assets, and financial assets and liabilities. A balance of payments surplus indicates a net inflow of foreign currencies, while a balance of payments deficit indicates a net outflow of foreign currencies.

The MMA is primarily responsible for the compilation of the balance of payments.

The following table sets forth the balance of payments for the periods indicated.

	Period					
	2015 (restated)	2016 (restated)	2017 (restated)	2018 (restated)	2019	2020 (estimate)
	<i>(Millions of US\$)</i>					
Current account balance.....	(301.7)	(1,032.4)	(1,026.7)	(1,502.5)	(1,513.1)	(1,099.0)
Balance on goods and services	375.9	(50.7)	(182.3)	(517.5)	(362.1)	(731.6)
Balance on goods	(1,654.7)	(1,838.7)	(1,908.1)	(2,424.9)	(2,392.4)	(1,420.2)
Export.....	239.8	256.2	318.3	339.2	360.7	256.4
Import.....	1,894.5	2,094.9	2,226.5	2,764.2	2,753.1	1,676.7
Balance on services	2,030.6	1,788.0	1,725.8	1,907.4	2,030.3	688.6
Export.....	2,905.3	2,891.4	3,000.7	3,245.1	3,378.6	1,333.1
Travel.....	2,569.1	2,505.6	2,743.7	3,028.1	3,133.9	1,238.1
Import.....	874.7	1,103.4	1,274.9	1,337.7	1,348.3	644.5

Balance of Payments, 2015 – 2020⁽¹⁾

	Period					
	2015 (restated)	2016 (restated)	2017 (restated)	2018 (restated)	2019	2020 (estimate)
	<i>(Millions of US\$)</i>					
Balance on primary income.....	(332.5)	(352.9)	(375.6)	(492.4)	(557.9)	(271.1)
Balance on secondary income	(345.2)	(628.8)	(468.8)	(492.6)	(578.5)	(96.2)
Workers Remittance.....	347.8	375.6	474.6	531.7	595.4	213.9
Capital account balance ⁽²⁾	9.5	0.0	0.0	0.0	—	—
Financial account	(480.9)	(673.4)	(910.3)	(1,835.1)	(1,217.6)	(1,427.6)
Direct investment (net).....	(298.0)	(456.6)	(457.8)	(575.7)	(891.1)	(519.0)
Portfolio investment (net).....	(122.9)	132.3	(479.4)	(103.4)	2.4	(296.6)
Other investment (net).....	(60.0)	(349.0)	26.9	(1,156.1)	(328.9)	(611.9)
Net errors & omission	(236.4)	263.2	236.5	(207.2)	322.5	(282.8)
Overall balance.....	(47.7)	(95.8)	120.1	124.5	41.7	45.8
Reserve and related items.....	(47.7)	(95.8)	120.1	124.5	41.7	45.8
Memorandum items.....						
Current account as a % of GDP ⁽³⁾ ...	(7.4)	(23.7)	(21.7)	(28.3)	(26.0)	(29.2)
Exports of goods & services.....	3,145.1	3,147.6	3,319.1	3,584.3	3,739.3	1,589.5
y/y % change						
Current account balance.....	(156.1)	(242.2)	0.6	(46.3)	0.3	27.4
Balance on goods and services	(31.0)	(113.5)	(259.8)	(183.9)	30.0	(96.2)
Balance on goods.....	0.3	(11.1)	(3.8)	(27.1)	1.3	40.6
Export	(20.3)	6.8	24.3	6.6	6.3	(28.9)
Import	(3.4)	10.6	6.3	24.2	(0.4)	(39.1)
Balance on services	(7.9)	(11.9)	(3.5)	10.5	6.4	(65.9)
Export	(3.1)	(0.5)	3.8	8.1	4.1	(60.3)
Travel	(4.7)	(2.5)	9.5	10.4	3.5	(60.5)
Import	10.3	26.1	15.5	4.9	0.8	(51.9)
Balance on primary income	6.4	(6.2)	(6.4)	(31.1)	(13.3)	51.5
Balance on secondary income.....	(12.1)	(82.2)	25.4	(5.1)	(17.4)	83.4
Workers remittance.....	15.6	8.0	26.4	12.0	11.6	(64.1)
Capital account	44.1	(100.0)	N/A	N/A	N/A	N/A
Financial account.....	11.6	(40.0)	(35.2)	(101.6)	33.7	26.4
Direct investment (net)	10.6	(53.2)	(0.3)	(25.7)	(54.8)	46.0
Portfolio investment (net)	(813.0)	207.5	(462.5)	78.4	102.4	59.8
Other investment (net)	73.7	(481.9)	107.7	4,197.8	71.6	(153.1)
Memorandum items.....						
Exports of goods and services.....	3,145.1	3,147.6	3,319.1	3,584.3	3,739.3	1,589.5
Months of import (goods) ⁽⁵⁾	3.3	2.5	2.3	3.2	—	—
Gross International reserves.....	564.0	467.1	587.3	712.0	753.3	984.8
Nominal GDP ⁽⁴⁾	63,146.7	67,300.3	73,155.2	81,567.7	86,787.9	57,941.6

Source: MMA, National Bureau of Statistics, Ministry of Finance.

Notes:

- (1) Figures for 2020 are provisional numbers. Data is available as at December 2020.
- (2) Capital grants are included in secondary income account from 2016 onwards since it could not be segregated from total grants.
- (3) Current account as a percentage of GDP is calculated using rebased GDP figures.
- (4) GDP has been rebased to base year 2014.
- (5) Last available data for months of import (goods) is in 2018.

In 2020, the current account deficit contracted to 31.07 per cent. of GDP, down from 30.24 per cent. of GDP in 2019. Gross international reserves increased by US\$231.3 million in 2020 as compared to 2019.

In 2019, the current account deficit contracted to 26 per cent. of GDP, down from 28.3 per cent. of GDP in 2018. Gross international reserves increased by US\$41 million in 2019 as compared to 2018.

In 2018, the current account deficit increased to 28.3 per cent. of GDP, up from 21.7 per cent. of GDP in 2017. Gross international reserves increased by US\$124 million in 2018 as compared to 2017.

In 2017, the current account deficit contracted to 21.7 per cent. of GDP, down from 23.7 per cent. of GDP in 2016. Gross international reserves increased by US\$13 million in 2017 as compared to 2016.

In 2016, the current account deficit widened to 24.5 per cent. of GDP, up from 7.6 per cent. of GDP in 2015.

In 2015, the current account deficit widened to 7.6 per cent. of GDP, up from 3.2 per cent. of GDP in 2014.

The current account deficit seen in 2020 is expected to narrow in the future, due to the projected decline in merchandise imports, lower oil prices and the fall in outbound travel expenditure as a result of COVID-19.

External Trade

As a small island state with a high level of imports, the country is vulnerable to food and fuel commodity prices.

The following table shows the Maldives' exports and imports for the periods indicated:

Imports and Exports, 2015 – 2020	Period (annual except as noted)					
	2015	2016	2017	2018	2019	2020⁽¹⁾
	<i>(Millions of US\$)</i>					
Total imports c.i.f. ⁽²⁾	1,896.3	2,125.4	2,360.4	2,959.8	2,887.5	1,838.5
Total exports f.o.b. ⁽³⁾	239.8	256.2	318.3	339.2	360.7	285.8
y/y % change						
Total imports c.i.f. ⁽²⁾	(4.8)	12.1	11.1	25.4	(2.4)	(36.3)
Total exports f.o.b. ⁽³⁾	(20.3)	6.8	24.3	6.6	6.3	(20.8)

Source: Maldives Customs Service, MACL, Gan International Airport, Maamigili International Airport.

Notes:

- (1) Figures for 2020 are provisional numbers. Data is available as at December 2020.
- (2) "c.i.f." means cost, insurance and freight.
- (3) "f.o.b." means free on board.

The following table shows the Maldives' exports by major commodity groups for the periods indicated:

Composition of Exports, 2015 – 2020						
Period (annual except as noted)	2015	2016	2017	2018	2019	2020
	<i>(Millions of US\$)</i>					
Total exports f.o.b.....	239.7	256.2	318.3	339.2	360.7	285.8
Domestic exports.....	144.1	139.6	199.4	181.6	158.0	162.9
Fish exports.....	137.3	134.8	193.1	173.8	150.1	155.0
Fresh, chilled or frozen tuna.....	108.7	106.6	158.2	123.0	106.8	111.8
Fresh, chilled or frozen fish (excluding tuna).....	4.9	4.4	4.5	4.9	3.2	2.1
Canned or pouched.....	13.8	15.4	23.8	40.5	35.1	34.6
Processed fish, n.e.s.....	9.9	8.4	6.6	5.5	5.1	6.6
Fish products, sea food, marine product n.e.s & live fish.....	2.6	2.2	1.4	1.2	1.4	1.2
Garments & other exports.....	4.2	2.6	4.8	6.6	6.5	6.7
Re-exports.....	95.7	116.6	118.9	157.6	202.6	122.9
y/y% change						
Total exports f.o.b.....	(20.3)	6.8	24.3	6.6	6.3	(20.8)
Domestic exports.....	(0.5)	(3.2)	42.9	(8.9)	(13.0)	3.1
Fish exports.....	(1.3)	(1.8)	43.3	(10.0)	(13.6)	3.3
Fresh, chilled or frozen tuna.....	(2.9)	(1.9)	48.4	(22.2)	(13.2)	4.7
Fresh, chilled or frozen fish (excluding tuna).....	11.2	(9.5)	2.0	7.1	(34.0)	(35.8)
Canned or pouched.....	(12.6)	11.1	54.8	70.1	(13.4)	(1.4)
Processed fish, n.e.s.....	43.1	(15.3)	(20.8)	(17.6)	(7.3)	31.2
Re-exports.....	(38.7)	21.9	2.0	32.5	28.6	(39.4)

Source: Maldives Customs Service, MACL, Gan International Airport, Maamigili International Airport.

The following table shows the Maldives' imports by major commodity groups for the periods indicated:

Composition of Imports, 2015 – 2020						
Period (annual except as noted)	2015	2016	2017	2018	2019	2020
	<i>(Millions of US\$)</i>					
Total imports c.i.f.....	1,896.3	2,125.4	2,360.4	2,959.8	2,887.5	1,838.5
Food items.....	405.9	429.6	462.4	495.6	546.1	381.3
<i>o/w</i>						
Price administered staples.....	34.7	34.9	33.8	30.9	29.9	31.3
Vegetables, rootcrops & spices.....	53.3	56.9	65.6	73.8	83.0	61.6
Fruit, nuts & seeds.....	47.0	51.0	57.1	61.9	70.2	45.4
Meat, fish & seafood.....	80.9	84.3	92.6	98.0	108.6	56.9
Dairy & eggs.....	55.9	57.8	55.5	63.0	69.3	50.4

Composition of Imports, 2015 – 2020

Period (annual except as noted)	2015	2016	2017	2018	2019	2020
	<i>(Millions of US\$)</i>					
Beverages & confectioneries.....	81.8	89.3	94.7	99.3	112.5	79.1
Furniture, fixtures & fittings.....	66.8	99.7	89.4	138.1	159.1	77.5
Electronic & electrical appliances	53.8	61.2	67.2	75.2	88.1	61.2
Petroleum products ⁽¹⁾	285.2	247.3	314.3	452.4	465.1	264.1
<i>o/w</i>						
Petrol.....	26.0	26.3	37.4	51.0	59.1	27.9
Diesel (marine gas oil)	208.0	193.1	234.4	350.0	353.0	206.9
Aviation gas	33.9	11.2	22.2	27.2	27.7	12.5
Transport equipment & parts.....	188.7	188.7	167.8	214.0	243.3	87.8
Wood, metal, cement & aggregates..	241.0	286.4	355.8	482.4	426.2	299.8
Machinery, mechanical appliances & parts, n.e.s	121.9	203.7	205.2	261.3	186.3	128.0
Electrical, electronic machinery, equipments & parts, n.e.s	99.5	114.6	135.8	149.2	150.1	114.9
Other items	433.6	494.2	562.5	691.5	623.2	494.1
y/y % change						
Total imports c.i.f.....	(4.8)	12.1	11.1	25.4	(2.4)	(36.3)
Food items	(0.4)	5.8	7.6	7.2	10.2	(30.2)
Furniture, fixtures & fittings.....	3.0	49.4	(10.4)	54.5	15.2	(51.3)
Electronic & electrical appliances.....	2.6	13.8	9.8	11.9	17.1	(30.6)
Petroleum products	(50.1)	(13.3)	27.1	43.9	2.8	(43.2)
Petrol	(54.0)	1.3	42.0	36.5	15.8	(52.8)
Diesel (marine gas oil).....	(39.9)	(7.2)	21.4	49.3	0.8	(41.4)
Aviation gas.....	(75.3)	(67.1)	99.0	22.6	1.7	(55.0)
Transport equipment & parts	31.3	0.0	(11.1)	27.5	13.7	(64.0)
Wood, metal, cement & aggregates	42.4	18.8	24.2	35.6	(11.7)	(46.1)
Machinery, mechanical appliances & parts, n.e.s.....	0.9	67.0	0.7	27.4	(28.7)	(31.3)
Electrical, electronic machinery, equipment & parts, n.e.s	12.7	15.2	18.4	9.9	0.6	(23.5)
Other items	16.0	14.0	13.8	22.9	(9.9)	(20.7)

Source: Maldives Customs Service

Note:

- (1) Due to the amendments in Export Import Act 31/79, duty on petroleum products was reinstated from 1 April 2015. Hence the import of petroleum products from April 2015 onwards includes only the total value of petroleum products sold locally.

The following table shows the Maldives' exports by destination country for the periods indicated:

Period (annual except as noted)	Direction of Trade — Exports, 2015 – 2020					
	2015	2016	2017	2018	2019	2020
	<i>(Millions of US\$)</i>					
Domestic exports f.o.b.....	144.1	139.6	199.4	181.6	158.0	162.9
Asia.....	69.0	72.6	118.1	90.9	80.0	91.6
Europe	59.5	53.7	65.9	73.7	62.3	57.6
Oceania.....	0.2	0.6	0.7	0.5	0.4	0.8
North America.....	15.2	12.6	14.6	16.1	15.1	12.1
<i>o/w</i>						
Sri Lanka	17.3	14.2	7.5	6.2	5.1	4.6
Thailand.....	36.6	48.0	97.0	65.9	57.6	70.9
France.....	15.1	12.3	13.9	13.4	15.0	13.1
Italy.....	8.1	6.9	5.8	7.9	6.0	6.9
United Kingdom	8.3	5.8	11.4	16.8	11.3	11.7
Germany	10.0	12.2	14.3	23.1	18.6	15.8
United States.....	14.7	12.4	13.9	15.0	13.9	8.6
y/y % change						
Domestic exports f.o.b.....	(0.5)	(3.2)	42.9	(8.9)	(13.0)	3.1
Asia.....	(5.5)	5.2	62.6	(23.1)	(11.9)	14.4
Europe	2.9	(9.7)	22.6	11.9	(15.4)	(7.6)
North America.....	12.3	(17.0)	15.5	10.6	(6.5)	(19.4)
Sri Lanka	97.8	(17.7)	(47.1)	(17.5)	(17.5)	(9.4)
Thailand.....	(21.5)	31.1	101.9	(32.1)	(12.6)	23.2
France.....	(27.8)	(18.9)	13.2	(3.6)	12.1	(13.0)
Italy.....	57.4	(14.9)	(16.1)	37.6	(24.5)	14.4
United Kingdom	22.4	(30.4)	97.4	47.1	(32.5)	3.0
Germany	3.8	21.6	17.7	60.9	(19.3)	(15.4)
United States.....	12.1	(15.7)	12.4	8.2	(7.5)	(38.2)

Source: Maldives Customs Service

The following table shows the Maldives' imports by country of origin for the periods indicated:

Period (annual except as noted)	Direction of Trade — Imports, 2015 – 2020					
	2015	2016	2017	2018	2019	2020
	<i>(Millions of US\$)</i>					
Total Imports c.i.f.....	1,896.3	2,125.4	2,360.4	2,959.8	2,887.5	1,838.5
Asia.....	1,528.6	1,738.7	1,915.2	2,394.6	2,329.3	1,527.6
Europe	231.9	242.5	270.5	390.5	351.0	188.8
Oceania.....	53.9	48.1	65.2	66.3	78.5	45.1

Direction of Trade — Imports, 2015 – 2020

Period (annual except as noted)	2015	2016	2017	2018	2019	2020
	<i>(Millions of US\$)</i>					
North America.....	53.5	58.0	71.8	69.3	86.4	50.8
South America.....	16.2	18.0	20.2	17.8	17.0	10.6
Africa.....	12.2	20.0	17.5	21.3	25.2	15.7
<i>o/w</i>						
China.....	147.3	285.6	280.6	488.1	469.4	268.7
India.....	226.5	275.5	287.6	286.6	290.3	243.4
Malaysia.....	141.9	120.9	174.0	232.2	191.5	137.5
Singapore.....	325.1	305.4	318.3	369.0	354.5	201.3
Sri Lanka.....	133.2	134.1	154.5	165.3	165.4	117.0
United Arab Emirates.....	317.0	333.4	434.3	536.5	543.4	226.7
y/y % change						
Total Imports c.i.f.....	(4.8)	12.1	11.1	25.4	(2.4)	(36.3)
Asia.....	(7.4)	13.7	10.2	25.0	(2.7)	(34.4)
Europe.....	19.3	4.6	11.5	44.4	(10.1)	(46.2)
North America.....	(13.8)	8.5	23.7	(3.5)	24.7	(41.2)
China.....	40.2	93.9	(1.7)	74.0	(3.8)	(42.8)
India.....	32.8	21.6	4.4	(0.3)	1.3	(16.2)
Malaysia.....	(2.2)	(14.8)	43.9	33.5	(17.5)	(28.2)
Singapore.....	(7.0)	(6.1)	4.2	15.9	(3.9)	(43.2)
Sri Lanka.....	2.8	0.7	15.2	7.0	0.1	(29.2)
United Arab Emirates.....	(33.0)	5.2	30.2	23.6	1.3	(58.3)

Source: Maldives Customs Service

External Assets

The following table sets forth information on the Government's useable reserves as of the close of the periods indicated:

As of year end (except as noted)	2015	2016	2017 (restated)	2018	2019	2020
	<i>(Millions of MVR)</i>					
Gross international reserves.....	8,691.8	7,170.2	9,050.6	10,972.2	11,586.0	15,175.8
Short term foreign liabilities ⁽¹⁾	5,616.9	4,100.0	5,851.9	6,635.6	6,728.7	N/A
Usable reserves ⁽²⁾	3,074.8	3,070.3	3,198.8	4,336.6	4,857.3	1,883.1
y/y % change						
Gross international reserves.....	(8.2)	(17.5)	26.2	21.2	5.6	(6.1)
Short term foreign liabilities.....	(21.5)	(27.0)	42.7	13.4	1.4	24.1
Usable reserves.....	33.1	(0.1)	4.2	35.6	12.0	(50.3)
Gross international reserves (GIR) <i>(millions of US\$)</i>	564.0	467.1	587.3	712.0	753.3	569.6
Usable reserves <i>(millions of US\$)</i>	199.5	200.0	207.6	281.4	315.8	122.3

As of year end (except as noted)	2015	2016	2017 (restated)	2018	2019	2020
			<i>(Millions of MVR)</i>			
Exchange rate (MVR per US\$1).....	15.41	15.35	15.41	15.41	15.38	15.40

Source: MMA, Maldives Customs Service

Notes:

- (1) Short term (ST) foreign liabilities mainly include foreign currency deposits of commercial banks held at the MMA.
- (2) Usable reserves = GIR minus ST foreign liabilities where usable reserves represent the funds that are readily available for use by the MMA in the foreign exchange market.

Foreign Direct Investment

The Maldives foreign investment regime applies to investment by a "foreign person" which under Article 9 of the Maldives constitution is "every person who is not a Maldivian citizen", and includes companies, partnerships, clubs, societies, and business entities registered overseas. The Ministry of Economic Development is responsible for promoting and regulating foreign investments in all sectors, except for the tourism sector and SEZs. The Ministry of Tourism is responsible for setting policy and developing the tourism sector, while the Maldives Marketing and Public Relations Corporation promotes the Maldives as a destination.

The Ministry of Economic Development encourages investment projects that:

- establish and enhance the delivery of basic services required to be provided by the State;
- promote economic diversification and demonstrate potential to structurally reduce the country's current dependence on the tourism sector;
- expand the export base of the economy and support import substitution;
- enhance human capital development and employment opportunities for Maldivians on a significant scale;
- promote innovation in product development and new markets for the tourism sector;
- bring enhanced improvements to the health and education sectors in terms of service delivery, quality, and accessibility;
- expand and develop sports infrastructure and services in the Maldives;
- promote the use of renewable energy in the Maldives; and
- promote incremental social and economic benefits from the available natural resources.

Foreign investment in the Maldives is currently governed under two regimes: i) the normal regime as governed by the Foreign Investments Act (Act No.: 25/79); and ii) the SEZ regime as governed by the Special Economic Zones Act 2014 (Act No.: 24/2014).

The Ministry of Economic Development reviews all proposed investments prior to granting registration. Certain business sectors also require sector level operating licences from other ministries/agencies, including fisheries and agriculture, banking and finance, health, tourism, transport, construction, and education. Foreign investments within the tourism sector, including resorts, are registered with the Ministry of Tourism. Banking licences are issued by the MMA, and governed under the Banking Act 2010 (Act No.: 24/2010), while the tourism sector falls under the Tourism Act 1999 (Act No.: 2/99).

Foreign investment in the Maldives is governed by the Foreign Investments Act 1979 (Act No.: 25/79), covering agreements between the Government and investors. The Business Registration Act 2014 (Act.: 18/2014) governs business and trading activities by foreign nationals, while the Income Tax Act 2019 (Act No.: 25/2019) governs business and personal income taxation. The Business Registration Act 2014 (Act No.: 18/2014) requires every person conducting business in the Maldives to register the business as a company, partnership, cooperative society or sole proprietor (the latter two are restricted to Maldivians only). The Companies Act 1996 (Act No.: 10/96) governs the registration as well as the regulatory and operational requirements for public and private companies. The Partnership Act 2011 (Act No.: 13/2011) governs the formation and regulation of partnerships. Foreign investments are currently approved for an initial period of five years with an option to renew.

Incentives offered by the Ministry of Economic Development include import duty concessions, 100 per cent. foreign ownership (other than the restricted sectors as determined under the Ministry's Foreign Direct Investment Policy from time to time), no restrictions on repatriation of earnings or profits and investor residency visas granted to investors who invest at least US\$250,000. All investors, local and foreign, are required to pay 15 per cent. of profits in accordance with the Business Profit Tax Act for the period commencing from July 2011 and ending on 31 December 2019, and 15 per cent. of profits under the Income Tax Act 2019 and effective since January 2020. Since 2011, a general GST of 6 per cent. has been applicable on all goods and services supplied in the Maldives. From November 2014, T-GST rose to 12 per cent., whereas the general GST has remained at 6 per cent. since its imposition in 2011. From 1 November 2015, a green tax of US\$3 and US\$6 per tourist per night has been imposed on guest houses and other tourist establishments, respectively. Collection of the green tax will be apportioned to the relevant tourist resorts, hotels and vessels.

In September 2014, the Maldives introduced a Special Economic Zones Act 2014 (Act No.: 24/2014), with the main objective of soliciting private capital to undertake large-scale investment projects of economic significance to the country. The Act provides for the creation and management of SEZs in the Maldives and investments in those zones, with incentives granted to the developers and investors operating in the zones. The minimum investment for a SEZ project stands at US\$150 million and the application fee is US\$25,000.

Investors are also required to provide a US\$1 million bank guarantee. This list is reviewed every year by the President, and is updated based on the strategic priorities of the Government. The SEZ board has the powers to freeze potential investors' local funds if the permit is terminated and the investor has any outstanding debt.

Since 2014, the Government has held annual investment forums to showcase priority investment areas of the Government and private sector. Information is also disseminated through the website of the Ministry of Economic Development and through public announcements calling for expressions of interest for specific projects.

The World Bank predicts that foreign direct investment in tourism will increase in 2022, with foreign direct investment accounting for 10.6 per cent of GDP in 2022, compared to 7.5 per cent and 5.0 per cent in 2021 and 2020 respectively.

Limits on Foreign Control

The Maldives allows foreign investors to register companies and partnerships but does not allow foreign parties to register cooperative societies or to trade as a sole proprietor. There are currently no property and real estate laws or a mechanism to allow foreign persons to hold title to land. Foreign investment is allowed in all major sectors of the economy apart from the following principal areas, which are restricted to locals only under the current foreign direct investment policy of the Ministry of Economic Development:

- forestry, mining of sand and other mining and quarrying;
- manufacturing of tobacco goods;

- manufacture of wood and of products of wood and cork except furniture;
- printing and reproduction of recorded media (foreign investors can engage in this area with 51 per cent. local shareholding);
- manufacture of rubber and plastics products;
- photography and videography;
- manufacture of handicrafts and souvenirs; and
- installation of equipment that forms an integral part of buildings or similar structures, such as installation of escalators and elevators (foreign investors can engage in this area with 60 per cent. local shareholding).

The 10th Amendment to the Tourism Act (Act No. 35/2020) came into effect on 27 December 2020. This introduced integrated tourist resorts and private islands as new tourism products while enshrining strata leases for individual villas in primary legislation. Strata leases were previously permitted under a regulation issued under the Tourism Act; however, the provisions were incorporated into legislation to provide extra security and confidence to investors. Individual villa leases could be an attractive proposition for individual investors as the amendment provides for the operation of such villas as timeshares. The introduction of integrated tourist resorts as a new product paves the way for a developer to develop multiple tourist properties within a single lease with shared common facilities. Private islands are the other tourism real estate product aimed at providing long term residences for investors. Further provisions enable 100 per cent. government owned companies to lease land and lagoons for developing these real estate products. Further amendments brought forth include provisions for extending tourism leases up to 50 years for leaseholds which were previously leased for a shorter duration. A fee of US\$100,000 per year will be applied if the entire fee for a lease extension up to 50 years is paid in full within two years of the 10th Amendment to the Tourism Act coming into force. The fee will be raised to US\$200,000 per year if any part of the fee is to be paid beyond the stated deadline. Furthermore, the fee for extending leases with a duration of 50 years to a duration of a cumulative 99 years is to be increased from US\$5,000,000 to US\$10,000,000 on the second anniversary of the 10th Amendment to the Tourism Act coming into force. Additionally, changes were brought in relating to the rental of tourism land to incentivise tourism development in the Northern and Southern regions of the country where development has not reached the levels of the central area. The current rent regime varies the rent between 4 zones based on indicators such as number of beds, infrastructure, transportation, and geography. The rents for these zones are US\$2 per square metre per year with a maximum cap of US\$800,000, US\$4 per square metre per year with a maximum cap of US\$1 million, US\$6 per square metre per year with a maximum cap of US\$1.5 million and US\$8 per square metre per year with a maximum cap of US\$2 million, whereas the previous rent regime applied a flat rate of US\$8 per square metre per year with a maximum cap of US\$2 million. Another key amendment allows the Government to cross subsidise significant social and/or economic projects with acquisition costs and rent revenue from tourism leases whilst including provisions for awarding such leases on a cross subsidy basis. The Amendment will also determine a formula for leaseholders to buy back shares held by the Government in joint venture special purpose vehicles incorporated to lease land and lagoons for tourism development under an earlier provision of the Tourism Act which has since been removed.

Privatisation Programme

The Maldives introduced a Privatisation and Corporatisation Act (Act No.: 3/2013) in January 2013. The Act governs all privatisation and corporatisation efforts by the Government. A Privatisation and Corporatisation Board has been established under the Act, tasked with planning, implementing, administering and monitoring the Government's privatisation and corporatisation efforts. However, there are no privatisation programmes being implemented at present.

The Government has included in its fiscal strategy measures to improve the governance and service provision capabilities of SOEs, including the privatisation of some SOEs. The Government will (i) reform and improve governance of SOEs, (ii) improve participation of the general public in the ownership of SOEs and spread ownership across the country and (iii) enhance capital markets by increasing the number of listed entities and transactions that take place within the market. In 2021 and 2022, the Government expects to raise US\$97 million from privatisation.

Screening of FDI

The Ministry of Economic Development screens and internally reviews all foreign investment proposals. The process includes standard due diligence efforts such as a local police screening of all investors, determining the financial standing of the proposed shareholders through a bank reference, as well as performing a background check on the investors involved. The opinions of the related sector participants are also sought. Each case is reviewed based on its merits and other factors, including the number of existing investors in the area, and the employment and technology transfer potential demonstrated. The Ministry of Economic Development makes the final decision.

Competition Law

The Maldives Competition and Fair Business Practices Act 2020 (Act No. 11/2020) was ratified in 2020, with its provisions coming into effect in March 2021. The Act is intended to promote positive competition and fair business practices, while prohibiting agreements and conduct that prevent, restrict and distort market competition, that would hinder economic growth. International arbitration is available for dispute resolution.

Financial Institutions

Overview

All non-capital markets financial institutions currently operate under the supervision of the MMA, the central bank. The Maldives Monetary Authority Act 1981 (Act No.: 6/81) was amended in 2007 (by Act No.: 2/2007) to ensure the independence of the MMA. Banking supervision has recently been upgraded, moving toward international best practices. Comprehensive banking legislation was enacted in December 2010 covering financial, prudential, and supervisory matters, and conservatorship, liquidation, and receivership.

The Maldives' financial sector is dominated by the banking sector, which accounted for 94 per cent. of the consolidated assets of the country's finance companies and banks. The banking sector consists of two publicly-listed commercial banks – the Bank of Maldives Plc and the Maldives Islamic Bank – and six other banks, consisting of three locally incorporated banks, branches of four foreign-owned banks and one foreign owned subsidiary. The banking sector continued to increase its outreach, with two new branches opening in 2019. At the end of 2019, the total number of bank branches in the country stood at 58, while total number of automated teller machines ("ATMs") amounted to 148. Of these, 34 branches and 56 ATMs were outside the Malé region.

The Commercial Bank of Maldives, which is a joint venture between Maldivian partners and the Commercial Bank of Sri Lanka, opened in 2016. The Maldives Islamic Bank Plc, established through a partnership between the Government and the Islamic Corporation for the Development of the Private Sector, commenced operations in March 2011, offering Islamic Sharia-compliant products. HSBC, the only global bank present, commenced operations in the country in 2002. Commercial banks provide short- and long-term credit to the private sector. No specialised financial institution exists to meet the investment needs of tourism, agriculture, and fisheries.

Non-bank financial institutions in the country consist of several insurance companies, a pension fund, a finance leasing company, a specialised housing finance institution and money transfer businesses.

Most foreign currency loans are made to foreign currency-earning tourist enterprises. Local sources of finance are limited in scope due to the small size of the capital market and the lack of instruments that are available in more developed nations.

A leasing company, Maldives Finance Leasing Company Pvt Ltd ("MFLC"), was established in May 2002 as a collaborative venture between five domestic public and private sector entities and two international parties, including the IFC. MFLC aims to address the demand for long-term equipment financing from all sectors of the economy.

The Housing Development Finance Corporation Plc. is a Government company designed to provide housing loans with long repayment terms at favourable interest rates.

The following table sets out the assets and liabilities of the MMA as of the close of the periods indicated:

As of year end (except as noted)	2015 (restated)	2016	2017 (restated)	2018	2019	2020
	<i>(Millions of MVR)</i>					
Assets	15,931.9	16,487.0	17,680.8	18,799.0	18,688.5	26,174.4
Foreign assets	8,836.5	7,181.8	9,059.9	10,983.4	11,597.9	15,185.3
Claims on central govt.....	6,373.0	6,373.0	6,331.2	6,250.0	6,188.8	9,397.8
Claims on other sectors	92.0	2,165.3	1,480.6	777.1	77.7	694.2
Other assets	169.4	337.5	358.1	351.7	347.9	363.9
Non-financial assets	461.0	430.2	451.0	436.8	476.2	533.2
Liabilities	15,931.9	16,487.0	17,680.8	18,799.0	18,688.5	26,174.4
Currency in circulation.....	3,220.7	3,243.5	3,496.3	3,669.0	3,599.7	3,942.1
Claims to central govt.....	907.5	1,093.9	1,812.7	974.8	3,188.7	1,119.7
Claims to ODC ⁽¹⁾	7,052.3	5,734.2	7,186.9	7,861.9	7,506.5	8,306.6
Claims to other sectors	10.5	13.3	143.0	78.3	13.7	13.6
Other liabilities to ODC ⁽¹⁾	3,364.7	3,450.9	3,427.2	2,984.4	2,296.1	4,619.4
Foreign liabilities.....	609.5	1,933.8	437.8	1,918.0	588.0	6,689.2
Other liabilities	437.6	727.8	768.1	764.4	768.7	799.9
Shares & other equity	329.1	289.7	408.8	548.1	727.2	683.9

Note:

(1) "ODC" refers to other depository corporations, consisting of all commercial banks that are operating in the Maldives.

Period	2015 (restated)	2016	2017 (restated)	2018	2019	2020
	<i>(Millions of MVR)</i>					
y/y % change						
Assets						
Foreign assets	(8.2)	(17.5)	26.2	21.2	5.6	30.9
Claims on central govt.....	(1.0)	(0.0)	(0.6)	(1.3)	(1.0)	51.9
Liabilities						

Period	2015 (restated)	2016	2017 (restated)	2018	2019	2020
			<i>(Millions of MVR)</i>			
Currency in circulation	3.9	0.7	7.8	4.9	(1.9)	9.5
Claims to central govt.....	(17.8)	19.1	65.8	(46.2)	227.1	(64.9)
Memorandum items						
Foreign assets of MMA (<i>millions of US\$</i>).....	564.6	467.8	587.9	712.6	753.9	985.4
Net foreign assets of MMA (<i>millions of US\$</i>).....	533.9	341.9	559.5	588.1	715.7	551.3
Exchange rate	15.41	15.35	15.41	15.41	15.38	15.41
Monetary operations (avg. investment)						
Overnight deposit facility	2,496.4	3,229.4	3,095.1	3,152.2	2,347.5	3,138.2
Open market operations ⁽¹⁾	—	—	—	—	—	—

Source: MMA

Note:

(1) Open market operations temporarily suspended from May 2014 onwards.

The following table sets out the assets and liabilities of other depository institutions in the Maldives as of the close of the periods indicated:

Assets and Liabilities of Other Depository Corporations, 2015 – 2020

As of year end (except as noted)	2015	2016	2017 (restated)	2018	2019	2020
			<i>(Millions of MVR)</i>			
Assets	44,142.4	46,379.4	48,690.5	51,078.9	56,431.5	68,501.1
Foreign assets	5,112.8	4,519.4	3,949.4	3,021.5	4,538.9	4,131.1
Cash.....	464.6	548.5	583.8	612.0	607.8	547.2
Deposits with central bank	10,345.5	9,133.1	10,508.6	10,689.8	9,640.2	12,774.9
Securities other than shares	8,324.1	10,612.6	9,092.1	9,910.3	12,290.2	18,497.8
Loans & advances	18,041.7	19,922.9	23,109.5	25,039.8	26,949.8	29,673.5
Shares & other equity	14.6	14.5	69.4	69.4	103.5	107.3
Other assets	1,104.8	839.2	479.6	759.3	919.8	1,028.8
Non-financial assets	734.3	789.1	898.1	976.9	1,381.4	1,740.6
Liabilities	44,142.4	46,379.4	48,690.5	51,078.9	56,431.5	68,501.1
Foreign liabilities.....	1,042.6	1,898.1	2,218.0	2,267.7	2,509.5	6,365.9
Deposits.....	27,734.7	27,741.3	29,093.4	30,031.3	33,248.6	37,999.9
Central govt. liabilities	1,933.4	1,994.0	1,732.7	1,758.1	1,790.1	1,487.5
Other liabilities.....	4,017.1	3,636.8	3,758.1	4,496.5	4,867.0	6,474.6
Shares & other equity	9,414.5	11,109.2	11,888.4	12,525.3	14,016.3	15,108.2
Memorandum items						
Transferable deposits.....	22,870.7	21,920.2	23,520.7	23,862.7	25,851.7	29,954.6

Assets and Liabilities of Other Depository Corporations, 2015 – 2020

As of year end (except as noted)	2015	2016	2017 (restated)	2018	2019	2020
			<i>(Millions of MVR)</i>			
Local currency.....	10,580.7	10,773.5	11,557.1	11,522.4	11,563.5	15,609.8
Foreign currency	12,290.0	11,146.8	11,963.6	12,340.3	14,288.2	14,344.8
Other deposits.....	4,864.0	5,821.0	5,572.7	6,168.6	7,396.8	8,045.3
Local currency.....	1,710.2	2,205.8	1,935.6	2,349.0	2,526.1	3,449.3
Foreign currency	3,153.8	3,615.2	3,637.1	3,819.6	4,870.7	4,595.9

Source: MMA

Banking Sector

The banking sector remained strong during 2020, with key prudential indicators standing well above the regulatory minimum requirements.

The capital adequacy of the banking sector remained strong, with capital adequacy ratios of 48.2 per cent. as at 30 September 2020 compared to 47.3 per cent. as at 30 September 2019. As at the end of 2020 the total assets of other depository corporations was US\$4,225 million, representing an increase from US\$3,663 million at the end of 2019 and a compound annual growth rate of 8 per cent. from 2015 to 2019. In addition, non-performing loan ratios have been relatively stable with a non-performing loan ratio of 9.0 per cent. as at 30 September 2020 compared to 9.6 per cent. as at 30 September 2019.

Securities Markets

Government Securities Market

The Government issues two main types of debt securities through the MMA: T-bills and treasury bonds ("**T-bonds**"). Currently, all the securities are issued in the primary market. T-bills are issued to limited eligible investors consisting of commercial banks, SOEs, institutional investors and private companies with the main aim of raising funds for Government budget financing requirements. In addition, the Government has issued Maldivian Rufiyaa-denominated T-bonds ("**MVR T-bonds**") to the MMA and a US\$-denominated T-bond to a commercial bank as a private placement.

The MMA introduced T-bills on 10 September 2006, replacing the MMA Certificate of Deposit to finance the Government deficit. T-bills were initially issued under a tap system with maturities of one month (28 day T-bills) and three months (91 day T-bills) and the investor base was limited to commercial banks and SOEs. The T-bills auction was introduced on 28 December 2009 and thereafter T-bills' maturity was extended to six months. 182-day T-bills were introduced on 4 July 2010 to provide a longer-term investment opportunity for investors, especially non-banks. One-year T-bills (364-day T-bills) were introduced on 12 August 2012 with the aim of lengthening the maturity profile of domestic debt. The T-bills market was opened to private companies on 22 August 2012 in order to deepen and diversify the market.

MVR T-bonds were issued after converting the existing debt of the Government in 2009 with the objective of improving the management of Government cash flow and to strengthen the MMA's balance sheet. On 3 December 2009, the first US\$-denominated T-bond was issued to a commercial bank in two tranches to overcome economic stagnation and the U.S. dollar shortage in the Maldives. The US\$ T-bonds were issued with a maturity of two years. The Government has also issued a US\$ T-bond on a bilateral basis which has matured. The MMA had used MVR T-bonds to conduct open market operations every week, until 2014.

Currently, all T-bills are issued in the primary market. Although T-bills are negotiable securities that can be transferred and pledged between the eligible participants, there is virtually no secondary market for T-bills. Only a handful of transactions took place in 2010 and the market for T-bills is illiquid. Several challenges facing the market include the narrow investor base, investors' predominantly buy-and-hold strategy and commercial banks' holdings of T-bills in an investment portfolio, which reduces the need to actively manage liquidity in the secondary market. Further, although T-bills are covered under the Maldives Securities Act, rules and regulations required for a secondary market are not fully covered in the current legal framework.

The Government has promoted various initiatives to try to widen the investor base and stimulate a secondary market. For example, it has introduced new products such as sukuk and other sharia compliant securities to fuel the Islamic finance market in the country. Currently, commercial banks and pension funds are the principal holders of T-bills.

For a summary of holdings of T-bills and Government Islamic instruments by creditor, amounts outstanding and other related data, refer to page 189 of this Base Prospectus.

Private Securities Markets

The Maldives Stock Exchange ("MSE") was opened in 2002 as a small securities trading floor and was licensed as a private stock exchange in 2008. In January 2006, Parliament passed the Securities Act 2006 (Act No.: 2/2006) in January 2006, and the Government created a Capital Market Development Authority ("CMDA") to regulate the capital market. At present, the only investment opportunities available to the public are a limited number of shares in the Bank of Maldives, five state-owned public companies and a limited number of foreign companies.

The market capitalisation of all companies listed on the exchange was approximately MVR17.8 billion (US\$1.2 billion) as of 31 December 2019. The Maldives Stock Exchange Index ("MASIX") was established on 28 October 2004. Like other stock market indices, MASIX captures the overall movement in prices in the Maldives Stock Market. Owing to the lack of an electronic trading platform, liquidity on the MSE is extremely limited, averaging fewer than 20 trades each month. The Government is currently evaluating measures to improve the market infrastructure of the MSE in order to improve its attractiveness to companies and investors and to facilitate the capital formation process.

The primary function of the MSE is to facilitate the raising of capital for companies by issuing new securities. The MSE provides a regulated market for the trading of securities between investors. The MSE is also the centre for trade reporting and pricing of the stocks. It also provides clearing, settlement and depository services through a subsidiary, the Maldives Securities Depository, which was established in January 2008.

The regulatory framework governing the Maldives' private securities markets consists of:

- the Companies Act 1996 (Act No.: 10/96) and the rules made thereunder; and
- the Maldives Securities Act 2006 (Act No.: 2/2006) and the rules made thereunder.

The CMDA is an autonomous statutory entity with authority to act as regulator of the private securities market and was established under the Maldives Securities Act 2006 (Act No.: 2/2006). In its role, the CMDA conducts market surveillance, licenses market intermediaries and promotes investor education and market awareness. In addition to regulatory functions, the CMDA is also endowed with statutory powers to develop the securities market, collaborating with relevant Government agencies to develop and increase capital market activities.

Litigation

Other than as described immediately below, neither the Government nor the Trustee is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or

threatened of which the Government is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position of the Government and/or the financial position or profitability of the Trustee.

In February 2010, Nasheed's administration signed an agreement with Dheebaja Investment Private Limited to provide ferry services in the Northern Province of Maldives, which was later annulled by former President Waheed's administration in 2013. The Civil Court initially ordered the Government to pay a sum of MVR348 million as compensation to Dheebaja in 2014. The Civil Court's ruling was overturned by the High Court in 2018. However, the Supreme Court annulled the High Court's decision in April 2019 on the grounds that the appeal was accepted two months after the deadline to appeal was passed. Earlier in 2020, the Attorney General's Office requested the Supreme Court to review the Dheebaja case. The case is ongoing at the Supreme Court and the Government's position is that the Supreme Court judgment issued on procedural grounds is wrong in law and that the case ought to be decided on the facts, and that its liability (if any) is unlikely to be for the full amount claimed.

On 16 August 2019, Tuff Offshore Engineering Service Pte Ltd initiated arbitration proceedings against the Ministry of National Planning, Housing and Infrastructure, bringing a claim regarding the Contract Agreement for Engineering Procurement & Construction of Maafaru Airport at Maafaru, Noonu Atoll. The proceedings are ongoing.

On 18 December 2019, Prime Capital Maldives Limited initiated arbitration proceedings against the Ministry of Finance, for the alleged breach of a Joint Venture Agreement signed between the Government and Prime Capital Maldives Limited to reclaim and develop 27 islands in Fushidhiggaru Lagoon in Kaafu Atoll. The proceedings are ongoing.

On 13 March 2020, M/S Lucky Exports - Triveni JV initiated arbitration proceedings against the Ministry of National Planning and Infrastructure and the Ministry of Environment for the termination of the Agreement for Construction of water supply and sewerage facilities in the islands Lhaviyani Naifaru and Thaa Veymandu. On 9 March 2021, M/S Lucky Exports offered to settle the dispute. The Government is considering the offer and a decision is expected to be taken soon.

On 11 December 2017, Noomadi Resorts and Residences AG initiated arbitration proceedings against the Ministry of Housing and Infrastructure, regarding the Government's termination of two agreements to develop a total of 1,100 housing units, phase I of the Maldives Police Service's Police Academy and the establishment of sewerage systems on three islands. On 25 August 2019, the Government reached an agreement with Noomadi Resorts and Residences AG to settle the dispute with compensation of US\$ 55 million to be paid by the Government. On 12 February 2020, the Ministry of Finance confirmed that the Government had settled the compensation to Noomadi Resorts and Residences AG in full.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Trust Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Trust Certificates to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") [distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1) of the Securities and Futures Act (Chapter 289) (the "**SFA**"), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Trust Certificates are ["prescribed capital markets products"/capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["Excluded Investment Products"/"Specified Investment Products"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms dated [·]

MALDIVES SUKUK ISSUANCE LIMITED

Legal Entity Identifier (LEI): 549300RPRH3HJCZQP933

Issue of [Aggregate Face Amount of Tranche] [Title of Trust Certificates] under the Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS¹

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "**Conditions**") set forth in the base prospectus dated 23 March 2021 [and the

¹ To be included only if the Trust Certificates are to be admitted to trading on the regulated market, and listing on the official list, of Euronext Dublin.

supplement(s) thereto dated [●] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Trust Certificates described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus². Full information on the Trustee, the Government and the offer of the Trust Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms]³ [is/are] available for viewing on the website of Euronext Dublin (<http://www.ise.ie>) and the website of Nasdaq Dubai (<http://www.nasdaqdubai.com>).]

1. (a) Trustee and Lessor: Maldives Sukuk Issuance Limited
- (b) Seller, Obligor, Lessee and Servicing Agent: Ministry of Finance on behalf of the Government of the Republic of Maldives (the "**Government**")
2. (a) Series Number: [●]
- (b) Tranche Number: [●]/[Not Applicable]
- (c) Date on which the Trust Certificates become fungible: [The Trust Certificates will be consolidated and form a single Series with [identify earlier Tranche(s)] on [insert date/the Issue Date]][Not Applicable]
3. Specified Currency: [●]
4. Aggregate Face Amount:
 - (a) Series [●]
 - (b) Tranche [●]
5. Issue Price: [●] per cent. of the Aggregate Face Amount
6. (a) Specified Denominations: [●]
- (b) Calculation Amount: [●]
7. (a) Issue Date: [●]
- (b) Return Accumulation Commencement Date: [[●]/Issue Date]
8. Scheduled Dissolution Date: [●]
9. Periodic Distribution Amount Basis: Fixed Rate Trust Certificates (further particulars specified below in paragraph 14)
10. Dissolution Basis: The Trust Certificates will be redeemed at 100 per cent. of the Aggregate Face Amount
11. Put/Call Rights: [Not Applicable]
[Optional Dissolution Call Right]
[Delisting Purchase Undertaking Right]
12. Status: The Trust Certificates are direct, unsecured, unsubordinated and limited recourse obligations of the Trustee

² To be deleted where the Trust Certificates are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation.

³ To be included only if the Trust Certificates are to be admitted to trading on the regulated market, and listing on the official list, of Euronext Dublin.

13. Date of Trustee's approval and date of Government's approval for issuance of Trust Certificates: [●] and [●], respectively

Provisions relating to profit payable (if any)

14. Fixed Periodic Distribution Provisions:
- (a) Rate(s): [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[●]] [in arrear on each Periodic Distribution Date]
 - (b) Return Accumulation Period: [[●]/[Not Applicable]]
 - (c) Periodic Distribution Date(s): [[●] in each year up to and including the Scheduled Dissolution Date]
 - (d) Fixed Amount(s) for Trust Certificates in definitive form (and in relation to Trust Certificates in global form, see Condition 7): [●] per Calculation Amount
 - (e) Broken Amount(s): [[●] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [●]/Not Applicable]
 - (f) Day Count Fraction: [30/360 / Actual/Actual / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360]
 - (g) Determination Date(s): [[●] in each year/Not Applicable] Provisions relating to dissolution

Provisions relating to dissolution

15. Optional Dissolution Call Right: [Applicable/Not Applicable]
- (a) Optional Dissolution Date(s): [●]
 - (b) Optional Dissolution Amount (Call): [[●]/As per Condition [10.2]]
 - (c) Notice periods: [[●]/As per Condition 10.2]]
16. Delisting Purchase Undertaking Right: [[Applicable]/[Not Applicable]]
17. Dissolution Event Amount: [●]
18. Final Dissolution Amount: [●]
19. Other Dissolution Amount: [[●]/Not Applicable]

General provisions applicable to the Trust Certificates

20. Form of Trust Certificates: Trust Certificates in registered form.
[Regulation S Global Trust Certificate(s) (US\$[●] aggregate face amount) registered in the name of a nominee for [The Depository Trust Company/a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.]]

[Rule 144A Global Trust Certificate(s) (US\$[●] aggregate face amount) registered in the name of a nominee for [The

Depository Trust Company/a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.]]

[Reg S Compliance Category 2] [Rule 144A]

21. Additional Financial Centre(s): [Not Applicable/[●]]

Provisions in respect of the Trust Assets

22. Trust Assets: Condition [5.1] applies

23. On the Issue Date:

(a) Ijara percentage: [●]

(b) Murabaha percentage: [●]

24. (a) Details of Transaction Account (to be held in London): Maldives Sukuk Issuance Limited Transaction Account No: [●] with [●] for Series No.: [●]

(b) Supplemental Declaration of Trust: Supplemental Declaration of Trust dated [●] between the Trustee, the Government and the Delegate

(c) Supplemental Purchase Agreement: Supplemental Purchase Agreement dated [●] between the Trustee and the Government

(d) Supplemental Lease Agreement: Supplemental Lease Agreement dated [●] between the Trustee, the Lessor, the Lessee and the Delegate

(e) [Purchase Order and Letter of Offer and Acceptance: Purchase Order dated [●] from the Obligor (as "**Buyer**") to the Trustee (as "**Seller**") and Letter of Offer and Acceptance dated [●] from the Seller to the Buyer.]

(f) Declaration of Commingling of Assets: [Declaration of Commingling of Assets dated [●] executed by the Trustee] [Not Applicable]

Signed on behalf of Maldives Sukuk Issuance Limited

Signed on behalf of Ministry of Finance on behalf of the Government of the Republic of Maldives

By

By:.....

Duly authorised

Duly authorised

By:.....

Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to Trading

- (a) Listing and Admission to trading: [Application has been made by the Trustee (or on its behalf) to Euronext Dublin for the Trust Certificates to be listed on its Official List and admitted to trading on its regulated market with effect from [●].]
[Application has been made by the Trustee (or on its behalf) to the DFSA for the Trust Certificates to be listed on the DFSA Official List and to Nasdaq Dubai for the Trust Certificates to be admitted to trading on Nasdaq Dubai with effect from [●].]
[Not Applicable.]
- (b) Estimate of total expenses related to admission to trading: [●]

2. Ratings

- Ratings: The Trust Certificates to be issued [have been/are expected to be/will not be] rated.
[[●]: [●]]
[[●]: [●]]
[[●]: [●]]
[[●] is established in the [European Union/United Kingdom] and has applied for registration under Regulation (EC) No. 1060/2009 [as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA")], although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
[[●] is established in the [European Union/United Kingdom] and is registered under Regulation (EC) No 1060/2009 [as it forms part of domestic law by virtue of the EUWA].]
[[●] is not established in the [European Union/United Kingdom] and has not applied for registration under Regulation (EC) No. 1060/2009 [as it forms part of domestic law by virtue of the EUWA]. However, the application for registration under Regulation (EC) No. 1060/2009 [as it forms part of domestic law by virtue of the EUWA] of [●], which is established in the [European Union/United Kingdom], disclosed the intention to endorse credit ratings of [●].]
[[●] is not established in the [European Union/United Kingdom] and has not applied for registration under Regulation (EC) No. 1060/2009 [as it forms part of

domestic law by virtue of the EUWA]. The ratings [[have been]/[are expected to be]] endorsed by [●] in accordance with Regulation (EC) No. 1060/2009 [as it forms part of domestic law by virtue of the EUWA]. [●] is established in the [European Union/United Kingdom] and registered under Regulation (EC) No. 1060/2009 [as it forms part of domestic law by virtue of the EUWA].] [[●] is not established in the [European Union/United Kingdom] and has not applied for registration under Regulation (EC) No. 1060/2009 [as it forms part of domestic law by virtue of the EUWA], but it is certified in accordance with such Regulation.]

3. **Interests of Natural and Legal Persons involved in the Issue**

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and the Government is aware, no person involved in the issue of the Trust Certificates has an interest material to the offer. The [Managers/Dealer] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Government and/or the Trustee (and each of their affiliates) in the ordinary course of business for which they may receive fees.]

4. **Yield:** [●] per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. **Estimated Net Proceeds:** [●]

6. **Operational Information**

(a) ISIN: [●]

(b) Common Code: [●]

(c) CUSIP: [●]

(d) Any clearing system(s) other than The Depository Trust Corporation, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]

(e) Delivery Delivery [against/free of] payment

(f) Names and addresses of additional Paying Agent(s) (if any): [●]

(g) Stabilisation Manager(s): [●]

TERMS AND CONDITIONS OF THE TRUST CERTIFICATES

The following is the text of the Terms and Conditions of the Trust Certificates, which (save for the text in italics and subject to completion in accordance with the provisions of Part A of the relevant Final Terms) will be endorsed on each Trust Certificate in definitive registered form issued under the Programme and will apply to each Global Trust Certificate.

Maldives Sukuk Issuance Limited (in its capacity as issuer of the Trust Certificates (as defined below) and as trustee for the Certificateholders (as defined below), the "**Trustee**"), has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Trust Certificates**").

As used herein, "**Tranche**" means Trust Certificates which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Trust Certificates together with any further Tranche or Tranches of Trust Certificates which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined herein) thereon and the date from which Periodic Distribution Amounts start to accrue.

The final terms for this Trust Certificate (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Trust Certificate which complete these Terms and Conditions (these "**Conditions**"). References to the "applicable Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Trust Certificate (save where otherwise expressed herein).

Each of the Trust Certificates will represent an undivided ownership interest in the Trust Assets (as defined below) which are held by the Trustee on trust (the "**Trust**") for, *inter alia*, the benefit of the holders of the Trust Certificates pursuant to: (i) a Master Declaration of Trust (the "**Master Declaration of Trust**") dated 23 March 2021 and made between the Trustee, the Ministry of Finance on behalf of the Government of the Republic of Maldives (the "**Government**") and HSBC Corporate Trustee Company (UK) Limited (the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") having the details set out in the applicable Final Terms.

In these Conditions, references to "**Trust Certificates**" shall be references to the Trust Certificates of the Series which are the subject of the applicable Final Terms only, not to all Trust Certificates that may be issued under the Programme (whether in global form as a Global Trust Certificate or in definitive form as definitive Trust Certificates), which are the subject of the applicable Final Terms.

Payments relating to the Trust Certificates will be made pursuant to an agency agreement dated 23 March 2021 (the "**Agency Agreement**") made between the Trustee, the Delegate, the Government, HSBC Bank plc as principal paying agent (in such capacity, the "**Principal Paying Agent**"), HSBC Bank USA, National Association as paying agent in respect of any Rule 144A Trust Certificates (in such capacity, a "**Paying Agent**" and, together with the Principal Paying Agent and any further or other paying agents appointed from time to time in respect of the Trust Certificates, the "**Paying Agents**"), HSBC Bank plc as registrar, and HSBC Bank USA, National Association as registrar only in respect of any Rule 144A Trust Certificates (each in such capacity, a "**Registrar**"), HSBC Bank plc as transfer agent and HSBC Bank USA, National Association as transfer agent in respect of any Rule 144A Trust Certificates (in such capacity, a "**Transfer Agent**" and, together with the Registrars and any further or other transfer agents appointed from time to time in respect of the Trust Certificates, the "**Transfer Agents**"). The Paying Agents, Transfer Agents, Registrars and the Calculation Agent are together referred to in these Conditions as the "**Agents**". References to the Agents or any of them shall include their successors.

The holders of the Trust Certificates (the "**Certificateholders**") are bound by, and are deemed to have notice of, all of the provisions applicable to them in the documents set out below, copies of which are available for

inspection by Certificateholders by emailing the Principal Paying Agent at ctlondon.conventional@hsbc.com and ctla.payingagency@hsbc.com:

- (a) a master purchase agreement between the Trustee (in its capacity as purchaser) and the Government (in its capacity as seller) dated 23 March 2021 (the "**Master Purchase Agreement**");
- (b) the supplemental purchase agreement (the "**Supplemental Purchase Agreement**" and, together with the Master Purchase Agreement, the "**Purchase Agreement**") having the details set out in the applicable Final Terms;
- (c) a master lease agreement between the Trustee (in such capacity as lessor), the Government (in its capacity as lessee) and the Delegate dated 23 March 2021 (the "**Master Lease Agreement**");
- (d) the supplemental lease agreement (the "**Supplemental Lease Agreement**" and, together with the Master Lease Agreement, the "**Lease Agreement**") having the details set out in the applicable Final Terms;
- (e) a purchase undertaking executed by the Government (in its capacity as obligor) as a deed dated 23 March 2021 (the "**Purchase Undertaking**"), containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Government (in its capacity as purchaser) and the Trustee (in its capacity as seller) on the Scheduled Dissolution Date or the Dissolution Event Redemption Date, as the case may be (each such expression having the meaning given to it in the Purchase Undertaking);
- (f) a sale and substitution undertaking executed by the Trustee as a deed dated 23 March 2021 (the "**Sale and Substitution Undertaking**") containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Trustee (in its capacity as seller) and the Government (in its capacity as purchaser) on the Optional Dissolution Date, the Cancellation Date or the Substitution Date, as the case may be (each such expression having the meaning given to it in the Sale and Substitution Undertaking);
- (g) a servicing agency agreement between the Trustee (in its capacity as lessor) and the Government (in its capacity as servicing agent, the "**Servicing Agent**") dated 23 March 2021 (the "**Servicing Agency Agreement**");
- (h) a master murabaha agreement between the Trustee (in such capacity as seller) and the Government (in such capacity as buyer) dated 23 March 2021 (the "**Master Murabaha Agreement**"), together with the purchase order, the letter of offer and acceptance and all other offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series;
- (i) a declaration of commingling of assets having the details set out in the Declaration of Trust;
- (j) the Declaration of Trust;
- (k) the Agency Agreement; and
- (l) the applicable Final Terms,

together being the "**Transaction Documents**".

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Declaration of Trust and the Agency Agreement.

Each initial Certificateholder, by its acquisition and holding of its interest in a Trust Certificate, shall be deemed to authorise and direct the Trustee to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions and to apply the sums paid by it in respect of its Trust Certificates in accordance with the terms of the Transaction Documents.

1 Interpretation

1.1 Definitions

Words and expressions defined in the Declaration of Trust and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions the following expressions have the following meanings:

"**Accrual Period**" has the meaning given in Condition 7.2;

"**Agency**" means any political sub-division, regional or municipal government, ministry, department, authority or statutory corporation of the Government (whether or not autonomous) and any corporation or other entity which is directly or indirectly controlled or (as to 50 per cent. or more of its issued share capital or the equivalent thereof) owned by the Government;

"**Aggregation Agent**" shall have the meaning given to it in Condition 19(a);

"**Business Day**" means a day which is:

- (a) a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) and settle payments in the Specified Currency in the Additional Business Centre(s) or, if no Specified Currency is indicated, generally in each Additional Business Centre specified in the applicable Final Terms; and
- (b) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the Additional Business Centre); or (ii) in relation to any sum payable in euro, a TARGET2 Settlement Day;

"**Calculation Agent**" shall have the meaning given to it in Condition 18(g);

"**Cancellation Date**" means the date on which Trust Certificates are to be cancelled as specified in the Cancellation Notice;

"**Cancellation Notice**" means a notice substantially in the form set out in Schedule 2 to the Sale and Substitution Undertaking;

"**Cancelled Lease Assets**" means the assets to be sold by the Trustee (in its capacity as seller) to the Government (in its capacity as purchaser) in accordance with the Sale and Substitution Undertaking following the delivery of, and as specified in, an applicable Cancellation Notice;

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.;

"**Day Count Fraction**" has the meaning given to it in Condition 7.2;

"**Deferred Sale Price**" has the meaning given to it in the Master Murabaha Agreement;

"**Determination Period**" has the meaning given in Condition 7.2;

"**Dispute**" has the meaning given in Condition 25.2;

"**Dissolution Amount**" means, as appropriate, the Final Dissolution Amount, the Dissolution Event Amount, the Optional Dissolution Amount (Call) or the Total Loss Dissolution Amount, which shall, unless otherwise specified in the applicable Final Terms, in each case, be equal to the sum of:

- (a) the outstanding face amount of the relevant Trust Certificates; and
- (b) any due and unpaid Periodic Distribution Amounts of such Trust Certificates; or
- (c) such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms (including any amount payable following a Total Loss Event);

"Dissolution Date" means, as the case may be, (a) the Scheduled Dissolution Date, (b) the Dissolution Event Redemption Date, (c) the Optional Dissolution Date or (d) the Total Loss Dissolution Date;

"Dissolution Event" has the meaning given to it in Condition 14;

"Dissolution Event Amount" has the meaning given to it in Condition 10.5;

"Dissolution Event Redemption Date" has the meaning given to it in Condition 14;

"Dissolution Notice" has the meaning given to it in Condition 14;

"Euroclear" means Euroclear Bank SA/NV;

"Euronext Dublin" means the Irish Stock Exchange plc trading as Euronext Dublin;

"Exercise Notice" means a notice substantially in the form set out in Schedule 1 to the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

"Exercise Price" has the meaning given to it in the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

"Extraordinary Resolution" has the meaning given in Condition 18(a)(vii);

"Final Dissolution Amount" shall have the meaning given to it in Condition 10.1;

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount drawn on any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, sukuk, trust certificates, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would be treated as a finance or capital lease in accordance with the accounting standards, policies and procedures published from time to time by the International Accounting Standards Committee or any successor;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any Shari'a-compliant financing, forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of either a borrowing or a drawing under a credit facility;
- (g) to the extent not otherwise included in this definition, the amount of any liability in respect of any repurchase or put option arrangement entered into in connection with any securitisation transaction;

- (h) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) (inclusive) above;

"**Full Reinstatement Value**" has the meaning given to it in the Servicing Agency Agreement;

"**Global Trust Certificates**" means the Regulation S Global Trust Certificates and/or the Rule 144A Global Trust Certificates;

"**Government Event**" has the meaning given to it in Condition 14;

"**Ijara Percentage**" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 23, shall be no less than 52 per cent.;

"**Insurances**" means the insurances in respect of the Lease Assets, as provided for in the Servicing Agency Agreement;

"**Investment Company Act**" means the United States Investment Company Act of 1940;

"**LCIA**" means the London Court of International Arbitration;

"**Lease Assets**" has the meaning given to it in the Lease Agreement;

"**Liability**" means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis;

"**Members**" has the meaning given to it in Condition 20(d);

"**Multiple Series Single Limb Extraordinary Resolution**" has the meaning given in Condition 18(c)(ii);

"**Multiple Series Single Limb Written Resolution**" has the meaning given in Condition 18(c)(iii);

"**Multiple Series Two Limb Extraordinary Resolution**" has the meaning given in Condition 18(c)(ii);

"**Multiple Series Two Limb Written Resolution**" has the meaning given in Condition 18(c)(iii);

"**Murabaha Percentage**" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 23, shall be no more than 48 per cent.;

"**nominee**" shall have the meaning given to it in Condition 2.1;

"**Optional Dissolution Amount (Call)**" has the meaning given to it in Condition 10.3;

"**Optional Dissolution Call Right**" means the right exercisable by the Trustee at the request of the Government pursuant to Condition 10.3;

"**Optional Dissolution Date**" means the date on which Trust Certificates are to be redeemed in accordance with Condition 10.2, as specified in the relevant Exercise Notice;

"**Payment Business Day**" means:

- (a) a day on which banks in the relevant place of surrender (as required) of the definitive Trust Certificate are open for payment of registered securities and for dealings in foreign currencies; and

- (b) in the case of payment by transfer to an account:
- (i) if the currency of payment is euro, a TARGET2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
 - (ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;

"Periodic Distribution Amount" means, in relation to a Trust Certificate and a Return Accumulation Period, the amount of profit payable in respect of that Trust Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with Condition 7 (as the case may be);

"Periodic Distribution Date" means the first Periodic Distribution Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms;

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or agency, or political subdivision thereof, or other entity;

"Potential Dissolution Event" means any event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

"Profit Amount" has the meaning given to it in the Master Murabaha Agreement;

"Profit Amount Instalment" has the meaning given to it in the Master Murabaha Agreement;

"QIBs" means qualified institutional buyers as defined in Rule 144A;

"QP" means qualified purchaser within the meaning of Section 2(a)(51)(A) of the Investment Company Act 1940, and the rules and regulations thereunder;

"Rate" means the rate or rates specified in the applicable Final Terms;

"Record Date" (a) means: (i) in respect of a Global Trust Certificate, at the close of the business day (being for this purpose a day on which DTC and Euroclear and Clearstream, Luxembourg are open for business) before the relevant Periodic Distribution Date or the relevant Dissolution Date, as the case may be; and (ii) in respect of Trust Certificates in definitive form, the date falling on the seventh day before the relevant Periodic Distribution Date or the Dissolution Date, as the case may be, and (b) in the case of meetings of Certificateholders (as provided in Condition 18), has the meaning given to it in Condition 18(a)(vi);

"Register" has the meaning given in Condition 2.2;

"Regulation S" means Regulation S under the Securities Act;

"Regulation S Global Trust Certificates" means the Trust Certificates of each Series offered and sold in reliance on Regulation S, which will be sold outside the United States to Persons who are not U.S. persons (as defined in Regulation S) or acquiring for the account or benefit of U.S. persons outside the United States, in registered form;

"Relevant Date" means, in relation to any payment, the date on which the payment in question first becomes due or if the full amount payable has not been received in the principal financial centre of the

currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received or (if earlier) the date seven days after that on which notice is duly given to Certificateholders in accordance with Condition 17 that, upon further presentation or surrender, as applicable, of the Trust Certificate being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation or surrender, as applicable;

"Relevant Indebtedness" means, in relation to any Person, any indebtedness of such Person which is in the form of or represented by any bond (including *Shari'a*-compliant certificates), note, loan stock, debenture or similar instrument which is, or is intended to be, or is capable of being, listed, traded or dealt in on any stock exchange or over the counter market;

"Relevant Jurisdiction" means the Cayman Islands, the Republic of Maldives or any political subdivision or authority thereof or therein having the power to tax;

"Relevant Sukuk Obligation" means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates whether or not in return for consideration of any kind where the trust certificates concerned are, or are intended to be, or are capable of being, listed, traded or dealt in on any stock exchange or over the counter market;

"Rentals" has the meaning given to it in the relevant Supplemental Lease Agreement;

"Required Amount" has the meaning given to it in the Servicing Agency Agreement;

"Reserved Matter" has the meaning given in Condition 18(e);

"Return Accumulation Commencement Date" means the Issue Date or such other date as specified in the applicable Final Terms;

"Return Accumulation Period" means the period from (and including) a Periodic Distribution Date (or the Return Accumulation Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date;

"Rule 144A" means Rule 144A under the Securities Act;

"Rule 144A Global Trust Certificates" means the Trust Certificates of each Series offered and sold within the United States to QIBs who are also QPs in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act, in registered form; and

"Rules" has the meaning given in Condition 25.2;

"Scheduled Dissolution Date" means the date on which Trust Certificates are to be redeemed in accordance with Condition 10.1;

"Securities Act" means the United States Securities Act of 1933;

"Securities Capable of Aggregation" has the meaning given in Condition 18(a)(x);

"Security Interest" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind;

"Service Charge Amounts" has the meaning given to it in the Servicing Agency Agreement;

"Single Series Extraordinary Resolution" has the meaning given in Condition 18(b)(ii);

"Single Series Written Resolution" has the meaning given in Condition 18(b)(iii);

"**Specified Currency**" means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Trust Certificates are denominated;

"**Stock Exchange**" means, in relation to the Trust Certificates, the stock exchange or exchanges (if any) on which the Trust Certificates are for the time being quoted or listed;

"**TARGET2 Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open;

"**Taxes**" means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction;

"**Total Loss Dissolution Amount**" has the meaning given to it in Condition 10.5;

"**Total Loss Dissolution Date**" has the meaning given to it in Condition 10.5;

"**Total Loss Event**" has the meaning given to it in Condition 10.5;

"**Total Loss Shortfall Amount**" has the meaning given to it in Condition 10.5;

"**Transaction Account**" means the non-interest bearing account in the Trustee's name maintained with the Principal Paying Agent, details of which are specified in the applicable Final Terms and which shall be held in the United Kingdom;

"**Trust Assets**" means the assets, rights and/or cash described in Condition 5.1;

"**Uniformly Applicable**" has the meaning given in Condition 18(c)(v); and

"**Written Resolution**" has the meaning given in Condition 18(a)(viii).

1.2 Interpretation

In these Conditions:

- (a) any reference to face amount shall be deemed to include any Dissolution Amount and any other amount in the nature of face amounts payable pursuant to these Conditions;
- (b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Conditions 10 and 12 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (c) references to Trust Certificates being "outstanding" shall be construed in accordance with the Master Declaration of Trust; and
- (d) any reference to a Transaction Document shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date.

2 Form, Denomination and Title

2.1 Form and Denomination

The Trust Certificates are issued in registered form in the Specified Denominations (as defined in respect of each Series in the applicable Final Terms). A certificate will be issued to each Certificateholder in respect of its registered holding of Trust Certificates. Each certificate will be numbered serially with an identifying number which will be recorded on the relevant certificate and in the relevant register of Certificateholders (the "**Register**") which the Trustee will cause to be kept by the relevant Registrar outside the United Kingdom.

Upon issue, unless otherwise specified in the applicable Final Terms, the certificates will be represented by one or more Global Trust Certificates deposited with a custodian for DTC, or in the case of Trust Certificates issued outside the United States in reliance on Regulation S of the United States Securities Act of 1933, as amended (the Securities Act), the Trust Certificates may be represented by a Global Trust Certificate deposited with a common depository for Euroclear and Clearstream, Luxembourg. The Conditions are modified by certain provisions contained in the Global Trust Certificates. Except in certain limited circumstances, owners of interests in the Global Trust Certificates will not be entitled to receive definitive certificates representing their holdings of Certificates. See "Global Trust Certificates."

2.2 Title

The Trustee will cause the relevant Registrar to maintain the Register in respect of the Certificates in accordance with the provisions of the Agency Agreement. Title to the Trust Certificates passes only by registration in the Register. The registered holder of any Trust Certificate will (except as otherwise required by law) be treated as the absolute owner of the Trust Certificates represented by the relevant certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the certificate) and no person will be liable for so treating the holder of any Trust Certificate. The registered holder of a Trust Certificate will be recognised by the Trustee as entitled to such Trust Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Trust Certificate. In these Conditions, Certificateholder and (in relation to a Trust Certificate) holder of Trust Certificates have the meanings given thereto in the Master Declaration of Trust.

3 Transfers of Trust Certificates

3.1 Transfers of Trust Certificates in Definitive Form

(a) Transfer

Subject to this Condition 3.2 and Conditions 3.3 and 3.4, a definitive Trust Certificate may be transferred in whole or in an amount equal to the Specified Denomination or any integral multiple thereof by depositing the definitive Trust Certificate, with the form of transfer on the back duly completed and signed, at the specified office of any of the Transfer Agents.

(b) Delivery of new definitive Trust Certificates

Each new definitive Trust Certificate to be issued upon transfer of definitive Trust Certificates will, within five business days of receipt by the relevant Registrar of the duly completed form of transfer endorsed on the relevant definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder entitled to the definitive Trust Certificate to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the relevant Registrar is located.

Where some but not all of the Trust Certificates in respect of which a definitive Trust Certificate is issued are to be transferred, a new definitive Trust Certificate in respect of the Trust Certificates not so transferred will, within five business days of receipt by the relevant Registrar of the original definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder of the Trust Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

(c) **Regulations**

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the relevant Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the relevant Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

Transfer of interests in the Trust Certificates represented by a Global Trust Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

3.2 Closed periods

No Certificateholder may require the transfer of a definitive Trust Certificate to be registered during the period of 15 days ending on a Periodic Distribution Date or a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Trust Certificate falls due.

3.3 Formalities free of charge

Transfers of Trust Certificates on registration or exercise of an early dissolution right will be effected without charge by or on behalf of the Trustee, the Registrars or the Transfer Agents, but upon payment (or the giving of such indemnity as the Trustee, the Registrars and/or the Transfer Agents may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.4 Regulations

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the relevant Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the relevant Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

4 Status and Limited Recourse

4.1 Status

Each Trust Certificate evidences an undivided ownership interest in the Trust Assets subject to the terms of the Declaration of Trust and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate ranks *pari passu*, without any preference or priority, with the other Trust Certificates.

*The payment obligations of the Government (in any capacity) to the Trustee under the Transaction Documents to which it is a party in respect of each Series of Trust Certificates are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government and (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in the Purchase Undertaking) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Government from time to time outstanding, provided, further, that the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect*

to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due under the Transaction Documents and vice versa.

4.2 Negative Pledge

So long as any Trust Certificates remain outstanding, the Government shall not create, incur, assume or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues to secure (1) any Public External Indebtedness of the Government; (2) any Guarantees in respect of Public External Indebtedness; or (3) the Public External Indebtedness of any other person without at the same time or prior thereto securing the Trust Certificates equally and rateably therewith or providing such other arrangement (whether or not comprising a Security Interest) as shall be approved by an Extraordinary Resolution or Written Resolution of the Certificateholders. For the avoidance of doubt, any such approval shall not constitute a Reserved Matter.

In these Conditions:

“**External Indebtedness**” means any Indebtedness which is denominated or payable by its terms in, or at the option of the holder thereof or relevant creditor payable in, any currency other than Maldivian Rufiyaa.

“**Guarantee**” means any obligation of a person to pay the Indebtedness of another person, including (without limitation):

- (a) an obligation to pay or purchase such Indebtedness;
- (b) an obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services, in order to provide funds for the payment of such Indebtedness;
- (c) an indemnity against the consequences of a default in the payment of such Indebtedness; or
- (d) any other agreement to be responsible for such Indebtedness.

“**Indebtedness**” means (i) any obligation (whether present or future and whether being principal, premium, profit or other amounts) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and leasing) and (ii) any guarantee or indemnity of any such obligation.

“**International Monetary Assets**” means all (1) gold, (2) Special Drawing Rights, (3) Reserve Positions in the Fund and (4) Foreign Exchange, and the terms “**Special Drawing Rights**”, “**Reserve Positions in the Fund**” and “**Foreign Exchange**” have, as to the type of assets included, the meaning given to them in the IMF’s publication entitled “International Financial Statistics” or such other meanings as shall be formally adopted by the IMF from time to time.

“**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having a separate legal personality.

“**Public External Indebtedness**” means any Indebtedness which (i) is payable, or at the option of the relevant creditor, may be payable, in any currency other than Maldivian Rufiyaa, and (ii) is in the form of, or is represented by, bonds, notes, sukuk, trust certificates or other securities or any guarantees thereof with a stated maturity of more than one year from the date of issue which may be quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system, over the counter or other securities market.

“**Security Interest**” means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest

with respect to the payment of any Indebtedness with or from the proceeds of any assets or revenues of any kind, whether in effect on the date the Agency Agreement becomes effective or at any time thereafter.

The following exceptions apply to the Government's obligations under this Condition:

- (a) any Security Interest securing future Public External Indebtedness of the Government or any Guarantee by the Government in respect of Public External Indebtedness of any other person incurred for the purpose of financing all or part of the costs of the acquisition, construction, improvement, development or redevelopment of a property, project or asset; provided that (i) the holders or beneficiaries of such Public External Indebtedness expressly agree to limit their recourse to the assets and revenues of such property, project or asset or the proceeds of insurance thereon as the principal source of repayments of such Public External Indebtedness and (ii) the property, project or asset over which such Security Interest is granted consists solely of such assets and revenues;
- (b) any Security Interest existing on any property, project or asset at the time of its acquisition (or arising after its acquisition pursuant to an agreement entered into prior to, and not in contemplation of, such acquisition), and extensions and renewals of such Security Interest limited to the original property or asset covered thereby and securing any extension or renewal of the original secured financing; and
- (c) any Security Interest arising by operation of law, provided that any such Security Interest is not created or permitted to be created by the Government to secure any Public External Indebtedness.

The Maldives Monetary Authority (the "MMA") holds International Monetary Assets, including gold and foreign exchange. The MMA is an independent entity, and the Government is of the view that the International Monetary Assets owned by the MMA are not subject to the negative pledge covenant of the Trust Certificates and that the MMA could in the future incur Public External Indebtedness secured by such International Monetary Assets without securing amounts payable under the Trust Certificates.

4.3 Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Save as provided in the next sentence, the Trust Certificates do not represent an interest in or obligation of any of the Trustee, the Government, the Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that:

- (a) they will not have recourse to any assets of the Trustee, the Delegate, the Agents, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished; and
- (b) any recourse to the assets of the Government shall be limited to the Trust Assets, which include obligations of the Government under the Transaction Documents.

The Government is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate (for and on behalf of the Trustee) will have direct recourse against the Government to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Trust Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Trust Certificates, subject to Condition 15, no holder of Trust Certificates will have any claim against the Trustee, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of

their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Trust Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Trustee, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

4.4 Agreement of Certificateholders

By subscribing for or acquiring the Trust Certificates, each Certificateholder acknowledges and agrees that notwithstanding anything to the contrary contained herein or in any other Transaction Document:

- (a) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name and on behalf of the Trustee) or any of their respective agents on their behalf except to the extent funds are available for that purpose from the Trust Assets;
- (b) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers or administrators), the Government (and/or its officers) (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, the Government, any Agents and their respective agents or affiliates shall be extinguished;
- (c) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;
- (d) no recourse under any obligation, covenant or agreement contained in any Transaction Document shall be had against any officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the officers, agents or directors of the Trustee save in the case of their wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and
- (e) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Trust Certificate. No collateral is or will be given for the payment obligations by the Trustee under the Trust Certificates.

5 The Trust

5.1 Trust Assets

The Trust Assets will comprise:

- (a) the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

- (b) the beneficial interest, present and future, of the Trustee in the Lease Assets;
- (c) the rights, title, interest and benefit, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Government to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 15.1 of the Master Declaration of Trust);
- (d) all monies standing to the credit of the Transaction Account from time to time; and
- (e) all proceeds of the foregoing.

5.2 Application of Proceeds from the Trust Assets

Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets on trust absolutely for and on behalf of the Certificateholders. On each Periodic Distribution Date, or on any Dissolution Date, the Principal Paying Agent, notwithstanding any instructions to the contrary from the Trustee, will apply the monies standing to the credit of the Transaction Account in the following order of priority:

- (a) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;
- (b) *secondly*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (c) *thirdly*, only if such payment is made on any Dissolution Date, to the Principal Paying Agent in or towards payment *pari passu* and rateably of the Dissolution Amount;
- (d) *fourthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Servicing Agent in or towards payment of all outstanding Service Charge Amounts (if any); and
- (e) *fifthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Government.

6 Covenants

6.1 Subject to Condition 6.2, the Trustee covenants that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the Delegate):

- (a) incur any indebtedness, in respect of borrowed money whatsoever (including any Islamic financing), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;
- (b) save as permitted by the Transaction Documents, grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets, except pursuant to the Transaction Documents;

- (d) use the proceeds of the issue of the Trust Certificates for any purpose other than as stated in the Transaction Documents;
- (e) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws (other than in relation to any increase in the aggregate face amount of the Programme);
- (f) act as trustee in respect of any trust (other than pursuant to the Declaration of Trust);
- (g) have any subsidiaries or employees, save and except as required or incidental to the issuance of the Trust Certificates;
- (h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding any consideration payable by the Trustee (acting in any capacity) to the Government (acting in any capacity) as contemplated by the Transaction Documents or these Conditions);
- (i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up, liquidation or dissolution or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or administrative nature;
 - (ii) as provided for or permitted in the Transaction Documents;
 - (iii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
 - (iv) such other matters which are incidental thereto.

6.2 Nothing in sub-paragraph (a) of Condition 6.1 shall prevent the Trustee from issuing (or entering into any transaction for the purpose of issuing or entering into any contract in relation thereto or performing any of its obligations thereunder) any sukuk, certificates or other securities intended to be issued in compliance with the principles of Shari'a **provided that:** (a) such securities are, or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; (b) in respect of such securities, the obligations of the Government to the Trustee shall rank at least *pari passu* with the obligations of the Government to the Trustee in respect of the Trust Certificates; and (c) the obligations of the Trustee in respect of such securities shall rank *pari passu* with the Trust Certificates.

7 Fixed Periodic Distribution Provisions

7.1 Periodic Distribution Amount

A Periodic Distribution Amount for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Trustee to the Certificateholders, *pro rata* to their respective holdings, in accordance with these Conditions.

7.2 Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Trust Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount. Payments of Periodic Distribution Amount in respect of Trust Certificates in definitive form on any Periodic Distribution Date may, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Trust Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms, the Periodic Distribution Amount shall be calculated in respect of any period by applying the Rate applicable to the relevant Return Accumulation Period to:

- (a) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or
- (b) in the case of Trust Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Trust Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Trust Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

"Day Count Fraction" means, in respect of the calculation of a Periodic Distribution Amount in accordance with these Conditions:

- (a) if **"Actual/Actual"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;
- (c) if **"Actual/365 (Sterling)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (d) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;
- (e) if **"30/360"** is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1) + 30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (f) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
- (i) in the case of Trust Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accumulation Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Trust Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accumulation Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

7.3 Payment in Arrear

Subject to Condition 7.4, Condition 10.2 to 10.6 and Condition 14, and unless otherwise specified in the applicable Final Terms, each Periodic Distribution Amount will be paid in respect of the relevant Trust Certificates in arrear on each Periodic Distribution Date in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

7.4 Cessation of Profit Entitlement

No further amounts will be payable on any Trust Certificate from and including (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition 7.4 to the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and (b) save as described in Condition 10.3, the date on which a Total Loss Event occurs.

8 Payment

Payment of Dissolution Amounts and Periodic Distribution Amounts in relation to Trust Certificates in definitive form will be made by transfer to the registered account (as defined below) of a Certificateholder. Payments of Dissolution Amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) will only be made against surrender of the relevant certificate evidencing such definitive Trust Certificate) at the specified office of the relevant Registrar or the Principal Paying Agent. Dissolution Amounts and Periodic Distribution Amounts will be paid to the Certificateholder shown on the Register at the close of business on the relevant Record Date.

For so long as the Trust Certificates are represented by a Global Trust Certificate deposited with a custodian for DTC or, in the case of Trust Certificates issued outside the United States in reliance on Regulation S of the Securities Act, deposited with a common depository for Euroclear and Clearstream, Luxembourg, payments of the Dissolution Amount and each Periodic Distribution Amount will be made to the person shown on the relevant Register as the registered Certificateholder represented by such Global Trust Certificate at the close of business on the Clearing System Business Day before the due date for such payment (where "**Clearing System Business Day**" means a day on which each Clearing System with which the Global Trust Certificate is being held is open for business).

For the purposes of this Condition 8, a Certificateholder's "registered account" means the account in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

All such payments will be made subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions described in Condition 12. No commissions or expenses shall be charged to the Certificateholders in respect of such payments.

Payment instructions will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of face amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) if later, on the Payment Business Day on which the relevant certificate evidencing such Trust Certificate is surrendered (where such surrender is required) at the specified office of the relevant Registrar or the Principal Paying Agent.

Certificateholders will not be entitled to any payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering the certificate evidencing its Trust Certificate (if required to do so in accordance with this Condition 8).

If the amount of any Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the relevant Registrar will annotate the relevant Register with a record of the amount of such Dissolution Amount or Periodic Distribution Amount in fact paid.

9 Agents

9.1 Agents of Trustee

In acting under the Agency Agreement and in connection with the Trust Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders.

9.2 Specified Offices

The names of the initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the Final Terms attached to or endorsed on the relevant certificate evidencing the Trust Certificate. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided, however, that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Registrar in New York and a Registrar in London; and
- (c) so long as any Trust Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any variation, termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 17.

10 Capital Distributions of the Trust

10.1 Scheduled Dissolution

Unless the Trust Certificates are redeemed, purchased and/or cancelled earlier, each Trust Certificate shall be redeemed on the Scheduled Dissolution Date at its Final Dissolution Amount, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Scheduled Dissolution Date (the "**Final Dissolution Amount**"). Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

10.2 Dissolution at the Option of the Government (Optional Dissolution Call Right)

If the Optional Dissolution Call Right option is specified in the applicable Final Terms as being applicable, the Government may in its sole discretion deliver to the Trustee a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall redeem the Trust Certificates in whole but not in part on any Optional Dissolution Date at the relevant Optional Dissolution Amount (Call), including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Optional Dissolution Date (the "**Optional Dissolution Amount (Call)**") upon the Trustee giving not less than 30 days' nor more than 60 days' notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) in accordance with Condition 17 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Trust Certificates on the relevant Optional Dissolution Date).

10.3 Dissolution following a Total Loss Event

Upon the occurrence of a Total Loss Event (as defined below) and unless the Lease Assets are replaced as provided in the Servicing Agency Agreement by no later than the 90th day after the occurrence of a Total Loss Event, the Trust Certificates shall be redeemed and the Trust dissolved by no later than the close of business in London on the 92nd day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day) (the "**Total Loss Dissolution Date**"), following notification thereof to the Delegate and the Certificateholders in accordance with Condition 17. The Trust Certificates will be redeemed at the Dissolution Amount (which for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the "**Total Loss Dissolution Amount**") using the proceeds of: (a) the Insurances payable in respect of the Total Loss Event, which are required to be paid into the Transaction Account by no later than the 90th day after the occurrence of the Total Loss Event; and (b) if required, the Total Loss Shortfall Amount (as defined herein) which is required to be paid into the Transaction Account by no later than the close of business in London on the 91st day after the occurrence of the Total Loss Event.

A "**Total Loss Event**" is the total loss or destruction of, or damage to the whole of, the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical.

The Servicing Agency Agreement provides that if the obligations of the Servicing Agent thereunder are not strictly complied with and as a result no proceeds of Insurances are paid into the Transaction Account or any proceeds of Insurances paid into the Transaction Account are less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount (if any) paid into the Transaction Account or, as the case may be, no amount, being the "**Total Loss Shortfall Amount**"), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount into the Transaction Account by no later than close of business in London on the 91st day after the occurrence of the Total Loss Event.

10.4 Delisting Purchase Undertaking Right

If the Tangibility Ratio (as defined under the Servicing Agency Agreement) falls below 33 per cent. at any point in time, other than due to a Total Loss Event, then the Trustee shall within five Business Days notify Certificateholders (as well as the Delegate and the Principal Paying Agent) of such event (a "**Tangibility Event Notice**"), that the Trust Certificates should only be tradeable in accordance with *Shariah* principles of debt trading and that the Trustee intends to delist the Trust Certificates from Euronext Dublin or, if applicable, any alternative Stock Exchange (a "**Delisting**") as soon as reasonably practicable. Following the issue of a Tangibility Event Notice by the Trustee, each Certificateholder shall have the right (the "**Delisting Purchase Undertaking Right**"), at such Certificateholder's option, to require the Trustee to redeem all (but not less than all) of such Certificateholder's Trust Certificates on the date and in accordance with the terms below or, if the Trustee fails to issue a Tangibility Event Notice, on the twentieth Business Day after the Delisting (the "**Delisting Purchase Undertaking Date**") at 101 per cent. of the face amount of the Trust Certificates (the "**Delisting Purchase Undertaking Price**").

The Trustee shall procure that notice regarding the Delisting Purchase Undertaking Right shall be given to Certificateholders stating:

- (a) the Delisting Purchase Undertaking Date;
- (b) the date of such Delisting and, briefly, the events causing such Delisting;

- (c) the date by which the Delisting Purchase Undertaking Notice (as defined below) must be given;
- (d) the Delisting Purchase Undertaking Price and the method by which such amount will be paid;
- (e) the names and addresses of all Paying Agents;
- (f) the procedures that Certificateholders must follow and the requirements that Certificateholders must satisfy in order to exercise the Delisting Purchase Undertaking Right; and
- (g) that a Delisting Purchase Undertaking Notice, once validly given, may not be withdrawn.

To exercise its rights to require the Trustee to purchase its Trust Certificates, the Certificateholder must deliver a written irrevocable notice of the exercise of such right (a “**Delisting Purchase Undertaking Notice**”), in the then current form obtainable from the specified office of any Agent, to any Paying Agent on any Business Day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 Business Days prior to the Delisting Purchase Undertaking Date.

A Delisting Purchase Undertaking Notice, once delivered, shall be irrevocable and the Trustee shall in respect of the Trust Certificates which form the subject of the Delisting Purchase Undertaking Notice delivered as aforesaid pay in respect of each such Trust Certificate an amount equal to the Delisting Purchase Undertaking Price on the Delisting Purchase Undertaking Date.

The Delegate shall not be required to monitor or otherwise take any steps to ascertain whether a Delisting or any event which could lead to the occurrence of a Delisting has occurred, and shall have no Liability to any person for not monitoring or taking any such steps.

10.5 Dissolution following a Dissolution Event

Upon the occurrence of a Dissolution Event, the Trust Certificates shall be redeemed at their Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Dissolution Event Redemption Date (the “**Dissolution Event Amount**”), subject to and as more particularly described in Condition 14 and this Condition 10.

10.6 No Other Optional Early Dissolution

Neither the Trustee nor the Certificateholders shall be entitled to redeem, or cause to be redeemed, as applicable, the Trust Certificates, otherwise than as provided in this Condition 10 and Condition 14. Upon payment in full of all amounts due in respect of the Trust Certificates of any Series the Trustee shall be bound to dissolve the Trust and the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and neither the Government nor the Trustee shall have any further obligations in respect thereof.

10.7 Cancellation

All Trust Certificates which are redeemed will forthwith be forwarded to the relevant Registrar, cancelled and destroyed and accordingly may not be held, reissued or resold.

11 Purchase and Cancellation of Trust Certificates

11.1 Purchases

The Trustee, the Government and/or any other public sector instrumentality of the Government (as defined in Condition (i)) may at any time purchase Trust Certificates at any price in the open market or otherwise at any price. Following any purchase of Trust Certificates pursuant to this Condition 11.1,

such Trust Certificates may be held, resold or, at the discretion of the holder thereof, cancelled (subject to such Trust Certificates being deemed not to remain outstanding for certain purposes as provided under the Master Declaration of Trust and these Conditions if so held, as more particularly set out in Condition 18(a)(i))

11.2 Cancellation

Should the Government wish to cancel any Trust Certificates purchased pursuant to Condition 11.1, it shall deliver a Cancellation Notice to the Trustee (in accordance with the Sale and Substitution Undertaking) whereupon the Trustee shall, in accordance with the terms of the Sale and Substitution Undertaking, be obliged to transfer all of the Trustee's beneficial interest in the Cancelled Lease Assets to the Government in consideration for which the Trust Certificates shall be cancelled. The transfer of the Cancelled Lease Assets will take effect by the Government and the Trustee entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, the Trustee shall forthwith surrender to the relevant Registrar the certificates referencing relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date and, upon surrender thereof, all such Trust Certificates shall be cancelled forthwith.

12 Taxation

All payments in respect of the Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as will result in receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Trust Certificate:

- (a) held by or on behalf of a holder who is liable for such Taxes in respect of such Trust Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of the Trust Certificate or receiving payments thereon; or
- (b) where the relevant Trust Certificate is required to be surrendered for payment and is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Certificateholder would have been entitled to such additional amount if it surrendered the relevant Trust Certificate for payment on the last day of such period of 30 days.

13 Prescription

The rights to receive distributions in respect of the Trust Certificates will be forfeited unless claimed within periods of 10 years (in the case of Dissolution Amounts) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

14 Dissolution Events

If any of the following events occurs and is continuing (each, a "**Dissolution Event**"):

- (a) default is made in the payment of the Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 days; or

- (b) the Trustee fails to perform or observe any one or more of its other duties, obligations or undertakings under the Trust Certificates or the Transaction Documents, which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate is capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or
- (c) a Government Event occurs; or
- (d) the Trustee repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party; or
- (e) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents or any of the obligations of the Trustee under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) either: (i) the Trustee is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due; or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

the Delegate, upon (A) receiving notice thereof under the Declaration of Trust or (B) otherwise becoming aware of a Dissolution Event and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Dissolution Event to the holders of the Trust Certificates in accordance with Condition 17 with a request to such holders to indicate to the Trustee and the Delegate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved. Following the issuance of such notice, the Delegate in its sole discretion may, and if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Trust Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Trust Certificates (each a "**Dissolution Request**") shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Trustee, the Government and the holders of the Trust Certificates of the relevant Series in accordance with Condition 17 that the Trust Certificates are immediately due and payable at the Dissolution Amount, on the date of such notice (the "**Dissolution Event Redemption Date**"), whereupon they shall become so due and payable. If it has not already done so, (so long as a Total Loss Event has not occurred), the Trustee (or the Delegate acting on behalf of the Certificateholders) shall exercise its rights under the Purchase Undertaking by serving an Exercise Notice on the Government.

Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purposes of paragraph (a) above, amounts shall be considered due in respect of the Trust Certificates (including for the avoidance of doubt any amounts calculated as being payable under Condition 7 and Condition 10) notwithstanding that the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts.

For the purposes of this Condition 14, "**Government Event**" shall mean each of the following events:

- (a) the Government defaults in the payment of any amounts due under the Purchase Undertaking, the Master Lease Agreement or the Servicing Agency Agreement and such default is not cured within seven days of the due date for payment;
- (b) the Government defaults in the performance of any other covenant or obligation in the Purchase Undertaking and, if such default is capable of remedy, such default shall continue for a period of seven days after written notice thereof shall have been given to the Government by the Delegate or the holder of any Certificate;
- (c) any Public External Indebtedness of the Government in an aggregate principal amount in excess of US\$10,000,000 (or the equivalent amount thereof in any other currency) becomes (or becomes capable of being declared) due and payable prior to its stated maturity (otherwise than at the option of the Government);
- (d) any security given by the Government for any Public External Indebtedness of the Government becomes enforceable;
- (e) any Public External Indebtedness of the Government in an aggregate principal amount in excess of US\$10,000,000 (or the equivalent amount thereof in any other currency) is accelerated (other than by optional or mandatory prepayment or redemption);
- (f) the Government defaults in the payment of principal or interest in excess of US\$10,000,000 (or the equivalent amount thereof in any other currency) payable (whether upon maturity, acceleration by reason of any default or otherwise) in connection with Public External Indebtedness of the Government beyond any applicable grace and waiver periods;
- (g) the Government declares a general moratorium with respect to the payment of principal of or interest on any Public External Indebtedness of the Government;
- (h) any constitutional provision, treaty, convention, law, regulation, ordinance, decree, consent, approval, licence or other authority necessary to enable the Government to make or perform its obligations under the Transaction Documents or for the validity or enforceability thereof, shall expire, be withheld, revoked, terminated or otherwise cease to remain in full force and effect or remain valid and subsisting, or shall be modified in a manner which adversely affects or will adversely affect any rights or claims of any of the Certificateholders;
- (i) the Government or the MMA shall not at any time exercise full ownership, power and control over any of their International Monetary Assets as they exist from time to time (unless, prior to the occurrence of such an event, a public sector entity has substantially all powers and assets of the MMA (including, without limitation, all its International Monetary Assets) and performs the functions of a central bank and shall assume and acquire such assets, powers and functions); and

- (j) the Government ceases to be a member in good standing or becomes ineligible to use the resources of the International Monetary Fund.

If the Trustee and the Government receive notice in writing from holders of at least 50 per cent. in aggregate face amount of the outstanding Certificates to the effect that the Dissolution Event(s) giving rise to any Dissolution Request is or are cured following the relevant Dissolution Request and that such holders wish the relevant Dissolution Request to be withdrawn, the Trustee and the Government shall give notice thereof to the Certificateholders (with a copy to the Delegate), whereupon the relevant Dissolution Request shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Trustee and the Government gave such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Dissolution Event, Dissolution Request, or in each case, any right of any Certificateholder in relation thereto.

15 Enforcement and Exercise of Rights

15.1 Limitation on Liability of the Trustee

Following the enforcement, realisation and ultimate distribution of the proceeds of the Trust Assets in respect of the Trust Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Trustee shall not be liable for any further sums, and accordingly no Certificateholder may take any action against the Trustee or any other Person to recover any such sum in respect of the Trust Certificates or Trust Assets.

15.2 Delegate not obliged to take action

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action, step or proceedings against the Government and/or the Trustee under any Transaction Document unless directed or requested to do so in writing by the holders of at least 25 per cent. in aggregate face amount of the Trust Certificates then outstanding and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction.

15.3 Direct enforcement by Certificateholders

No Certificateholder shall be entitled to proceed directly against the Trustee or the Government, under any Transaction Document, unless the Delegate, having become so bound to proceed, (i) fails to do so within a reasonable period, or (ii) is unable by reason of an order of a court having competent jurisdiction, and such failure or inability is continuing. Under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents and/or these Conditions) and the sole right of the Trustee, the Delegate and the Certificateholders against the Trustee and the Government, as applicable, shall be to enforce their respective obligations under the Transaction Documents.

15.4 Limited recourse

Conditions 15.1, 15.2 and 15.3 are subject to this Condition 15.4. After enforcing or realising the Trust Assets in respect of the Trust Certificates of the relevant Series and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 5.2 and the Declaration of Trust, the obligations of the Trustee in respect of the Trust Certificates of the relevant Series shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate or any other Person to recover any further sums in respect of the Trust Certificates of the relevant Series and the right to receive any such sums unpaid shall be extinguished.

16 Replacement of Definitive Trust Certificates

Should any certificate evidencing a definitive Trust Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the relevant Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee may reasonably require (in light of prevailing market practice). Mutilated or defaced certificates evidencing definitive Trust Certificates must be surrendered and cancelled before replacements will be issued.

17 Notices

All notices to the Certificateholders will be valid if mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the relevant Register.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Trust Certificates are for the time being listed or on which they have been admitted to trading and/or quotation (as applicable). In addition, for so long as any Trust Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and/or admitted to quotation (as applicable) and the rules of that stock exchange, relevant authority or quotation system (as applicable) so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

So long as the Trust Certificates are listed on Euronext Dublin and the rules of the exchange so require, notices to Certificateholders shall also be published either on the website of Euronext Dublin (www.ise.ie) or in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any notice shall be deemed to have been given on the fourth day (other than a Friday, Saturday or Sunday) after being mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Certificates are represented by one or more Global Trust Certificates held on behalf of DTC or Euroclear and/or Clearstream, Luxembourg, or another clearing system as may be specified in the applicable Final Terms, or, in each case, the relevant nominee, notices to Certificateholders may be given by delivery of the relevant notice to those clearing systems for communication to entitled holders in substitution for notification as set out above.

18 Meetings of Certificateholders; Written Resolutions

(a) *Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions:*

- (i) The Trustee, the Government and/or (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) the Delegate may convene a meeting of the Certificateholders at any time in respect of the Trust Certificates in accordance with the provisions of the Master Declaration of Trust and the Agency Agreement. The Trustee, the Government or the Delegate, as the case may be, will determine the time and place of the meeting and will notify the Certificateholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

- (ii) The Trustee, the Government and/or the Delegate (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) will convene a meeting of Certificateholders if the holders of at least 10 per cent. in face amount of the outstanding Trust Certificates (as defined in the Master Declaration of Trust and described in Condition 18(i)) have delivered a written request to the Trustee, the Government or the Delegate (with a copy to the Trustee and the Government) setting out the purpose of the meeting. The Delegate shall agree the time and place of the meeting with the Trustee and the Government promptly. The Trustee, the Government or the Delegate, as the case may be, will notify the Certificateholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (iii) The Trustee or the Government (as the case may be) (with the agreement of the Delegate) will set the procedures governing the conduct of any meeting in accordance with the Master Declaration of Trust and the Agency Agreement. If neither the Master Declaration of Trust nor the Agency Agreement includes such procedures, or additional procedures are required, the Trustee, the Government and the Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Trustee or the Government (as the case may be) proposes any modification to the terms and conditions of, or action with respect to, two or more series of securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*:
 - (A) the date, time and location of the meeting;
 - (B) the agenda and the text of any Extraordinary Resolution (as defined below) to be proposed for adoption at the meeting;
 - (C) the Record Date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (D) the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Certificateholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Trust Certificates are traded and/or held by Certificateholders;
 - (F) whether Condition 18(b), 18(c) or 18(d) shall apply and, if relevant, in relation to which other series of securities it applies;
 - (G) if the proposed modification or action relates to two or more series of securities issued by it and contemplates such series of securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group of securities;
 - (H) such information that is required to be provided by the Trustee in accordance with Condition 18(f);
 - (I) the identity of the Aggregation Agent (appointed in accordance with Condition 19(a) and as defined therein) and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 18(g); and

- (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of securities.
- (v) In addition, the Master Declaration of Trust contains provisions relating to Written Resolutions (as defined below). Further, the Master Declaration of Trust provides that, where the Trust Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the Certificateholders ("**Electronic Consent**"). All information to be provided pursuant to Condition 18(a)(iv) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions or resolutions approved by Electronic Consent.
- (vi) A "**Record Date**" in relation to any proposed modification or action means the date fixed by the Trustee or the Government (as the case may be) for determining the Certificateholders and, in the case of a multiple series aggregation, the holders of securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution as set out below.
- (vii) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
- (viii) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
- (ix) Any reference to "**securities**" means any trust certificates (including, without limitation, the Trust Certificates), bonds, debentures or other securities issued by the Trustee or the Government in one or more series with an original stated maturity of more than one year.
- (x) "**Securities Capable of Aggregation**" means those securities which include or incorporate by reference this Condition 18 and Condition 19 or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other series of securities.
- (xi) "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the relevant Registrar is located.
- (b) **Modification of this Series of Trust Certificates only:**
- (i) Without prejudice to clause 11 of the Master Declaration of Trust, any modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (ii) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures prescribed by the Trustee or the Government and the Delegate pursuant to Condition 18(a) by a majority of:

- (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.
- (iii) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
- (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or
 - (B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.
- Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders.
- (iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Certificateholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) ***Multiple Series Aggregation – Single limb voting:***

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, **provided that** the Uniformly Applicable condition (as defined below) is satisfied.
- (ii) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government (as the case may be) and the Delegate pursuant to Condition 18(a), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate).
- (iii) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.
- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Certificateholders and holders of each

other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

- (v) The "**Uniformly Applicable**" condition will be satisfied if:
 - (A) the holders of all affected series of Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (1) the same new instrument or other consideration or (2) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (B) the amendments proposed to the terms and conditions of each affected series of Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).
- (vi) It is understood that a proposal under Condition 18(c)(iii) will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per Periodic Distribution Amount accrued but unpaid and the same amount of consideration per past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per amount of Periodic Distribution Amount accrued but unpaid and the same amount of consideration per amount of past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation electing the same option from such menu of instruments).
- (vii) Any modification or action proposed under Condition 18(c) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18(c) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(d) Multiple Series Aggregation – Two limb voting:

- (i) In relation to a proposal that includes a Reserved Matter (as defined below), any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (ii) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government (as the case may be) and the Delegate pursuant to Condition 18(a), as supplemented if necessary, which is passed by a majority of:

- (A) at least 66 $\frac{2}{3}$ per cent. of the aggregate face amount of the outstanding securities of affected series of Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).
- (iii) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
- (A) at least 66 $\frac{2}{3}$ per cent. of the aggregate face amount of the outstanding securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.
- (v) Any modification or action proposed under this Condition 18(d) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18(d) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(e) ***Reserved Matters:***

In these Conditions, "**Reserved Matter**" means any proposal:

- (i) to change the Scheduled Dissolution Date or any other date, or the method of determining the Scheduled Dissolution Date or any other date, for payment of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates, to reduce or cancel the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable on any date in respect of the Trust Certificates or to change the method of calculating the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable in respect of the Trust Certificates on any date for any such payment;
- (ii) to change the currency in which any amount due in respect of the Trust Certificates is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Trust Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;

- (iv) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution";
- (v) to change the definition of "securities" or "Securities Capable of Aggregation";
- (vi) to change the definition of "Uniformly Applicable";
- (vii) to change the definition of "outstanding" or to modify the provisions of Condition 18(i);
- (viii) to change (A) the legal ranking of the Trust Certificates or (B) to approve such other arrangement by way of Extraordinary Resolution of the Certificateholders as referred to in Condition 4.2;
- (ix) to change any provision of the Trust Certificates describing circumstances in which Trust Certificates may be declared due and payable prior to their scheduled maturity date, set out in Condition 14;
- (x) to change the law governing the Trust Certificates, any of the arrangements specified in the Trust Certificates to enable proceedings to be taken or the Trustee's waiver of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 26;
- (xi) to impose any condition on or otherwise change the Trustee's obligation to make payments of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates;
- (xii) to modify the provisions of this Condition 18(e);
- (xiii) to change any of the Government's covenants set out in the Lease Agreement or any of its covenants or undertakings to make a payment under any Transaction Document to which it is a party; or
- (xiv) to exchange or substitute all the Trust Certificates for, or convert all the Trust Certificates into, other obligations or securities of the Trustee or the Government (as the case may be) or any other Person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Trust Certificates for, or the conversion of the Trust Certificates into, any other obligations or securities of the Trustee or the Government (as the case may be) or any other Person, which would result in these Conditions as so modified being less favourable to the Certificateholders which are subject to these Conditions as so modified than:
 - (A) the provisions of the other obligations or securities of the Trustee or the Government (as the case may be) or any other Person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of securities having the largest aggregate face amount.

(f) Information:

Prior to or on the date that the Trustee or the Government or the Delegate (as the case may be) proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 18(b), 18(c) or 18(d), the Trustee or the Government (as the case may be) shall publish in accordance with Conditions 17 and 19, and provide the Delegate with the following information:

- (i) a description of the Trustee's and the Government's economic and financial circumstances which are, in the Trustee's or the Government's, as applicable, opinion, relevant to the request for any potential modification or action, a description of the Trustee's and the Government's existing debts and a description of the Government's broad policy reform programme and provisional macroeconomic outlook;
- (ii) if the Trustee or the Government shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Trustee's and/or the Government's proposed treatment of external securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in accordance with Condition 18(a)(iv)(G).

(g) *Claims Valuation:*

For the purpose of calculating the par value of the Trust Certificates and any affected series of securities which are to be aggregated with the Trust Certificates in accordance with Conditions 18(c) and 18(d), the Trustee or the Government (as the case may be) may appoint a calculation agent (in such capacity, the "**Calculation Agent**"). The Trustee or the Government (as the case may be) shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Trust Certificates and such affected series of securities. In any such case where a Calculation Agent is appointed, the same Person will be appointed as the Calculation Agent for the Trust Certificates and each other affected series of securities for these purposes, and the same methodology will be promulgated for each affected series of securities.

(h) *Manifest error, etc.:*

The Trust Certificates, these Conditions and the provisions of the Declaration of Trust or any other Transaction Document can only be amended by the Government and the Trustee with the prior written consent of the Delegate and the Delegate may agree, without the consent of Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions of the Trust Certificates, these Conditions, the Declaration of Trust or any other Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such if, in the opinion of the Delegate:

- (i) such modification is of a formal, minor or technical nature; or
- (ii) such modification is made to correct a manifest error; or
- (iii) such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter,

provided that, in the case of (iii) above, no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of Trust Certificates.

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Trustee to Certificateholders in accordance with Condition 17.

(i) Trust Certificates controlled by the Trustee or the Government:

For the purposes of (a) determining the right to attend and vote at any meeting of Certificateholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 18 and (iii) Condition 14, any Trust Certificates which are for the time being held by or on behalf of the Trustee, the Government, any other public sector instrumentality of the Government or by or on behalf of any Person which is owned or controlled directly or indirectly by the Trustee, the Government or by any other public sector instrumentality of the Government shall be disregarded and be deemed not to remain outstanding; where:

- (i) "**public sector instrumentality**" means any Agency, any other department or ministry of the Government or any corporation, trust, financial institution or other entity owned or controlled by the Government or any of the foregoing; and
- (ii) "**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other Persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Trust Certificate will also be deemed to be not outstanding if, in accordance with these Conditions, the Trust Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Trust Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Trustee or the Government (as the case may be) has previously satisfied its obligations to make all payments due in respect of the Trust Certificates in accordance with its terms.

In advance of any meeting of Certificateholders, or in connection with any Written Resolution, the Trustee or the Government (as the case may be) shall provide to the Delegate a copy of the certificate prepared pursuant to Condition 20(d) which includes information on the total number of Trust Certificates which are for the time being held by or on behalf of the Trustee, the Government or any other public sector instrumentality of the Government (as the case may be) or by or on behalf of any Person which is owned or controlled directly or indirectly by the Trustee, the Government or by any other public sector instrumentality of the Government (as the case may be) and, as such, such Trust Certificates shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Certificateholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Delegate shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) **Publication:**

The Trustee or the Government (as the case may be) shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 19(g).

(k) **Exchange and Conversion:**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, these Conditions may be implemented at the Trustee's or the Government's (as the case may be) option by way of a mandatory exchange or conversion of the Trust Certificates and each other affected series of securities, as the case may be, into new *Shari'a* compliant securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Trust Certificates is notified to Certificateholders at the time notification is given to the Certificateholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Certificateholders.

19 **Aggregation Agent; Aggregation Procedures**

(a) **Appointment:**

The Trustee or the Government (as the case may be) will appoint an aggregation agent (in such capacity, the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required face amount outstanding of Trust Certificates and, in the case of a multiple series aggregation, by the required face amount of outstanding securities of each affected series of securities. In the case of a multiple series aggregation, the same Person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates and in respect of the terms and conditions or securities documentation in respect of each other affected series of securities. The Aggregation Agent shall be independent of the Trustee and the Government.

(b) **Extraordinary Resolutions:**

If an Extraordinary Resolution has been proposed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions and other affected series of securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected series of securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) **Written Resolutions:**

If a Written Resolution has been proposed under these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected series of securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) Certificate:

For the purposes of Conditions 19(b)19(b) and 19(c), the Trustee and the Government will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 18(b), 18(c) or 18(d), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution. The certificate shall:

- (i) list the total face amount of Trust Certificates and, in the case of a multiple series aggregation, the total face amount of each other affected series of securities outstanding on the Record Date; and
- (ii) clearly indicate the Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 18(i) on the Record Date identifying the holders of the Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) Notification:

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 19 to be notified to the Delegate, the Trustee and the Government as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders by the Trustee or the Government in accordance with Condition 17.

(f) Binding nature of determinations; no Liability:

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 19 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Government, the Delegate and the Certificateholders and (subject as aforesaid) no Liability to any such Person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) Manner of publication:

The Trustee and the Government will publish all notices and other matters required to be published pursuant to the Declaration of Trust including any matters required to be published pursuant to Conditions 14, Condition 18 and this Condition 19:

- (i) through Euroclear, Clearstream Luxembourg and/or any other clearing system in which the Trust Certificates are held (as applicable);
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

20 Certificateholders' Committee

(a) *Appointment:*

- (i) Holders of at least 25 per cent. of the aggregate face amount of all outstanding series of securities (taken in aggregate) issued by the Trustee or the Government (the "**Relevant Securities**") may, by notice in writing to the Trustee and the Government (with a copy to the Delegate), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding securities who wish to be represented by such a committee) if any of the following events has occurred:
 - (A) a Dissolution Event or a Potential Dissolution Event;
 - (B) any public announcement by the Trustee or the Government (as the case may be), to the effect that the Trustee or the Government (as the case may be) is seeking or intends to seek a rescheduling or restructuring of the Trust Certificates or any other Relevant Securities (whether by amendment, exchange offer or otherwise); or
 - (C) with the agreement of the Government, at a time when the Government has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Trust Certificates or any other Relevant Securities are outstanding.
- (ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 20(a)(i) and a certificate delivered pursuant to Condition 20(d), the Government or the Trustee shall give notice of the appointment of such a committee to:
 - (A) the Delegate and all Certificateholders in accordance with Condition 17; and
 - (B) the holders of each series of Relevant Securities in accordance with the terms and conditions of each such series of Relevant Securities,as soon as practicable after such written notice and such certificate are delivered.

(b) *Powers:*

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the holders of all series of Relevant Securities (including the Certificateholders);
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Trustee and/or the Government and/or other creditors of the Trustee and/or the Government; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Trustee and/or the Government and provide all relevant contact details to the Trustee and/or the Government.

Except to the extent provided in this Condition 20(b), such committee shall not have the ability to exercise any powers or discretions which the holders of all series of Relevant Securities (including the Certificateholders) could themselves exercise.

(c) ***Engagement with the committee and provision of information:***

- (i) Each of the Trustee and the Government shall:
 - (A) subject to paragraph (B) immediately below, engage with the committee in good faith;
 - (B) provide the committee with information equivalent to that required under Condition 18(f) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
 - (C) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (ii) If more than one committee has been appointed by holders of one or more series of Relevant Securities in accordance with the provisions of this Condition 20 and/or equivalent provisions set out in the terms and conditions of any such Relevant Securities, neither the Trustee nor the Government shall be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Trustee and the Government shall engage with such steering group.

(d) ***Certification:***

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Trustee, the Government and to the Delegate signed by the authorised representatives of the Members, and the Trustee, the Government and the Delegate may rely upon the terms of such certificate conclusively and without any Liability therefor.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant securities documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Trustee, the Government and the Delegate may rely on conclusively (and without any Liability therefor), will be delivered to the Trustee, the Government and the Delegate identifying the new Members. Each of the Trustee, the Government and the Delegate will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 20(d) shall apply, mutatis mutandis, to any steering group appointed in accordance with Condition 20(c)(ii).

In appointing a person or persons as a committee to represent the interests of the Certificateholders, the Certificateholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other series of Relevant Securities.

21 Indemnification and Liability of the Delegate

- 21.1 The Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.
- 21.2 The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Government (acting in any capacity) under any Transaction Document and shall not under any circumstances have any Liability or be obliged to account to the Certificateholders in respect of any payment which should have been made by the Government (acting in any capacity), but is not so made, and shall not in any circumstances have any Liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.
- 21.3 Each of the Delegate and the Trustee is exempted from (a) any Liability in respect of any loss or theft of the Trust Assets or any cash, (b) any obligation to insure the Trust Assets or any cash and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depository or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default, gross negligence or fraud of the Delegate or the Trustee, as the case may be.

22 Currency Indemnity

The Specified Currency is the sole currency of account and payment for all sums payable by the Trustee under or in connection with the Trust Certificates, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Certificateholder in respect of any sum expressed to be due to it from the Trustee shall only constitute a discharge to the Trustee to the extent of the Specified Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Specified Currency amount is less than the Specified Currency amount expressed to be due to the recipient under any Trust Certificate, the Trustee shall indemnify it against any loss sustained by it as a result. In any event, the Trustee shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 22, it will be sufficient for the Certificateholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Trustee's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Certificateholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Trust Certificate or any other judgment or order.

23 Further Issues

In respect of any Series, the Trustee shall, subject to and in accordance with the Declaration of Trust, be at liberty from time to time without the consent of the Certificateholders to create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series (or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single Series with the outstanding Trust Certificates of such Series. Any additional Trust Certificates which are to form a single Series with the outstanding Trust Certificates previously constituted by the Declaration of Trust shall be constituted by a deed supplemental to the Declaration of Trust. References in these Conditions to the Trust Certificates include (unless the context requires otherwise)

any other trust certificates issued pursuant to this Condition and forming a single series with the outstanding Trust Certificates.

24 Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Trust Certificates under the Contracts (Rights of Third Parties) Act 1999.

25 Governing Law and Dispute Resolution

25.1 *Governing Law:* The Declaration of Trust (including these Conditions), the Agency Agreement, the Servicing Agency Agreement, the Master Murabaha Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Trust Certificates and any non-contractual obligations arising out of or in connection with the same are and shall be governed by, and construed in accordance with, English law.

25.2 *Arbitration:* The Delegate, the Trustee and the Government have in the Declaration of Trust agreed that, subject to the provisions of Condition 25.3, any dispute, claim, difference or controversy arising out of, relating to or having connection with the Declaration of Trust and/or the Trust Certificates (which includes these Conditions and this Condition 25.2 (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 25. For these purposes:

- (a) the seat of arbitration shall be London;
- (b) there shall be three arbitrators, each of whom shall be an attorney experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court (as defined in the Rules); and
- (c) the language of the arbitration shall be English.

25.3 *Option to Litigate:* Notwithstanding the agreement described in Condition 25.2, the Delegate may, in the alternative and at its sole discretion, by notice in writing to the Trustee and the Government in accordance with the Declaration of Trust:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) if no arbitration has commenced,

require that the Dispute be heard by a court of law (a "**Notice to Litigate**"). If the Delegate gives a Notice to Litigate, the Dispute to which such notice refers shall be determined in the manner described in Condition 25.4 and any arbitration commenced under Condition 25.2 in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto (other than the Delegate whose costs will be borne by the Government).

25.4 *Effect of exercise of option to litigate:* If a Notice to Litigate is given pursuant to Condition 25.3, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and the Government have in the Declaration of Trust submitted to the exclusive jurisdiction of such courts;
- (b) each of the Trustee and the Government have agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary; and
- (c) this Condition 25.4 is for the benefit of the Delegate for and on behalf of the Certificateholders only. As a result, and notwithstanding paragraphs (a) and (b) above, the Delegate may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and, to the extent allowed by law, may take concurrent Proceedings in any number of jurisdictions.

26 Waiver of Immunity

Under the Declaration of Trust, each of the Government and the Trustee has agreed that it (i) waives and agrees not to claim any sovereign or other immunity from the jurisdiction of any courts in respect of any Proceedings or Disputes (including to the extent that such immunity may be attributed to it); (ii) waives and agrees not to raise any objection to the venue of any such court in relation to any such Proceedings or Disputes; and (iii) agrees to ensure that no such claim or objection is made on its behalf in respect of any such Proceedings or Disputes.

Each of the Government and the Trustee has further consented to the enforcement of any order or judgment or award made or given against it and the giving of any relief in any court whether before or after final judgment or arbitral award including, without limitation: (i) relief by way of interim or final injunction or order for specific performance or recovery of any property; (ii) attachment of its assets; and (iii) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use) and (A) waives and agrees not to claim any sovereign or other immunity from the jurisdiction of any court in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it); (B) waives and agrees not to raise any objection to the venue of any such court in relation to such enforcement and the giving of such relief; and (C) agrees to ensure that no such claim or objection is made on its behalf.

The foregoing shall not be deemed or interpreted to include a waiver of any immunity with respect to (1) actions brought against the Government or the Trustee arising out of or based upon U.S. federal, U.S. state or any other securities laws; (2) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (3) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (4) military property or military assets or property or assets of the Maldives related thereto; or (5) properties and assets located in the Maldives and used solely or mainly for public or governmental purposes.

27 Waiver of Interest:

27.1 Each of the Trustee, the Government and the Delegate has in the Declaration of Trust irrevocably agreed that no interest will be payable or receivable under or in connection therewith and each party agrees that it will not claim any interest in respect of any proceedings brought by or on behalf of a party under the Declaration of Trust, any other Transaction Document or these Conditions.

27.2 If it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any arbitral award or by operation of any applicable law or otherwise, such party has agreed

to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.

- 27.3 For the avoidance of doubt, nothing in this Condition 27 shall be construed as a waiver of rights in respect of any Periodic Distribution Amounts, Required Amounts, Rentals, Dissolution Amounts, Exercise Price, Full Reinstatement Value, Total Loss Shortfall Amount, Deferred Sale Price, Profit Amount Instalments, Profit Amounts, Delisting Purchase Undertaking Exercise Price or profit or principal or other amount payable of any kind howsoever described payable by the Government (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by way of arbitral tribunal.

28 Agent for Service of Process

Each of the Government and the Trustee has irrevocably appointed Walkers at its registered office at 6 Gracechurch Street, London, EC3V 0AT, United Kingdom to receive, for it and on its behalf, service of process in respect of any Proceedings or Disputes in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Government or the Trustee). If for any reason such agent shall cease to be such agent for service of process, the Government and/or the Trustee (as applicable) shall forthwith appoint a new agent for service of process in England and notify the Delegate and the Certificateholders of such appointment (in accordance with Condition 17) within 30 days. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE TRUST CERTIFICATES WHILE IN GLOBAL FORM

1 Initial Issue of Trust Certificates

The Trust Certificates of each Series will be in registered form. The Trust Certificates will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act, in each case in reliance on Section 3(c)(7) of the Investment Company Act.

1.1 Form of Trust Certificates

The Trust Certificates of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States to persons who are not U.S. persons or acquiring for the account or benefit of U.S. persons, will initially be represented by ownership interests in a Regulation S Global Trust Certificate. Prior to expiry of the distribution compliance period applicable to each Tranche of Trust Certificates, ownership interests in a Regulation S Global Trust Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Trust Certificate will bear a legend regarding such restrictions on transfer.

The Trust Certificates of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to QIBs who are also QPs, in each case acting for their own account or for the account of one or more QIBs who are also QPs. The Trust Certificates of each Tranche sold to QIBs who are also QPs in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act will initially be represented by one or more Rule 144A Global Trust Certificates. By the acquisition of an ownership interest in such certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB who are also QPs and that, if in the future it determines to transfer such ownership interest, it will transfer such ownership interest in accordance with the procedures and restrictions contained in the Rule 144A Global Trust Certificate.

No ownership interest in a Regulation S Global Trust Certificate may be transferred to a person who takes delivery in the form of an ownership interest in a Rule 144A Global Trust Certificate unless: (i) the transfer is to a person that is a QIB who is also a QP, (ii) such transfer is made in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act, and (iii) the transferor provides the Registrars with a written certification to the effect that the transferor reasonably believes that the transferee is a QIB who is also a QP, that the transfer is being made in a transaction meeting the requirements of Rule 144A and Section 3(c)(7) of the Investment Company Act and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. No ownership interest in the Rule 144A Global Trust Certificates may be transferred to a person who takes delivery in the form of an ownership interest in a Regulation S Global Trust Certificate unless the transfer is to an investor that is not a U.S. person or person acquiring for the account or benefit of a U.S. person in an offshore transaction in reliance on Regulation S and the transferor provides the Registrars with a written certification to the effect that the transfer is being made to a person who is a not a U.S. person or person acquiring for the account or benefit of a U.S. person in accordance with Regulation S.

Global Trust Certificates will either: (a) be deposited with a custodian for, and registered in the name of a nominee of, DTC; or (b) be deposited with a Common Depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding ownership interests in Global Trust Certificates will be entitled or required, as the case may be,

under the circumstances described below, to receive physical delivery of definitive Trust Certificates in fully registered form.

1.2 Exchange for Definitive Trust Certificates

Interests in a Global Trust Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Trust Certificates of a particular Series only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) in the case of Trust Certificates registered in the name of a nominee for DTC, either DTC has notified the Trustee that it is unwilling or unable to continue to act as depository for the Trust Certificates or DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and, in any case, no successor or alternative clearing system is available; or (ii) in the case of Trust Certificates registered in the name of a nominee for a Common Depository for Euroclear and Clearstream, Luxembourg, the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system is available. The Trustee will promptly give notice to Certificateholders in accordance with Condition 17 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, any of the Trustee or DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Trust Certificates) may give notice to the relevant Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the relevant Registrar. Definitive Trust Certificates issued in exchange for an ownership interest in a Rule 144A Global Trust Certificate shall bear the legends applicable to transfers pursuant to Rule 144A and Section 3(c)(7) of the Investment Company Act, as set out under "*Subscription and Sale and Transfer and Selling Restrictions—Transfer Restrictions*".

1.3 Delivery

Upon the transfer, exchange, or replacement of a definitive Trust Certificate bearing the legend referred to under "*Subscription and Sale and Transfer and Selling Restrictions—Transfer Restrictions*", or upon specific request for removal of the legend on a definitive Trust Certificate, the Trustee will deliver only definitive Trust Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Trustee and the relevant Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Trustee, that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act.

1.4 Transfer Restrictions

Interests in a Global Trust Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Trust Certificate. No owner of an interest in a Global Trust Certificate will be able to transfer such interest, except in accordance with the applicable procedures of DTC and/or Euroclear and/or Clearstream, Luxembourg, in each case to the extent applicable.

The Trust Certificates are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions—Transfer Restrictions*".

2 Amendment to Conditions

The Global Trust Certificates contain provisions that apply to the Trust Certificates that they represent, some of which modify the effect of the terms and conditions of the Trust Certificates set out in this Base Prospectus. The following is a summary of certain of those provisions:

2.1 Payments

All payments in respect of Trust Certificates represented by a Global Trust Certificate will be made (against surrender of that Global Trust Certificate if no further payment falls to be made in respect of the Trust Certificates) to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a day on which each Clearing System with which the Global Trust Certificate is being held is open for business.

For the purposes of any payments made in respect of Trust Certificates represented by a Global Trust Certificate, the definition of Payment Business Day in Condition 1.1 shall be substituted in full as follows:

"**Payment Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business, in such jurisdictions as shall be specified as "**Financial Centres**" in the applicable Final Terms and:

- (i) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, on which foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such Specified Currency; or
- (ii) (in the case of a payment in Euro) which is a TARGET Business Day; and
- (iii) in the case of any payment in respect of a Global Trust Certificate denominated in a Specified Currency other than U.S. Dollars and registered in the name of The Depository Trust Company or its nominee and in respect of which an accountholder of The Depository Trust Company (with an interest in such Global Trust Certificate) has made no election to and will receive any part of such payment in U.S. Dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City and London."

A record of each payment made will be noted on the relevant Register which shall be prima facie evidence that such payment has been made in respect of the Trust Certificates.

2.2 Meetings

All holders of Trust Certificates are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Trust Certificates comprising such Certificateholder's holding.

2.3 Cancellation

Cancellation of any Trust Certificate represented by a Global Trust Certificate that is surrendered for cancellation (other than upon its redemption in full) will be effected by reduction in the aggregate face amount of the relevant Series of Trust Certificates in the Register.

2.4 Notices

Notices required to be given in respect of the Trust Certificates represented by a Global Trust Certificate may be given by their being delivered (so long as such Global Trust Certificate is held on behalf of DTC

and/or Euroclear and Clearstream, Luxembourg or any other clearing system (as applicable)) to DTC, Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of such Global Trust Certificate, rather than by publication as required by the Conditions, provided that such notices must also be given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange, quotation system or other relevant authority on which the Trust Certificates are for the time being listed or admitted to trading or quotation. Any such notice shall be deemed to have been given to the holders of the Trust Certificates on the day on which the said notice was given to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as applicable).

2.5 Further Issues

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Trust Certificates of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP number which are different from the common code, ISIN and CUSIP assigned to Trust Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

CLEARING AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and/or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing Systems. Neither the Trustee, the Government, the Delegate nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Trust Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The information in this section concerning the Clearing Systems has been obtained from sources that the Trustee and the Government believe to be reliable, but neither the Trustee, the Government, the Delegate, the Agents nor the Dealers take any responsibility for the accuracy thereof. Each of the Trustee and the Government confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DTC Book-Entry System

Trust Certificates whether as part of the initial distribution of the Trust Certificates or in the secondary market, are eligible to be held in book-entry form in DTC.

DTC has advised the Trustee that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants ("**Direct Participants**") include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Trust Certificates among Direct Participants on whose behalf it acts with respect to Trust Certificates accepted into DTC's book-entry settlement system ("**DTC Trust Certificates**") as described below, and receives and transmits distributions of principal and profit on DTC Trust Certificates. The DTC Rules are on file with the U.S. Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Trust Certificates ("**Owners**") have accounts with respect to the DTC Trust Certificates are similarly required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Trust Certificates through Direct Participants or Indirect Participants will not possess Trust Certificates, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest with respect to the DTC Trust Certificates.

Purchases of DTC Trust Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Trust Certificates on DTC's records. The ownership interest of each actual purchaser of each DTC Trust Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Trust Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Trust Certificates, except in the event that use of the book-entry system for the DTC Trust Certificates is discontinued.

To facilitate subsequent transfers, all DTC Trust Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Trust Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Trust Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Trust Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Dissolution notices shall be sent to Cede & Co. If less than all of the DTC Trust Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Trust Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Trust Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and profit payments on the DTC Trust Certificates will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in registered in "street name", and will be the responsibility of such Participant and not of DTC or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and profit to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Trust Certificates for definitive Trust Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Trust Certificate, will be legended as set forth under "*Transfer Restrictions*".

Book-entry Ownership of and Payments in respect of DTC Trust Certificates

The Trustee may apply to DTC in order to have each Tranche of Trust Certificates represented by a Rule 144A Global Trust Certificate, and if applicable, the Regulation S Global Trust Certificate, accepted in its book-entry settlement system. Upon the issue of any Global Trust Certificates, DTC or its custodian will credit, on its internal book-entry system, the respective face amounts of the individual beneficial interests represented by such Global Trust Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in a Global Trust Certificate will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in a Global Trust Certificate will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and profit in respect of a Global Trust Certificate registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Trust Certificate. In the case of any payment in a currency other than U.S. dollars, payment will be made to the relevant Paying Agent on behalf of DTC's nominee and the relevant Paying Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Trust Certificate in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Trustee expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Trustee also expects that payments by Participants to beneficial owners of Trust Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Paying Agents, the Registrars or the Trustee. Payments of principal, premium, if any, and profit, if any, on Trust Certificates to DTC are the responsibility of the Trustee.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Investors may hold their interests in Global Trust Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders or indirectly through organisations which are accountholders therein.

Transfers of Trust Certificates Represented by Global Trust Certificates

Transfers of any interests in Trust Certificates represented by a Global Trust Certificate will be effected in accordance with the customary rules and operating procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be. The laws of some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Trust Certificates represented by a Global Trust Certificate to such persons may depend upon the ability to exchange such Trust Certificates for definitive Trust Certificates. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Trust Certificates represented by a Global Trust Certificate held by DTC to pledge such Trust Certificates to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Trust Certificates may depend upon the ability to exchange such Trust Certificates for Trust Certificates in definitive form. The ability of any holder of Trust Certificates represented by a Global Trust Certificate held by DTC to resell, pledge or otherwise transfer such Trust Certificates may be impaired if the proposed transferee of such Trust Certificates is not eligible to hold such Trust Certificates through a direct or indirect participant in the DTC system.

Transfers at any time by a holder of a book-entry interest in a Rule 144A Global Trust Certificate to a transferee who takes delivery of such book-entry interest through a Regulation S Global Trust Certificate for the same Series of Trust Certificates will only be made upon delivery to the relevant Registrar of a certificate setting forth compliance with the provisions of Regulation S. Prior to the expiration of the distribution compliance period (as defined in Regulation S), ownership of book-entry interests in a Regulation S Global Trust Certificate will be limited to persons that have accounts with Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, or persons who hold such book-entry interest through Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, and any sale or transfer of such book-entry interest to a US person (within the meaning of Regulation S) shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A and Section 3(c)(7) of the Investment Company Act. Transfers at any time by a holder of a book-entry interest in a Regulation S Global Trust Certificate to a transferee who takes delivery of such book-entry interest through a Rule 144A Global Trust Certificate for the same Series of Trust Certificates will only be made upon receipt by the relevant Registrar or the relevant Transfer Agent of a written certificate from the transferor of such book-entry interest to the effect that such transfer is being made to a person whom such transferor, and any person acting on its behalf, reasonably believes is a QIB who is also a QP within the meaning of Rule 144A and Section 3(c)(7) of the Investment Company Act, respectively, in a transaction meeting the requirements of Rule 144A and Section 3(c)(7) of the Investment Company Act or otherwise in accordance with the transfer restrictions described under "*Sale and Subscription and Selling and Transfer Restrictions*" and in accordance with any applicable securities laws of any state of the United States.

Subject to compliance with the transfer restrictions applicable to the Trust Certificates described under "*Sale and Subscription and Selling and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrars, and/or the Paying Agents, as the case may be, and any custodian with whom the relevant Global Trust Certificates have been deposited.

On or after the relevant issue date for any Series, transfers of Trust Certificates of such Series between accountholders in Euroclear or Clearstream, Luxembourg and transfers of Trust Certificates of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in DTC and Euroclear or Clearstream, Luxembourg participants will need to have an agreed settlement date between the parties to such transfer. As there is no direct link between DTC, on the one hand, and Euroclear or Clearstream, Luxembourg on the other, transfers of interests in the relevant Global Trust Certificates will be effected through the relevant Registrar and/or the relevant Transfer Agent, as the case may be, and the custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payments must be made separately.

Euroclear, Clearstream, Luxembourg and DTC have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Trust Certificates among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Trustee, the Government, the Delegate, the Agents or any Dealer will be responsible for any performance by Euroclear, Clearstream, Luxembourg and DTC or its respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Trust Certificates represented by Global Trust Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection by emailing the Principal Paying Agent at ctlondon.conventional@hsbc.com and ctla.payingagency@hsbc.com. Words and expressions defined in the Conditions shall have the meanings in this summary.

The Master Declaration of Trust

The Master Declaration of Trust will be entered into on or about 23 March 2021 between the Trustee, the Government and the Delegate and is governed by English law. Pursuant to the Master Declaration of Trust, a Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche of Trust Certificates and will also be governed by English law.

Upon issue of any Series of Trust Certificates, the Master Declaration of Trust and each relevant Supplemental Declaration of Trust shall together constitute the trust over the relevant Trust Assets declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Trust Certificates comprise, *inter alia*, the beneficial interest, present and future, of the Trustee in the Lease Assets, the rights, title, interest and benefit, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Government to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 15.1 of the Master Declaration of Trust) and all monies standing to the credit of the relevant Transaction Account from time to time.

Pursuant to the Declaration of Trust, the Trustee will agree to act for and on behalf of the Certificateholders and, *inter alia*, in relation to each Tranche of Trust Certificates:

- (a) hold the relevant Trust Assets on trust absolutely for the Certificateholders as beneficial tenants in common pro rata according to the face amount of Trust Certificates held by each Certificateholder; and
- (b) act as trustee in respect of such Trust Assets, distribute the income from such Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

Each Declaration of Trust will specify, *inter alia*, that in relation to each Series:

- (a) no recourse shall be had for the payment of any amount under the Declaration of Trust or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount under the Declaration of Trust or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers, or administrators), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, any Agents and their respective agents or affiliates shall be extinguished;
- (b) the Trustee may from time to time (but always subject to the provisions of the Declaration of Trust), without the consent of the Certificateholders, create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series (or terms and conditions that are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single series, with the outstanding Trust Certificates of such Series, and that any additional Trust Certificates which are to be created and issued so as to form a single series with the outstanding Trust Certificates of a particular Series shall be constituted by a Supplemental

Declaration of Trust in relation to which all applicable stamp duties or other documentation fees, duties or taxes have been paid and, if applicable, duly stamped and containing such other provisions as are necessary (including making such consequential modifications to the Master Declaration of Trust) in order to give effect to the issue of such additional Trust Certificates; and

- (c) on the date upon which any additional Trust Certificates are created and issued pursuant to the provisions pursuant to the provisions described in paragraph (b) above, a Supplemental Purchase Agreement will be entered into by the Government (in its capacity as seller) and the Trustee (in its capacity as purchaser) for the sale, transfer and conveyance of beneficial interest in the relevant Additional Assets. The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the Additional Assets (as set out in the relevant Declaration of Commingling of Assets) and the Lease Assets in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the investments made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect to such investments made pursuant to the Master Murabaha Agreement) in respect of the relevant Series are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates as tenants in common pro rata according to the face amount of Trust Certificates held by each Certificateholder, in accordance with the Declaration of Trust.

In the Declaration of Trust, the Trustee will irrevocably and unconditionally appoint the Delegate to, *inter alia*, exercise all the present and future powers, trusts, rights, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-delegate and to make any determinations to be made under the Declaration of Trust) vested in the Trustee by the relevant provisions of the Declaration of Trust. The appointment of the Delegate by the Trustee is intended to be in the interests of the Certificateholders and, subject as provided in the Declaration of Trust, does not affect the Trustee's continuing role and obligations as trustee of the trusts created pursuant to the Master Declaration of Trust.

In the Declaration of Trust, the Delegate will undertake that, *inter alia*, if it has express notice pursuant to the Declaration of Trust of the occurrence of a Dissolution Event in respect of any Trust Certificates and subject to Condition 14: (i) it shall, as soon as reasonably practicable, notify the Certificateholders of the occurrence of such Dissolution Event in accordance with Condition 17 with a request to such holders to indicate whether they wish the Trust Certificates to become immediately due and payable; and (ii) if so requested in writing by Certificateholders representing not less than 25 per cent. in aggregate face amount of the Trust Certificates for the time being outstanding (subject to being indemnified and/or secured and/or prefunded to its satisfaction), or if the Delegate decides in its discretion, it shall give notice to the Trustee, the Government and the Certificateholders in accordance with Condition 17 that the Trust Certificates are to be redeemed on the Dissolution Event Redemption Date specified in such notice at the Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Final Terms, together with all unpaid Periodic Distribution Amounts (if any) accrued to (but excluding) the Dissolution Event Redemption Date.

A non-interest bearing Transaction Account in London will be established in the name of the Trustee in respect of each Series of Trust Certificates. Monies received in the Transaction Account in respect of each Series will, *inter alia*, comprise payments corresponding to Periodic Distribution Amounts and/or Dissolution Amounts immediately prior to each Periodic Distribution Date and/or any Dissolution Date, as the case may be. The Master Declaration of Trust provides that all moneys standing to the credit of the Transaction Account from time to time in respect of each Series will be applied in the manner set out in Condition 5.2.

The Government has further undertaken that, if the outstanding Exercise Price or Delisting Purchase Undertaking Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Government shall (as an independent, severable and separately

enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding and, accordingly, the amount payable under any such indemnity claim will equal the outstanding Exercise Price or Delisting Purchase Undertaking Exercise Price, as the case may be.

In addition, if the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 12, the Government has undertaken that it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by the Trustee in respect of the Trust Certificates pursuant to Condition 12.

Master Purchase Agreement

The Master Purchase Agreement will be entered into on or about 23 March 2021 between the Trustee (in its capacity as purchaser) and the Government (in its capacity as seller) and is governed by the laws of the Maldives. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of the relevant Tranche (including any additional Tranche of Trust Certificates issued pursuant to Condition 23 (an "**Additional Tranche**")) of Trust Certificates and will also be governed by the laws of the Maldives.

Pursuant to the Master Purchase Agreement, the Government (in its capacity as seller) may, from time to time, sell, transfer and convey to the Trustee (in its capacity as purchaser), and the Trustee may, from time to time, purchase and accept the transfer and conveyance from the Government of, all of the Government's beneficial interest in (a) on the Issue Date of the first Tranche of a Series, the relevant Assets; and (b) on the Issue Date of any Additional Tranche, the Additional Assets, in each case pursuant to a Supplemental Purchase Agreement which will, among other things, specify the Assets or Additional Assets, as the case may be, being sold and the price to be paid for them.

Pursuant to the relevant Supplemental Purchase Agreement, the Government (in its capacity as seller) will undertake, to the extent that the sale and purchase, transfer or conveyance of its beneficial interest in any Assets or Additional Assets (as the case may be) is not (or is alleged not to be) effective in any jurisdiction for any reason and the Exercise Price (or the Delisting Purchase Undertaking Exercise Price, as the case may be) is not paid in full when due, as independent, severable and separately enforceable obligations to:

- (a) make payment of an amount equal to the Purchase Price (or relevant part thereof) by way of restitution to the Trustee (in its capacity as purchaser) immediately upon request; and/or
- (b) indemnify fully the Trustee (in its capacity as purchaser) for the purpose of redemption of the outstanding Trust Certificates of the relevant Series and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price (or the Delisting Purchase Undertaking Exercise Price, as the case may be),

in each case, without duplication or double counting.

Master Lease Agreement

The Master Lease Agreement will be entered into on or about on 23 March 2021 between the Trustee (in its capacity as lessor), the Government (in its capacity as lessee) and the Delegate and is governed by the laws of the Maldives. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of the first Tranche of a Series and will also be governed by the laws of the Maldives.

Pursuant to the Lease Agreement, the Trustee (in its capacity as lessor) may, from time to time, agree to lease to the Government (in its capacity as lessee), and the Government may, from time to time, agree to lease from the Trustee, certain Lease Assets during renewable rental periods commencing on the Lease Commencement

Date (which shall be the relevant Issue Date) and extending to the Scheduled Dissolution Date (unless the relevant Supplemental Lease Agreement is terminated earlier in accordance with its terms or extended in accordance with the Purchase Undertaking).

The Government (in its capacity as lessee) will agree to use the relevant Lease Assets at its own risk. Accordingly, the Government shall from the date of the relevant Supplemental Lease Agreement bear the entire risk of loss of or damage to the relevant Lease Assets or any part thereof arising from the usage or operation thereof by it to the extent that such loss or damage has resulted from the Government's gross negligence, wilful default, actual fraud, or breach of its obligations under the relevant Supplemental Lease Agreement. In addition, the Trustee (as lessor) shall not be liable (and the Government (as lessee) will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the Government's use or operation of the relevant Lease Assets.

Under the Supplemental Lease Agreement, the Government (in its capacity as lessee) will agree to be responsible, at its own cost and expense, for the performance of all ordinary maintenance and repair required for any relevant Lease Assets. The Trustee (in its capacity as lessor) shall be responsible for: (i) the performance of all major maintenance and structural repair; (ii) the payment of any proprietorship or other relevant taxes (excluding all taxes that are by law imposed, charged or levied against a lessee or a tenant); and (iii) insuring any relevant Lease Assets, and the Government (as lessee) will acknowledge that the Trustee (as lessor) may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, the major maintenance and structural repair, the payment of such taxes and the insurance of such relevant Lease Assets, on behalf of the Trustee (in its capacity as lessor).

All payments by the Government (as lessee) to the Trustee (as lessor) under each Lease Agreement shall be made in the Specified Currency without set-off (except as provided below) or counterclaim of any kind and free and clear of, and without any deduction or withholding, for any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Government (as lessee) will agree under the relevant Lease Agreement to pay such additional amounts as will result in the receipt by the Trustee (as lessor) of such amounts as would have been received by it had no such deduction or withholding had been required.

An amount equal to: (i) the supplementary rental (if any) payable by the Government (in its capacity as lessee) as (or as part of any) Rental; and (ii) any additional agreed Service Charge Amounts to be paid by the Trustee (in its capacity as lessor) to the Servicing Agent pursuant to the Servicing Agency Agreement, shall be set off against one another.

Servicing Agency Agreement

The Servicing Agency Agreement will be entered into on or about 23 March 2021 between the Trustee (in its capacity as lessor) and the Government (in its capacity as servicing agent), and is governed by English law.

Pursuant to the Servicing Agency Agreement, the Government (as servicing agent) will be responsible on behalf of the Trustee (in its capacity as lessor) for the carrying out of all major maintenance and structural repair, the payment of proprietorship taxes (if any) charged, levied or claimed on the relevant Lease Assets and for effecting all appropriate Insurances in respect of the Lease Assets. If a Total Loss Event occurs, the Government (in its capacity as servicing agent) shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 90th day after the occurrence of the Total Loss Event.

The Servicing Agency Agreement provides that if on the occurrence of a Total Loss Event the Government (in its capacity as servicing agent) receives notice from the Government (in its capacity as seller) that replacement real estate assets located in the Republic of Maldives (the "**Replacement Lease Assets**") are available on or before the 90th day after the occurrence of the Total Loss Event, the Trustee shall purchase such Replacement Lease Assets from the Government by way of the payment by the Government (in its capacity as servicing agent) on behalf of the Trustee of the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the Government and the transfer to the Government by the Trustee of any residual interest it may hold in the relevant Lease Assets (including any remaining rights in respect of any proceeds of the Insurances), in consideration for the sale, transfer and conveyance by the Government of the Replacement Lease Assets to the Trustee.

If, following the occurrence of a Total Loss Event, provided that the Lease Assets have not been replaced as described above, the amount of the proceeds of Insurances (if any) credited to the Transaction Account is less than the Full Reinstatement Value, the difference between the Full Reinstatement Value and the amount credited to the Transaction Account shall be the "**Total Loss Shortfall Amount**". In the event that the Government (in its capacity as servicing agent) fails to comply with its obligations to insure the Lease assets for an amount at least equal to the Full Reinstatement Value as described above and to ensure that Insurance proceeds are paid into the Transaction Account within 90 days of such Total Loss Event, it shall, unless it promptly proves beyond any doubt that any shortfall in the Insurance proceeds is neither attributable in any way to its negligence nor a failure to comply with the terms of the Servicing Agency Agreement relating to insurance and Insurances, be liable to compensate the Trustee (in its capacity as lessor) for any Total Loss Shortfall Amount, which will be payable (in same day, freely transferable, cleared funds) directly to the Transaction Account by no later than close of business in London on the 91st day after the Total Loss Event has occurred.

"**Full Reinstatement Value**" shall be equal to, in relation to each Series, the aggregate face amount of the Trust Certificates then outstanding for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts relating to such Trust Certificates plus an amount equal to the Periodic Distribution Amounts relating to such Trust Certificates, which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurs and ending on but excluding the earlier of (a) the date on which the Trust Certificates are redeemed in full in accordance with Condition 10.4 and (b) the Total Loss Dissolution Date plus an amount equal to any outstanding additional agreed Service Charge Amounts (in excess of the Servicing Agent Expenses Reserve) in respect of which an appropriate supplementary rental payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement less, if any, the aggregate amounts of Deferred Sale Price then outstanding.

"**Service Charge Amount**" shall be an amount equal to, in respect of a rental period, all payments made by the Government (in its capacity as servicing agent) during such rental period in respect of the services performed in relation to the relevant lease under the Lease Agreement pursuant to the terms of the Servicing Agency Agreement and as agreed between the Lessor and the Servicing Agent for reimbursement in excess of the Servicing Agent Expenses Reserve.

Purchase Undertaking

The Purchase Undertaking will be executed on or about 23 March 2021 by the Government (in its capacity as obligor) as a deed in favour of the Trustee and the Delegate and is governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced pursuant to the Servicing Agency Agreement), the Government (in its capacity as obligor) has irrevocably granted to the Trustee and the Delegate the right to require the Government to purchase all of the Trustee's beneficial interest in the relevant Lease Assets (or the

applicable proportion thereof, as the case may be) upon the Trustee or the Delegate (on behalf of the Trustee) exercising its option thereunder and delivering an Exercise Notice to the Government in accordance with the terms of the Purchase Undertaking, on the relevant Scheduled Dissolution Date or, if earlier, on the Dissolution Event Redemption Date at the Exercise Price or Delisting Purchase Undertaking Exercise Price, as the case may be.

The "Exercise Price" or "Delisting Purchase Undertaking Exercise Price" payable by the Government (as obligor), in relation to each Series, shall be equal to the aggregate face amount of the Trust Certificates or Delisting Purchase Undertaking Trust Certificates, as the case may be, then outstanding for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates or Delisting Purchase Undertaking Trust Certificates, as the case may be, plus, without duplication or double counting, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including but not limited to, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount equal to any Service Charge Amounts in respect of which an appropriate supplementary rental payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement) provided that, in the case of any amounts payable pursuant to Condition 5.2(a), the Government has received a notification from the Delegate of such amounts by not later than the third business day prior to the date on which the Exercise Notice is delivered, less, the aggregate amounts of Deferred Sale Price (or the applicable proportion thereof, as the case may be) then outstanding, if any, plus, without duplication or double counting any other amounts payable on redemption of the Trust or the Delisting Purchase Undertaking Trust Certificates, as the case may be, as specified in the applicable Final Terms.

The Government (in its capacity as obligor) has undertaken in the Purchase Undertaking that, in relation to any Series, it shall irrevocably and unconditionally fully accept all or any ownership interest the Trustee has in the relevant Lease Assets (or the applicable proportion thereof, as the case may be). The Government (in its capacity as obligor) has further undertaken in the Purchase Undertaking that, in relation to any Series, if the Exercise Price or Delisting Purchase Undertaking Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, it shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Trust Certificates then outstanding and, accordingly, the amount payable under such indemnity will equal the relevant Exercise Price or Delisting Purchase Undertaking Exercise Price, as the case may be.

The Government (in its capacity as obligor) will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made in the Specified Currency without set-off (except as provided below) or counterclaim of any kind and, free and clear of, any deduction or withholding for Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless required by law. In that event, the Government (as obligor) shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it had no withholding or deduction had been required.

The amount equal to the Service Charge Amounts to be paid by the Government as part of the Exercise Price or Delisting Purchase Undertaking Exercise Price, as the case may be, payable pursuant to the Purchase Undertaking which has not been paid by way of a payment of supplementary rental under the Master Lease Agreement and the relevant Supplemental Lease Agreement shall be set off against one another and the obligation to pay (exercised pursuant to the Purchase Undertaking) that part of the Exercise Price, or Delisting Purchase Undertaking Exercise Price, as the case may be, shall be discharged by such set-off.

Under the Purchase Undertaking, the Government has undertaken that, for so long as any Trust Certificate remains outstanding, the Government (acting in any capacity) will not create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues to secure any Relevant

Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of Relevant Indebtedness or a Relevant Sukuk Obligation, of any Person, without: (a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is, in whatever capacity, a party; or (b) providing such other Security Interest for the obligations of the Government under the Transaction Documents as may be approved by an Extraordinary Resolution of the Certificateholders..

In addition, the Government has agreed that a Government Event shall constitute a Dissolution Event for the purposes of the Conditions.

Sale and Substitution Undertaking

The Sale and Substitution Undertaking was executed on 23 March 2021 by the Trustee as a deed in favour of the Government and is governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced pursuant to the Servicing Agency Agreement), the Trustee has irrevocably granted to the Government the right to require the Trustee to sell, transfer and/or convey all of its beneficial interest in the relevant Lease Assets to the Government upon the Government exercising its option thereunder and delivering an Exercise Notice to the Trustee in accordance with the terms of the Sale and Substitution Undertaking on the Optional Dissolution Date at the Exercise Price.

The amount equal to any Service Charge Amounts to be paid by the Government as part of any Exercise Price, which has not been paid by way of a supplementary rental payment under the Master Lease Agreement and the Supplemental Lease Agreement and any Service Charge Amounts to be paid by the Trustee (in its capacity as lessor) pursuant to the Servicing Agency Agreement shall be set off against one another, and the obligation to pay (exercised by the Government pursuant to the Sale and Substitution Undertaking) that part of the Exercise Price exercised shall be discharged by such set-off.

In addition, under the terms of the Sale and Substitution Undertaking, if at any time the Government wishes to cancel any Trust Certificates purchased pursuant to Condition 11.1, the Government may, by exercising its option under the Sale and Substitution Undertaking and by delivering a Cancellation Notice to the Trustee in accordance with the terms of the Sale and Substitution Undertaking, oblige the Trustee to transfer all of its beneficial interest in the Cancelled Lease Assets to the Government in consideration for which the Trust Certificates purchased shall be cancelled subject to certain conditions set out in the Sale and Substitution Undertaking. Following such transfer, the Trustee shall forthwith surrender to the relevant Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date.

Furthermore, pursuant to the terms of the Sale and Substitution Undertaking, the Trustee has granted to the Government the right to require the Trustee to sell all of its beneficial interest in the substituted Lease Assets to it in exchange for the sale to the Trustee of new Lease Assets subject to certain conditions set out in the Sale and Substitution Undertaking.

Master Murabaha Agreement

The Master Murabaha Agreement was entered into on 23 March 2021 between the Government (in its capacity as buyer, the "**Buyer**") and the Trustee (in its capacity as seller, the "**Seller**") and is governed by English law.

Pursuant to the Master Murabaha Agreement, the Seller shall, on receipt of a purchase order from the Buyer in accordance with the terms of the Master Murabaha Agreement, purchase certain commodities on the Issue Date of the relevant Tranche. Following the purchase of the commodities by the Seller, and provided that the Seller has acquired title to, and actual or constructive possession thereof, the Seller shall deliver to the Buyer by no

later than the Issue Date a letter of offer and acceptance indicating the Seller's acceptance of the terms of the purchase order made by the Buyer and detailing the terms of the offer for the sale of the commodities to the Buyer from the Seller on the Issue Date.

Pursuant to the Master Murabaha Agreement, the Buyer may undertake to accept the terms of, countersign and deliver to the Seller any letter of offer and acceptance delivered to it in accordance with the Master Murabaha Agreement and (as a result of the Seller having acted on the request of the Buyer set out in the purchase order) purchase the commodities acquired by the Seller for the Deferred Sale Price in accordance with the terms of the Master Murabaha Agreement.

As soon as the Buyer has countersigned the letter of offer and acceptance, a murabaha contract shall be created between the Seller and the Buyer upon the terms of the letter of offer and acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, the Seller shall sell and the Buyer shall buy the commodities on the terms set out in the letter of offer and acceptance and ownership of and all risks in and to the relevant commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer will also agree in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement will be made in the Specified Currency without set-off or counterclaim of any kind and, free and clear of, any deduction or withholding for or on account of any Taxes unless required by law. In that event, the Buyer shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it had no withholding or deduction had been made.

Shari'a Compliance

Each Transaction Document to which it is a party provides that each of the Trustee and the Government agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and the transactions contemplated therein and further agrees that:

- it shall not claim that any of its obligations under the Trust Certificates and the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires*, not valid, legal, binding or enforceable or not compliant with the principles of *Shari'a*, regardless of any pronouncement by any *Shari'a* Committee, authority, institution or *Shari'a* adviser to that effect;
- it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Trust Certificates or the Transaction Documents to which it is a party; and
- none of its obligations under the Trust Certificates and the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Trust Certificates or the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

TAXATION

The following is a general description of certain Cayman Islands, the Maldives and United States tax considerations relating to the Trust Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Trust Certificates, whether in those jurisdictions or elsewhere. Prospective purchasers of Trust Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Trust Certificates and receiving payments under the Trust Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Cayman Islands

Under existing Cayman Islands laws, payments on Trust Certificates to be issued will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Trust Certificates nor will gains derived from the disposal of the Trust Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

The Trustee has obtained an undertaking from the Governor in Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law (as amended) of the Cayman Islands, that for a period of 30 years from the date of grant of that undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Trust Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment. However, an instrument transferring title to any Trust Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately US\$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

The Republic of Maldives Taxation

As of the date of this Base Prospectus, there are no taxes payable with respect to income, withholding or capital gains with respect to the Trust Certificates under existing Maldivian law. Under current Maldivian law, no holder of Trust Certificates will be deemed to be resident, domiciled or carrying on any commercial activity in the Maldives or subject to any Maldivian tax as a result only of holding any of the Trust Certificates.

U.S. Federal Income Taxation

The following summary of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Trust Certificates by a U.S. Holder (as defined below) is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), final, temporary and proposed Treasury regulations issued thereunder, and published judicial and administrative interpretations thereof, each as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance

that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court would uphold such statement or conclusion.

This summary does not purport to be a complete analysis of all potential tax consequences. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to an investor in light of such investor's particular circumstances or to investors subject to special treatment under U.S. federal income tax laws, such as financial institutions, certain U.S. expatriates, insurance companies, retirement plans, dealers in securities or foreign currencies, traders in securities that elect mark-to-market tax accounting, U.S. Holders whose functional currency is not the U.S. dollar, persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Trust Certificates as a result of such income being recognised on an applicable financial statement, partnerships, tax-exempt organisations, regulated investment companies, real estate investment trusts, persons subject to alternative minimum tax or the Medicare unearned income tax or surtax, and persons holding the Trust Certificates as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons that purchase the Trust Certificates for cash at the price of the applicable offering and that hold the Trust Certificates as capital assets for U.S. federal income tax purposes.

For purposes of this discussion, the term "**U.S. Holder**" means a beneficial owner of a Trust Certificate that is, for U.S. federal income tax purposes, (i) an individual that is a citizen or resident of the United States, (ii) a corporation created or organised in, or under the laws of, the United States, any state therein or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust primarily supervised by a U.S. court and controlled by U.S. persons.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes invests in Trust Certificates, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of such partner and the activities of the partnership. Prospective investors that are partnerships, and partners in such partnerships, should consult their own tax advisers to determine the U.S. federal income tax consequences to them of the purchase, ownership and disposition of the Trust Certificates.

Prospective purchasers of the Trust Certificates should consult their own tax advisers concerning the tax consequences of investing in Trust Certificates in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of state, local, non-U.S. and other tax laws.

This summary assumes that the Trust Certificates are not characterised as contingent payment debt instruments for U.S. federal income tax purposes. To the extent that Trust Certificates are treated as contingent payment debt instruments for U.S. federal income tax purposes, the U.S. federal income tax consequences of holding such Trust Certificates will be discussed in the applicable prospectus supplement. This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable prospectus supplement. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Base Prospectus and the applicable prospectus supplement, holders should rely on the tax consequences described in the applicable prospectus supplement instead of this Base Prospectus.

Classification of the Trust Certificates

The Trustee intends to treat the Trust Certificates as representing a beneficial interest in indebtedness for U.S. federal income tax purposes and each holder and beneficial owner of a Trust Certificate, by acceptance of such Trust Certificate or a beneficial interest therein, will likewise agree to treat the Trust Certificates as representing a beneficial interest in indebtedness for such purposes. This treatment is not binding on the IRS and no ruling will be sought from the IRS regarding this or any other aspect of the tax treatment of the Trust Certificates. It is possible that the IRS could successfully argue that the Trust Certificates should be treated as equity interests

in the Trustee. If the Trust Certificates were treated as equity interests in the Trustee, U.S. Holders likely would be treated as owning interests in a passive foreign investment company (or "PFIC"), which could have materially adverse tax consequences for such U.S. Holders. Prospective investors should seek advice from their own tax advisors as to the consequences to them of alternative characterisations of the Trust Certificates, the possibility that the Trust Certificates might be classified as equity interests in a PFIC and the consequences of owning an equity interest in a PFIC. The remainder of this discussion assumes that the Trust Certificates represent a beneficial interest in indebtedness for U.S. federal income tax purposes.

Payment of Periodic Distribution Amounts

Except as discussed below under "*—Original Issue Discount*", payments of Periodic Distribution Amounts on the Trust Certificates (including any additional amounts payable pursuant to Condition 12) will be treated as payments of interest and generally will be taxable to a U.S. Holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. Holder's usual method of accounting for U.S. federal income tax purposes.

A U.S. Holder may, subject to certain limitations, be eligible to claim a credit or deduction in respect of any non-U.S. taxes that are withheld from payments on the Trust Certificates for purposes of computing its U.S. federal income tax liability. Periodic Distribution Amounts and original issue discount ("**OID**"), if any, received or accrued on the Trust Certificates and additional amounts payable pursuant to Condition 12 generally will constitute foreign source income to U.S. Holders for U.S. federal income tax purposes and generally will be considered "passive" income for purposes of the rules related to calculating foreign tax credits. The rules relating to foreign tax credits are complex and U.S. Holders should consult their own tax advisers with regard to the availability and calculation of foreign tax credits and the application of the foreign tax credit rules to their particular situation. Special rules governing the treatment of Periodic Distribution Amounts paid with respect to original issue discount Trust Certificates and foreign currency Trust Certificates (each as defined below) are described under "*—Original Issue Discount*" and "*—Foreign Currency Trust Certificates*."

Original Issue Discount

A Trust Certificate that has an "issue price" (generally, the first price at which a substantial amount of such issue of Trust Certificate has been sold to the public, other than in sales to bond houses, broker-dealers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers) that is less than its "stated redemption price at maturity" will be considered to have been issued with OID for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Trust Certificate**") unless the Trust Certificate satisfies a *de minimis* threshold (as described below). The "stated redemption price at maturity" of a Trust Certificate generally will equal the sum of all payments required to be made under the Trust Certificate other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the Trustee) at least annually during the entire term of the Trust Certificate at a single fixed rate of interest, at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information.

If the difference between a Trust Certificate's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., one-quarter of one per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity), the Trust Certificate will not be considered to have OID. U.S. Holders of the Trust Certificates with less than a *de minimis* amount of OID will include this OID in income, as capital gain, on a pro rata basis as principal payments are made on the Trust Certificate.

U.S. Holders of original issue discount Trust Certificates that mature more than one year from their date of issuance will be required to include OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any particular Trust Certificate (including stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium, as described below) in accordance with a constant yield method based on the compounding of interest, and generally may revoke such election (a "**constant yield election**") only with the permission of the IRS. However, if the Trust Certificate has amortisable bond premium (discussed below), the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than instruments the interest on which is excludable from gross income, held as of the beginning of the taxable year to which the election applies or to any taxable year thereafter. If a U.S. Holder makes a constant yield election with respect to a Trust Certificate with market discount (discussed below), the U.S. Holder will be treated as having made an election to include market discount in income currently over the life of all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies. U.S. Holders should consult their tax advisors about making this election in light of their particular circumstances.

A Trust Certificate that matures one year or less from its date of issuance (a "**short-term Trust Certificate**") will be treated as being issued at a discount and none of the profit paid on the Trust Certificate will be treated as qualified stated interest regardless of its issue price. In general, a cash method U.S. Holder of a short-term Trust Certificate is not required to accrue the discount for U.S. federal income tax purposes but may elect to do so. Cash method U.S. Holders who do not elect to accrue the discount should include stated interest payments on short-term Trust Certificates as ordinary income upon receipt. Cash method U.S. Holders who do elect to accrue the discount and certain other holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Trust Certificate will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Trust Certificates in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Trustee may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require the Trustee to redeem, a Trust Certificate prior to its stated maturity date. Under applicable regulations, if the Trustee has an unconditional option to redeem a Trust Certificate prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Trust Certificate may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Trust Certificate as the stated redemption price at maturity, the yield on the Trust Certificate would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Trustee to redeem a Trust Certificate prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Trust Certificate would be higher than its yield to maturity. If it was presumed that an option would be exercised but it is not in fact exercised, the Trust Certificate would be treated solely for purposes of calculating OID as if it were redeemed, and a new Trust Certificate were issued, on the presumed exercise date for an amount equal to the Trust Certificate's adjusted issue price on that

date. The adjusted issue price of an original issue discount Trust Certificate is defined as the sum of the issue price of the Trust Certificate and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

Market Discount

If a U.S. Holder purchases a Trust Certificate (other than a short-term Trust Certificate) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Trust Certificate, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Trust Certificate, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Trust Certificate, including disposition in certain non-recognition transactions, as foreign source ordinary income to the extent of the market discount accrued on the Trust Certificate at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the U.S. Holder to include market discount in income as it accrues. An election to include market discount in income as it accrues applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies and may not be revoked without the consent of the IRS. In addition, a U.S. Holder that does not elect to include market discount in income currently may be required to defer, until the maturity of the Trust Certificate or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Trust Certificate. Such interest is deductible when paid or incurred to the extent of income from the Trust Certificate for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Trust Certificate was held by the U.S. Holder.

Market discount will accrue on a straight line basis unless a U.S. Holder makes an election on a Trust Certificate to accrue on the basis of a constant interest rate. This election is irrevocable once made.

Acquisition Premium and Amortisable Bond Premium

A U.S. Holder who purchases a Trust Certificate for an amount that is greater than the Trust Certificate's adjusted issue price but less than or equal to the stated redemption price at maturity will be considered to have purchased the Trust Certificate at an acquisition premium. Under the acquisition premium rules, the amount of OID that the U.S. Holder must include in its gross income with respect to the Trust Certificate for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year. If the U.S. Holder has a constant yield election in place for a Trust Certificate (as described above), acquisition premium properly allocable to a particular year will offset all interest that accrues on the Trust Certificate for the year.

If a U.S. Holder purchases a Trust Certificate for an amount that is greater than the stated redemption price at maturity, the U.S. Holder will be considered to have purchased the Trust Certificate with amortisable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. Holder may elect to amortise this premium, using a constant yield method, over the remaining term of the Trust Certificate. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Trust Certificate by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "*Original Issue Discount*") for a Trust Certificate with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the U.S. Holder's debt instruments with amortisable bond premium.

Sale or Other Disposition of Trust Certificates

A U.S. Holder's tax basis in a Trust Certificate generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Trust Certificate and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder's income with respect to the Trust Certificate, and reduced by (i) the amount of any payments other than qualified stated interest payments, and (ii) the amount of any amortisable premium applied to reduce interest on the Trust Certificate.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Trust Certificate equal to the difference between the amount realised on the sale or other disposition and the tax basis of the Trust Certificate. Except to the extent described above under "*Original Issue Discount*" and "*Market Discount*" or attributable to accrued but unpaid interest or changes in exchange rates (as discussed below), gain or loss recognised on the sale or other disposition of a Trust Certificate will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rates applicable to capital gain are currently lower than the maximum marginal rates applicable to ordinary income if the Trust Certificates have been held for more than one year at the time of the sale or other disposition. The deductibility of capital losses is subject to significant limitations.

Foreign Currency Trust Certificates

The following discussion summarises certain U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Trust Certificates the payments of profit or principal on which are denominated in or determined by reference to a currency other than the U.S. dollar ("**foreign currency Trust Certificates**").

The rules applicable to foreign currency Trust Certificates could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Trust Certificate to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Trust Certificates are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Trust Certificates.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Trust Certificate will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including OID or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Trust Certificate during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the relevant taxable year.

An accrual method U.S. Holder or cash method U.S. Holder accruing OID may elect to translate interest income (including OID) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the partial accrual period in the relevant taxable year). Additionally, if the last day of the accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder that has made such election may translate accrued interest using the spot rate of exchange in effect on the date of receipt. The above election will apply to all debt obligations held by such U.S. Holder and may not be changed without the consent of the IRS. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue OID or market discount.

OID, market discount, acquisition premium and amortisable bond premium on a foreign currency Trust Certificate are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realised with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above. Accrued market discount (other than market discount currently included in income) taken into account upon the receipt of any partial principal payment or upon the sale, retirement or other disposition of a Trust Certificate is translated into U.S. dollars at the spot rate on such payment or disposition date.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realised on amortised bond premium with respect to any period by treating the bond premium amortised in the period in the same manner as on the sale, exchange or retirement of the foreign currency Trust Certificate. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Trust Certificate with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium.

Gain or loss realised upon the sale, exchange or retirement of a foreign currency Trust Certificate that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between: (i) the U.S. dollar value of the foreign currency purchase price of the Trust Certificate, determined on the date the payment is received or the Trust Certificate is disposed of; and (ii) the U.S. dollar value of the foreign currency purchase price of the Trust Certificate, determined on the date the U.S. Holder acquired the Trust Certificate. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Trust Certificates described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange or retirement of the foreign currency Trust Certificate. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Trust Certificate is properly reflected. Any gain or loss realised by these U.S. Holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or discount on a short-term Trust Certificate not previously included in the U.S.

Holder's income. Holders should consult their tax advisors with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Trust Certificate accrue.

U.S. Holders should consult their tax advisers concerning how to account for payments made or received in a foreign currency, including whether such holders have foreign currency gain or loss in connection with any difference in the U.S. dollar value of such foreign currency between the trade date and settlement date of the acquisition and disposition of a foreign currency Trust Certificate.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS (unless the U.S. Holder establishes, if requested to do so, that it is an exempt recipient) in connection with payments on the Trust Certificates, and the proceeds from the sale, exchange or other disposition of Trust Certificates. If information reports are required to be made, a U.S. Holder may be subject to U.S. backup withholding if it fails to provide its taxpayer identification number, or to establish that it is exempt from backup withholding. The amount of any backup withholding imposed on a payment will be allowed as a credit against any U.S. federal income tax liability of a U.S. Holder and may entitle the U.S. Holder to a refund, provided the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisers regarding any reporting obligations they may have as a result of their acquisition, ownership or disposition of Trust Certificates, including requirements related to the holding of certain foreign financial assets or accounts. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Words and expressions defined in the Conditions shall have the same meanings in this section.

The Dealers have, in a dealer agreement (such dealer agreement as modified and/or supplemented and/or restated from time to time, the "**Dealer Agreement**") dated 23 March 2021, agreed with the Trustee and the Government a basis upon which they or any of them may from time to time agree to purchase Trust Certificates. In the Dealer Agreement, each of the Trustee and the Government has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Trust Certificates under the Programme.

Transfer Restrictions

As a result of the following restrictions, purchasers of Trust Certificates in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Certificates

Rule 144A Global Trust Certificates

Each purchaser of Trust Certificates within the United States pursuant to Rule 144A will be deemed to have represented, acknowledged and agreed, as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (a) It is (i) a QIB within the meaning of Rule 144A, (ii) a QP as defined in Section 2(a)(51)(A) of the Investment Company Act (iii) acquiring such Trust Certificates for its own account or for the account of a QIB who is also a QP, and (iv) aware, and each beneficial owner of such Trust Certificates has been advised, that the sale of such Trust Certificates to it is being made in reliance on Rule 144A.
- (b) It understands that such Trust Certificates have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB who is also a QP purchasing for its own account or for the account of a QIB who is also a QP, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.
- (c) It understands that such Trust Certificates, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

"THIS TRUST CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS TRUST CERTIFICATE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS TRUST CERTIFICATE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) THAT IS ALSO A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(a)(51) OF, AND THE RULES AND REGULATIONS THEREUNDER, THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT")), OR (B) IT IS NOT A U.S. PERSON OR A PERSON ACQUIRING FOR THE

ACCOUNT OR BENEFIT OF U.S. PERSONS AND IS ACQUIRING THIS TRUST CERTIFICATE IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES THAT IT WILL NOT, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO, PRIOR TO (X) THE DATE WHICH IS, IN THE CASE OF RULE 144A GLOBAL TRUST CERTIFICATES, ONE YEAR AND IN THE CASE OF REGULATION S GLOBAL TRUST CERTIFICATES, FORTY (40) CALENDAR DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS TRUST CERTIFICATE) OR THE LAST DAY ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WERE THE OWNERS OF THIS TRUST CERTIFICATE (OR ANY PREDECESSOR OF THIS TRUST CERTIFICATE) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, OFFER, SELL OR OTHERWISE TRANSFER THIS TRUST CERTIFICATE EXCEPT (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE TRUST CERTIFICATES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS BOTH A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT AND A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(a)(51) OF, AND THE RULES AND REGULATIONS THEREUNDER, THE INVESTMENT COMPANY ACT) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO A QUALIFIED PURCHASER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO INVESTORS THAT ARE NOT U.S. PERSONS OR PERSONS ACQUIRING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS TRUST CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE DELEGATE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) AND (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS TRUST CERTIFICATE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE DELEGATE AND (4) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS TRUST CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.”

- (d) The Trustee, each Agent, each Manager and their affiliates or, as the case may be, each relevant Dealer and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Trust Certificates for the account of one or more QIBs who are also QPs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- (e) It understands that the Trust Certificates offered in reliance on Rule 144A will be represented by one or more Rule 144A Global Trust Certificate. Before any interest in a Rule 144A Global Trust Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Trust Certificate, it will be required to provide to each of the Principal Paying Agent and the Registrars a written confirmation, substantially in the form set out in the Agency Agreement, amended as appropriate to the effect that such offer, sale, pledge or other transfer is being made in compliance with applicable securities laws.

Prospective purchasers are hereby notified that the sellers of the Trust Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

No sale of Legended Certificates in the United States to any one purchaser will be for less than US\$200,000 (or its foreign currency equivalent) face amount and no Legended Certificate will be issued in connection with such a sale in a smaller face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US\$200,000 (or its foreign currency equivalent) of Certificates.

Regulation S Global Trust Certificates

Each purchaser of Trust Certificates outside the United States pursuant to Regulation S and each subsequent purchaser of such Trust Certificates in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Trust Certificates, will be deemed to have represented, acknowledged and agreed, as follows:

- (a) it is or at the time the Trust Certificates are purchased will be, the beneficial owner of such Trust Certificates and (i) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (ii) it is not an affiliate of the Government or the Trustee or a person acting on behalf of such an affiliate;
- (b) it understands that such Trust Certificates have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Trust Certificates except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB who is also a QP purchasing for its own account or for the account of a QIB who is also a QP or (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;
- (c) the Issuer, the Trustee, each Agent, each Manager and their affiliates or, as the case may be, the relevant Dealer and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements
- (d) It understands that the Trust Certificates offered in reliance on Regulation S will be represented by one or more Regulation S Global Trust Certificates. Prior to the expiration of the distribution compliance period, before any interest in the Regulation S Global Trust Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Trust Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Selling Restrictions

United States

The Trust Certificates have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer or sell any Tranche of Trust Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date of such Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Trust Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Tranche of Trust Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Accordingly, the Trust Certificates are being offered and sold outside the United States to investors that are not U.S. persons or acquiring for the account or benefit of U.S. persons in accordance with Regulation S. The Dealer Agreement provides that Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Trust Certificates within the United States only to QIBs who are also QPs in reliance on Rule 144A and Section 3(c)(7) of the Investment Company Act.

In addition, until 40 days after the commencement of the offering of the Trust Certificates of the Tranche of which such Trust Certificates are a part, an offer or sale of Trust Certificates within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A and Section 3(c)(7) of the Investment Company Act.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA (each a "**Member State**"), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Trust Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Trustee and the Government for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Trust Certificates referred to above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Trust Certificates to the public" in relation to any Trust Certificates in any Member State means the communication in any form and by any means of sufficient

information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates and the expression "**Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129.

United Kingdom

Public Offer Selling Restriction under the UK Prospectus Regulation

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom, except that it may make an offer of such Trust Certificates to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Trustee and the Government for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Trust Certificates referred to above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Trust Certificates to the public**" means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates and the expression "**UK Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Trust Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Government; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Trust Certificates in, from or otherwise involving the United Kingdom.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for any Trust Certificates issued under the Programme and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Trust Certificates.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority rulebook (the "**DFSA Rulebook**"); and
- (b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Trust Certificates (except for Trust Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the "**SFO**")) other than: (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Trust Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Trust Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Trust Certificates or caused the Trust Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Trust Certificates or cause the Trust Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Trust Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore), as modified or amended from time to time (the "**SFA**") pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Trust Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Trust Certificates pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Trust Certificates, except on a private placement basis, to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “**accredited investor**” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person’s principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Sultanate of Oman

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been filed with or registered as a prospectus with the Oman Capital Market Authority pursuant to Article 3 of the Capital Market Law Royal Decree 80/98, as amended (Article 3), and the Trust Certificates will not be offered or sold as a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law or Article 3.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates to be issued under the Programme and this Base Prospectus have not and will not be offered, sold or distributed by it to any person in Oman and no invitation to subscribe for or to purchase the Trust Certificates has been or will be made, directly or indirectly by it, unless:

(A) (i) the provisions of the Capital Market Law of Oman (Royal Decree 80/98 as amended), and its Executive Regulations (issued pursuant to Decision 1/2009 as amended) are observed, and (ii) the prior consent of the Oman Capital Market Authority is obtained; or (B) the Dealer is duly licensed to market the Trust Certificates in Oman.

The information contained in the Base Prospectus neither constitutes a public offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 18/2019 as amended) or the Capital Market Law of Oman (Royal Decree 80/98 as amended), nor does it constitute an offer to sell, or the solicitation of any offer to buy, Non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued pursuant to Decision 1/2009).

UAE (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering or sale of securities.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Trust Certificates or possesses or distributes this Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Trust Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, the Government and any other Dealer shall have any responsibility therefor.

None of the Trustee, the Government or any of the Dealers: (i) makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any Trust Certificates, or possession or distribution of this Base Prospectus, any other offering, material or any Final Terms, in any country or jurisdiction where action for that purpose is required; or (ii) represents that Trust Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Trustee, the Government and the relevant Dealer(s) and set out in the relevant dealer accession letter or subscription agreement, as the case may be. Any such modification will be set out in the Final Terms issued in respect of the issue of Trust Certificates to which it relates or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the entry of the Trustee into the transaction contemplated by the Transaction Documents and the execution thereof has been duly authorised by a resolution of the Board of Directors of the Trustee dated 18 March 2021. The issuance of the Trust Certificates and the entry by the Government into the Transaction Documents to which it is a party was duly authorised by the President of the Maldives under letter number FRO/13/2021/32 dated 2 February 2021.

The Trustee and the Government have each obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and will obtain all necessary consents, approvals and authorisations in connection with the issue of any Trust Certificates thereunder and the execution and performance of the Transaction Documents to which they are a party.

Listing of Trust Certificates

It is expected that each Tranche of Trust Certificates which is to be admitted to the Official List and to trading on Euronext Dublin's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Trust Certificate initially representing the Trust Certificates of such Tranche. Application has been made to Euronext Dublin for Trust Certificates issued under the Programme to be admitted to the Official List and to trading on the Regulated Market. The approval of the Programme in respect of Trust Certificates to be admitted to the Official List and to trading on Euronext Dublin's regulated market is expected to be granted on or about 23 March 2021. Prior to the official listing and admission to trading, however, dealings will be permitted.

Application has also been made to the DFSA for Trust Certificates issued under the Programme to be admitted to the DFSA Official List. The Programme is expected to be admitted to the DFSA Official List on or about 23 March 2021. An application may be made for any Tranche of Trust Certificates to be admitted to trading on Nasdaq Dubai.

The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer(s). Unlisted Trust Certificates may also be issued pursuant to the Programme.

Walkers Listing Services Limited is acting solely in its capacity as Irish listing agent for the Government and the Trustee in connection with the Trust Certificates and is not itself seeking admission of the Trust Certificates to the Official List or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

No Significant Change

There has been no significant change in the financial performance or financial position, tax and budgetary systems, foreign trade and balance of payments, foreign exchange reserves, prospects and resources and income and expenditure figures of the Government since 31 December 2020 and there has been no significant change in gross public debt of the Government since 31 December 2020.

There has been no significant change in the financial performance or financial position of the Trustee and no significant adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

Litigation

Save as disclosed in this Base Prospectus in the section titled "*The Republic of Maldives – Litigation*", neither the Government nor the Trustee is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Government or the Trustee is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position of the Government and/or the financial position or profitability of the Trustee.

Language of this Base Prospectus

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be made available in electronic form for inspection on the website of Euronext Dublin at <https://live.euronext.com/en/product/bonds-detail/26903/documents>:

- (a) the legislative text for the annual budget of the Maldives for the current fiscal year;
- (b) copies of the constitutional documents of the Trustee; and
- (c) the Master Declaration of Trust and each relevant Supplemental Declaration of Trust in relation to Trust Certificates which are listed on the Official List and admitted to trading on the regulated market of Euronext Dublin.

The applicable Final Terms for Trust Certificates that are listed on (i) the Official List and admitted to trading on the regulated market of Euronext Dublin will be published on the website of Euronext Dublin at <http://www.ise.ie>; and (ii) the DFSA Official List and admitted to trading on Nasdaq Dubai will be published on the website of Nasdaq Dubai at <http://www.nasdaqdubai.com>.

Clearing Systems

The Trust Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Certificates allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Trustee may make an application for any Trust Certificates to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of such Trust Certificates, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms. If the Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Trustee's Legal Entity Identifier

The Trustee's Legal Entity Identifier ("LEI") code is 549300RPRH3HJCZQP933.

Third-Party Information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Trustee or the Government is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

Dealer not acting for any prospective or actual holders of Trust Certificates

None of the Dealers or the Arrangers is acting for any actual or prospective holders of Trust Certificates, and are neither advising nor treating as a client any other person and will not be responsible to any actual or prospective holders of Trust Certificates and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Prospectus and / or the relevant Final Terms or any transaction or arrangement referred to herein or therein. None of the Dealers, the Arrangers nor any of their respective affiliates has authorised the content of, or any part of, this Base Prospectus and/or the relevant Final Terms.

Dealers transacting with the Government

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in various financial advisory, investment banking and/or commercial banking transactions with, and may perform services for, the Government and/or their affiliates (including any other public sector instrumentality, as defined in the Conditions) in the ordinary course of business for which they have received, and for which they may in the future receive, fees and expenses. In particular, certain of the Dealers are lenders to the Government and/or its affiliates (including any other public sector instrumentality) and proceeds from the issue of the Trust Certificates may be used to repay such outstanding loan facilities. In connection with any offering under the Programme, the Dealers may purchase and sell Trust Certificates in the open market.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisors) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such investments and securities activities may involve securities and/or instruments of the Government and/or its respective affiliates (including any other public sector instrumentality), including Trust Certificates issued under the Programme, may be entered into at the same time or proximate to offers and sales of Trust Certificates or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Trust Certificates. Trust Certificates issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Certain of the Dealers or their affiliates may be full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Dealers or their affiliates that have a lending relationship with the Government and/or its respective affiliates (including any other public sector instrumentality) routinely hedge their credit exposure to the Government and/or its respective affiliates (including any other public sector instrumentality) consistent with their customary risk management policies. Any role of the Arrangers, Dealers and/or their respective affiliates as agent and/or lender

in any existing lending relationship with the Government should not be taken as a recommendation to purchase the Trust Certificates.

Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Trust Certificates. Any such short positions could adversely affect future trading prices of the Trust Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

BUDGET INFORMATION OF THE REPUBLIC OF MALDIVES

TABLE 1. SUMMARY OF CENTRAL GOVERNMENT FINANCE, – 2012 – 2020

Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Actual								Revised	Approved
Total Revenue & Grants.....	10,138.1	11,900.7	15,164.2	17,306.2	18,578.1	20,258.6	22,223.0	23,231.7	14,692.8	21,128.5
Total Revenue.....	9,771.4	11,783.1	14,999.0	16,669.3	18,325.0	19,914.9	21,403.2	22,077.2	12,568.5	18,917.0
Current Revenue.....	9,723.4	11,515.0	14,874.8	16,549.0	17,455.6	19,337.3	21,037.0	22,021.8	12,554.0	17,740.2
Capital Revenue.....	48.1	268.1	124.1	120.3	869.4	577.6	366.2	55.4	14.5	1,176.8
Grants.....	366.7	117.7	165.3	636.9	253.1	343.8	819.8	1,154.9	2,124.3	2,211.5
Total Expenditure & Net Lending.....	13,110.0	13,530.8	16,417.2	21,336.9	25,263.0	22,420.2	26,418.7	28,919.5	30,566.6	33,440.5
Total Expenditure.....	13,200.2	13,666.3	16,539.4	21,440.9	25,306.5	22,497.6	26,522.3	28,994.7	30,627.7	33,431.5
Current expenditure.....	10,316.5	11,573.2	13,960.0	16,733.7	16,141.0	14,955.2	18,268.0	21,372.0	20,876.9	21,638.1
Capital expenditure.....	2,883.7	2,093.0	2,579.4	4,707.2	9,165.5	7,542.4	8,254.3	7,622.8	9,750.7	11,793.4
Net lending.....	(90.2)	(135.5)	(122.2)	(104.0)	(43.5)	(77.4)	(103.6)	(75.2)	(61.1)	9.0
Overall Balance (Surplus/Deficit)⁽¹⁾.....	(2,971.9)	(1,765.5)	(1,375.1)	(4,134.7)	(6,728.4)	(2,238.9)	(4,299.3)	(5,762.7)	(15,934.8)	(12,303.0)
Primary Balance (Surplus/Deficit).....	(1,864.8)	(808.8)	(396.8)	(2,787.0)	(5,546.1)	(1,142.0)	(2,859.1)	(4,221.9)	(14,226.8)	(9,834.7)
Overall Balance excluding grants.....	(3,338.6)	(1,883.2)	(1,540.4)	(4,771.6)	(6,981.5)	(2,582.7)	(5,119.1)	(6,917.6)	(18,059.1)	(14,514.5)
Current balance.....	(593.1)	(58.2)	914.9	(184.8)	1,314.6	4,382.1	2,769.0	649.8	(8,322.9)	(3,897.9)
Financing.....	2,971.9	1,765.5	1,375.1	4,134.7	6,728.4	2,238.9	4,299.9	5,762.9	15,934.9	12,303.0
Foreign financing.....	772.2	472.6	(370.6)	(297.8)	1,931.9	3,041.8	5,712.8	936.1	6,455.7	9,020.8
Project Financing.....	—	1,187.2	188.4	648.4	2,987.3	1,562.3	3,563.0	1,853.2	2,724.6	4,608.5
Budget Support Financing.....	—	—	453.3	—	—	—	—	—	—	1,542.0
Trade Credit Disbursements.....	—	—	—	—	—	—	—	—	—	—
Foreign Loan Repayments.....	—	(714.6)	(1,012.3)	(946.2)	(1,055.3)	(1,048.8)	(1,106.2)	(987.5)	(931.5)	(984.6)
Green/Blue Bond.....	—	—	—	—	—	—	—	—	—	771.0
Sukuk/Bond.....	—	—	—	—	—	2,528.3	3,256.0	70.5	4,662.5	3,084.0
Domestic financing.....	2,199.7	1,293.0	1,745.8	4,432.5	4,796.5	(802.9)	(1,412.9)	4,826.8	9,479.1	3,282.2
Treasury Bills.....	—	2,075.0	2,024.6	4,554.2	5,080.0	812.0	324.7	6,273.9	9,895.1	3,843.0
Subsidiary Loan repayment.....	—	135.5	127.7	159.1	157.3	126.5	113.9	84.1	82.4	12.3
Treasury Bills and Bonds.....	—	—	—	—	—	—	—	—	—	—
Capital contributions to foreign institutions.....	—	—	(5.6)	(55.1)	(113.8)	(49.2)	(10.3)	(8.9)	(21.3)	(21.3)
Domestic Loans repayments.....	—	(917.6)	(401.0)	(225.7)	(327.0)	(1,355.5)	(526.0)	(137.1)	(206.7)	(485.3)
Treasury Bonds.....	—	—	—	—	—	—	—	—	—	—
Transfers to sovereign development Fund.....	—	—	—	—	—	(336.8)	(1,315.3)	(1,385.2)	(270.4)	(529.2)
Transfers from sovereign development fund.....	—	—	—	—	—	—	—	—	—	—
Pending Bills.....	—	—	—	—	—	—	—	—	—	—
Privatisation Receipts.....	—	—	—	—	—	—	—	—	—	462.6
Total Debt.....	25,533.8	28,425.4	31,393.5	33,313.5	38,201.9	43,245.0	47,971.5	54,257.2	70,368.7	82,847.4
Foreign.....	11,081.6	11,517.8	10,749.2	10,204.2	11,725.9	16,675.0	20,307.5	22,030.2	29,960.1	37,512.8
Domestic.....	14,452.2	16,907.6	20,644.3	23,109.3	26,476.0	26,570.0	27,664.0	32,227.0	40,408.5	45,334.6
Memorandum Items:										
Nominal GDP.....	44,345	50,633	56,867	61,566	64,919	75,052	81,994	86,788	57,942	66,372
Deficit as a % of GDP.....										
Debt as a % of GDP										

Source: Ministry of Finance

Notes:

(1) From 2013: Overall Balance (Surplus/Deficit)- As per GFS 2014 (net lending taken to financing)

TABLE 2. CENTRAL GOVERNMENT REVENUE AND GRANTS, 2012 – 2020

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Actual								Revised	Approved
Particulars										
Total Revenue and grants⁽¹⁾	10,138.1	11,900.7	15,164.2	17,306.2	18,578.1	20,258.6	22,223.0	23,231.7	14,692.8	21,128.5
Total Revenue	9,771.4	11,783.1	14,999.0	16,669.3	18,325.0	19,914.9	21,403.2	22,077.2	12,568.5	18,917.0
Current Revenue	9,723.4	11,515.0	14,874.8	16,549.0	17,455.6	19,337.3	21,037.0	22,021.8	12,554.0	17,740.2
Tax revenue	6,880.1	8,872.8	10,837.9	12,270.6	13,293.0	14,742.4	15,833.9	16,530.5	10,138.2	10,895.4
Import duty.....	1,369.0	1,575.9	1,975.2	2,346.4	2,487.4	2,799.4	3,148.8	3,412.3	2,243.2	2,985.3
Tourism Tax.....	804.7	861.6	804.8	0.6	0.2	0.0	0.0	—	—	—
Bank profit tax.....	313.2	355.0	482.4	512.7	491.7	649.9	564.1	614.0	953.7	589.6
GST on Tourism.....	1,553.6	2,154.7	3,001.8	4,150.3	3,920.7	4,198.5	4,783.3	4,903.4	1,957.6	2,640.2
Goods and Services Tax....	1,005.7	1,538.4	1,512.9	1,904.2	2,328.1	2,683.0	2,906.1	2,844.9	1,873.9	2,036.2
Airport Service Charge.....	299.9	350.3	432.0	496.7	537.5	706.2	644.8	731.1	268.1	531.1
Business Profit Tax.....	1,401.3	1,881.0	2,471.4	2,673.6	2,748.0	2,677.1	2,710.4	2,898.7	2,411.0	1,316.1
Green Tax ⁽³⁾	—	—	—	36.7	623.1	696.2	810.5	850.6	321.4	616.6
Royalties ⁽²⁾	76.6	101.4	89.1	78.6	74.1	77.1	76.5	90.2	25.3	81.1
Income Tax ⁽⁴⁾	—	—	—	—	—	—	—	—	70.3	95.2
Other.....	56.1	54.6	68.3	70.8	82.4	255.0	189.3	185.3	13.7	4.2
Nontax revenue	2,843.3	2,642.1	4,037.0	4,278.3	4,162.6	4,594.9	5,203.1	5,491.3	2,415.8	6,844.7
Entrepreneurial & property income	1,814.9	1,712.2	2,432.7	1,859.7	2,133.0	2,520.9	2,688.5	2,693.2	1,122.2	2,788.7
Net Sales to Public Enterprises	633.3	475.9	781.9	488.7	627.9	796.5	960.4	773.7	603.0	796.4
State Trading Organisation	—	—	—	—	—	0.8	—	1.7	54.4	56.7
Dhivehi Rajjееge Gulhun Ltd.(Dhiraagu).....	254.5	156.9	325.0	303.7	337.1	458.2	375.5	320.8	249.7	265.2
Maldives Post Limited.....	—	—	—	0.2	1.4	24.5	—	—	—	3.7
Maldives Monetary Authority.....	205.3	188.0	266.4	24.3	82.0	67.2	93.7	150.0	167.1	40.0
Island Aviation Services Limited.....	9.0	—	—	—	10.0	—	27.6	—	—	—
Maldives Transport & Contracting Co.....	—	—	—	—	—	23.4	—	—	10.3	15.5
Maldives Ports Authority/ Maldives Ports Limited.....	39.4	76.2	33.8	60.0	60.0	55.2	—	—	—	33.6
Bank of Maldives.....	—	3.8	17.9	50.1	53.2	62.6	68.8	75.1	—	115.8
Maldives Airports Company Ltd.....	—	—	120.0	—	—	—	—	75.0	—	—
Housing Development Corporation.....	11.1	—	11.1	—	—	—	—	—	—	—
Maldives Water & Sewerage Company.....	95.2	43.0	-	30.9	57.5	89.0	101.2	100.0	99.7	131.9
Housing Development Finance Corporation.....	18.9	7.8	7.8	19.5	26.7	15.6	20.8	19.5	21.5	19.3
Thilafushi Corporation Limited.....	—	—	—	—	—	—	272.8	—	—	—
Other.....	—	—	—	—	—	—	—	31.6	0.3	114.6
Land & resort rent	1,110.0	1,185.4	1,617.6	1,336.9	1,469.1	1,614.0	1,640.1	1,759.8	491.4	1,989.1
Resort lease rent.....	1,031.2	1,106.3	1,534.5	1,247.0	1,357.4	1,488.6	1,526.0	1,654.2	442.9	1,897.7
Land rent.....	78.8	79.0	83.1	89.9	111.7	125.4	114.1	105.6	48.5	91.4
Interest	71.6	50.9	33.1	34.1	36.0	110.4	88.0	159.7	27.8	3.2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Actual								Revised	Approved
Administrative fees & charges	727.6	583.5	1,084.4	1,831.1	1,401.5	1,204.4	1,298.4	1,481.7	828.2	1,832.1
Permit fee	420.2	278.1	716.3	1,419.4	959.1	683.5	686.1	884.1	420.1	1,244.1
Telecommunication										
Licence Fees	127.3	120.0	149.3	158.7	199.2	218.8	202.4	230.3	104.8	506.2
Other govt permit fees.....	292.9	158.0	567.1	1,260.7	759.9	464.8	483.8	653.8	315.3	737.9
Administrative fees	102.5	88.1	107.6	128.1	144.1	188.4	221.1	196.0	131.3	183.2
Airport Landing Charges...	4.0	1.3	0.3	1.4	0.1	0.0	0.9	0.3	—	1.4
Registration and licence fee.....	88.1	83.2	99.3	115.4	138.6	173.2	211.3	183.1	129.5	173.3
Exam fees	10.5	3.6	8.0	11.3	5.4	15.2	8.9	12.6	1.9	8.5
Building rent	21.4	23.7	23.9	24.0	25.7	49.3	59.7	64.4	32.4	56.7
Govt. Building rent	16.9	20.6	22.1	23.3	21.6	42.5	45.9	54.5	29.0	49.9
Goifaa Labba	4.5	3.2	1.8	0.7	4.1	6.8	13.8	9.8	3.4	6.8
Non-industrial sales	183.5	193.5	236.6	259.5	272.7	283.2	331.4	337.2	244.3	348.1
Residential Permit Fee	183.5	193.5	236.6	259.5	272.7	283.2	331.4	337.2	244.3	348.1
Fine & Forfeits	103.4	109.0	256.6	269.2	327.0	244.0	277.8	235.3	102.5	43.9
Other	197.3	237.4	263.3	318.3	301.1	625.6	938.4	1,081.1	363.0	2,180.1
Fund.....	91.0	118.9	164.5	172.4	169.3	—	—	—	—	—
Printed Material	0.3	0.3	0.3	0.2	0.6	1.2	0.6	0.4	0.1	0.2
Passport	17.9	20.4	26.5	45.9	43.0	41.6	47.6	52.2	12.3	42.9
Airport Development Fee..	—	—	—	—	—	317.1	659.3	733.7	270.4	529.2
Other.....	88.1	97.9	72.0	99.8	88.2	265.7	230.9	294.4	80.3	1,607.8
Capital revenue (sale of assets)	48.1	268.1	124.1	120.3	869.4	577.6	366.2	55.4	14.5	1,176.8
Grants	366.7	117.7	165.3	636.9	253.1	343.8	819.8	1,154.9	2,124.3	2,211.5
Cash grant.....	144.3	43.3	63.9	486.4	79.9	135.8	520.3	486.4	1,554.1	1,573.6
Project grant.....	222.4	74.4	101.4	150.5	173.2	208.0	299.5	668.5	570.2	637.9
Memorandum Item:										
Subsidiary Loan repayment	136.6	135.5	127.7	159.1	157.3	126.5	113.9	84.1	82.4	12.3

Source: Ministry of Finance

Notes:

- (1) Total Revenue and Grants is excluding Subsidiary Loan repayments
- (2) Royalty: Starting from 2012 Royalty is treated as tax revenue
- (3) Green tax introduced starting from Nov 2015 while tourism Tax abolished in nov 2014

TABLE 3. ECONOMIC CLASSIFICATION OF CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING, 2012 – 2020

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Actual								Revised	Approved
Particulars										
Total expenditure and net lending	13,110.0	13,530.8	16,417.2	21,336.9	25,263.0	22,420.2	26,418.7	28,919.5	30,566.6	33,440.5
Total expenditure	13,200.2	13,666.3	16,539.4	21,440.9	25,306.5	22,497.6	26,522.3	28,994.7	30,627.7	33,431.5
Current expenditure	10,316.5	11,573.2	13,960.0	16,733.7	16,141.0	14,955.2	18,268.0	21,372.0	20,876.9	21,638.1
Exp. on goods and services	8,519.2	8,842.3	10,437.0	13,631.3	13,953.8	13,009.6	15,141.1	17,571.4	16,910.1	17,272.5
Salaries and wages.....	2,722.7	3,283.7	3,392.9	3,929.2	4,029.6	3,996.6	4,278.4	4,642.9	4,327.4	4,510.2
Other allowances.....	1,836.5	2,322.0	2,435.7	2,891.5	2,868.9	2,975.2	3,398.4	3,651.3	3,811.1	3,906.3
Other benefits and gratuities.....	157.9	321.3	192.4	904.7	927.2	948.2	983.2	562.3	454.4	583.7
Travel expenses.....	139.6	118.5	133.5	188.9	186.9	176.7	175.5	231.3	156.2	172.3
Training expenses.....	308.0	274.1	305.7	415.2	456.0	248.3	523.1	564.2	407.0	630.8
Supplies and requisites.....	496.7	537.3	825.7	1,218.3	1,181.3	1,110.9	1,324.0	1,611.1	2,286.4	1,710.0
Repairs and maintenance.....	195.1	99.4	216.5	386.4	316.0	212.0	220.2	408.4	276.9	259.4
Transportation, communication and utilities.....	1,035.3	1,038.3	1,366.0	2,050.3	1,633.9	1,597.3	1,793.1	1,930.5	1,916.2	2,383.9
Subscriptions and membership fees to international organizations	32.1	24.5	29.4	37.1	26.5	18.8	28.4	32.1	42.4	46.9
Social welfare contributions.....	1,595.3	823.3	1,539.3	1,609.8	2,327.4	1,725.7	2,416.7	3,937.3	3,232.1	3,069.0
Interest payments	1,107.1	956.7	978.3	1,347.6	1,182.3	1,096.9	1,440.3	1,540.8	1,708.1	2,468.4
Subsidies and transfers	690.2	1,774.2	2,544.6	1,754.8	1,004.9	848.6	1,686.7	2,259.7	2,258.8	1,897.3
Food, Electricity, Water, Fisheries & Agriculture.....	442.1	1,308.5	1,338.1	1,236.9	492.6	334.8	1,167.4	1,281.2	1,157.6	888.5
Pensions.....	248.1	465.7	1,206.5	517.9	512.3	513.8	519.3	978.5	1,101.2	1,008.8
Capital expenditure and net lending	2,793.5	1,957.6	2,457.2	4,603.1	9,122.0	7,465.0	8,150.6	7,547.6	9,689.6	11,802.4
Development expenditure..	2,883.7	2,093.0	2,579.4	4,707.2	9,165.5	7,542.4	8,254.3	7,622.8	9,750.7	11,793.4
Others.....	1,074.7	234.5	604.3	1,589.8	2,084.7	1,652.9	1,428.8	2,450.6	9,750.7	3,954.6
Net lending ⁽³⁾	(90.2)	(135.5)	(122.2)	(104.0)	(43.5)	(77.4)	(103.6)	(75.2)	(61.1)	9.0
Memorandum item:										
Total Capital Expenditure	4,736.2	3,725.2	3,998.3	5,934.1	10,661.6	9,995.9	9,896.7	8,756.3	10,910.2	13,284.6
Regular budget capital + Trust fund Capital + Cash grant Capital	2,927.1	1,866.7	2,023.3	2,816.8	3,580.9	4,106.5	3,071.3	3,584.1	10,910.2	5,445.8
Loan repayment.....	1,806.1	1,632.2	1,413.3	1,171.9	1,382.4	2,404.4	1,632.2	1,124.5	1,138.2	1,469.9
Capital contributions to foreign institutions ⁽²⁾ / Transfers to sovereign development Fund.....	46.4	0.0	5.6	55.1	113.8	49.2	10.3	8.9	21.3	21.3
Other	1,074.7	234.5	604.3	1,589.8	2,084.7	1,652.9	1,428.8	2,450.6	9,750.7	3,954.6
Govt Budget TOTAL	15,052.7	15,298.5	17,958.3	22,667.9	26,802.7	24,951.1	28,164.8	30,128.2	31,787.1	34,922.7

Source: Ministry of Finance

Notes:

(2) Includes IMF quota, 1999 11.2

(3) Net lending is not included in the regular budget

INDEBTEDNESS OF THE REPUBLIC OF MALDIVES

External Debt and Debt Service

Period	Loans										Central Government debt disbursed and debt service				External debt outstanding as a % of GDP ⁽⁵⁾			Debt service ratio (central government) (12/35)
	Total external debt outstanding ⁽²⁾ (2+8)	Central Government (3 to 7)	Debt securities ⁽³⁾	Loans		Commercial Bank	Buyers credit	Other depository corporations ⁽⁴⁾ (9+10)	Loans		Disbursements ⁽²⁾	Debt service (13+14)	Principal repayments	Interest payments	Total external debt outstandings	Central government	Other Depository corporations	
				Multilateral	Bilateral				Head offices & branches	Non resident ODC								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
2013	791.6	746.8	-	323.1	216.6	7.5	199.6	44.8	43.0	1.8	75.9	61.0	52.7	8.3	24.1	22.7	1.4	2.1
2014	744.1	697.9	-	292.5	190.1	31.9	183.4	46.2	25.9	20.3	48.2	76.8	64.7	12.1	20.2	18.9	1.3	2.3
2015	696.4	662.4	-	268.6	169.6	24.5	199.7	34.0	34.0	-	55.9	71.9	62.3	9.7	17.0	16.2	0.8	2.3
2016	862.1	777.2	-	254.5	149.8	18.6	354.3	84.9	75.6	9.3	203.2	77.5	67.9	9.7	19.8	17.8	1.9	2.5
2017	1,208.1	1,100.0	250.0	277.2	132.9	12.7	427.1	108.1	61.9	46.2	354.7	87.7	68.1	19.7	25.5	23.2	2.3	2.6
2018	1,408.3	1,339.0	350.0	290.4	135.0	6.9	556.7	69.4	28.8	40.6	330.8	105.0	71.5	33.5	26.6	25.3	1.3	2.9
2019	1,540.9	1,437.2	350.0	316.5	169.1	1.0	600.6	103.7	58.9	44.8	166.5	100.9	61.1	39.8	27.4	25.5	1.8	2.7

Period	Central Government debt disbursed and debt services													Memorandum items		
	Total external debt outstanding	Central Government	Multilateral	Bilateral	Commercial Bank	Buyers credit	Other depository corporations	Head offices & branches	Non resident ODC	Disbursements	Debt service	Principal repayments	Interest payments	Nominal GDP at market prices (millions of US\$)	Exchange rate	Exports of goods and services
2013	(2.8)	3.6	(1.8)	(6.8)	(42.1)	36.6	(52.1)	(52.6)	(33.0)	(31.9)	(16.3)	(16.9)	(12.0)	3,283.6	15.41	2,907.9
2014	(6.0)	(6.5)	(9.5)	(12.2)	325.3	(8.1)	3.2	(39.9)	1,049.9	(36.5)	25.9	22.7	45.9	3,687.9	15.40	3,299.2
2015	(6.4)	(5.1)	(8.2)	(10.8)	(23.2)	8.9	(26.4)	31.4	(100.0)	15.9	(6.3)	(3.7)	(20.0)	4,095.1	15.41	3,145.1
2016	23.8	17.3	(5.3)	(11.7)	(24.0)	77.5	149.7	122.3	na	263.7	7.7	9.0	(0.1)	4,364.5	15.35	3,147.6
2017	40.1	41.5	8.9	(11.3)	(31.6)	20.5	27.3	(18.1)	395.0	74.5	13.2	0.3	103.7	4,744.2	15.41	3,319.1
2018	16.6	21.7	4.7	1.6	(46.2)	30.3	(35.8)	(53.5)	(12.1)	(6.7)	19.7	5.1	70.3	5,289.7	15.41	3,584.3
2019	9.4	7.3	9.0	25.2	(85.7)	7.9	49.5	104.8	10.3	(49.7)	(4.0)	(14.6)	18.7	5,628.3	15.38	3,719.0

Source: Ministry of Finance, Maldives Monetary Authority, National Bureau of Statistics.

Notes:

- (1) This includes external debt of central Government and other depository corporations (commercial banks) only.
- (2) This refers to government sovereign bond issued to international market.
- (3) This refers to resident commercial banks foreign borrowings.
- (4) This refers to debt securities and loans disbursements.
- (5) External debt as a percentage of GDP is calculated using GDP data available as at 2 October 2020.

Claims on Central Government by Ownership

Period	Claims on central government														Memorandum items		
	Treasury bills and Islamic ⁽¹⁾		Central bank ⁽²⁾	Commercial banks	Other financial corp. ⁽³⁾	Public non-financial corp.	Private sector	Treasury bonds ⁽⁴⁾	Central bank	Commercial banks	Other financial corp.	Loans & advances ⁽⁵⁾	Central Bank	Commercial banks	Other financial corp. ⁽⁶⁾	Exchange rate	
	(1)	(2)															(3)
2015.....	23,109.3	12,582.0	—	7,875.9	3,590.8	771.3	344.0	7,419.6	6,373.0	115.7	931.0	3,107.7	—	73.6	3,034.0	15.41	
2016.....	26,446.6	14,455.7	68.2	10,154.9	3,301.9	521.9	408.8	8,774.6	6,304.3	57.8	2,412.5	3,216.4	—	34.9	3,181.5	15.35	
2017.....	27,184.4	14,093.4	82.4	8,694.4	4,744.6	250.2	321.7	9,320.9	6,233.5	—	3,087.4	3,770.2	16.3	431.3	3,322.7	15.41	
2018.....	27,715.9	15,013.6	90.3	9,605.5	5,017.1	201.0	99.7	9,248.4	6,161.0	—	3,087.4	3,453.9	—	19.1	3,434.9	15.41	
2019.....	32,281.5	18,964.7	103.6	11,954.4	6,372.8	434.3	99.7	9,626.4	6,086.7	201.1	3,338.7	3,690.3	—	147.2	3,543.2	15.38	
2020.....	44,718.4	24,087.5	91.3	14,350.1	9,253.6	288.3	104.3	13,505.9	6,011.0	4,127.1	3,367.8	7,125.0	3,296.8	186.2	3,641.9	15.41	
2019.....	Feb-19	27,997.0	15,298.1	91.6	9,728.0	5,152.8	226.0	99.7	9,237.3	6,148.0	—	3,089.4	3,461.6	—	18.9	3,442.6	15.39
	Mar-19	28,873.7	16,178.4	91.5	10,357.4	5,403.9	226.0	99.7	9,227.2	6,142.1	—	3,085.2	3,468.1	—	18.8	3,449.3	15.38
	Apr-19	29,048.1	16,352.5	91.3	10,320.2	5,615.2	226.0	99.7	9,221.1	6,135.7	—	3,085.4	3,474.4	—	18.6	3,455.8	15.41
	May-19	28,998.3	16,289.1	91.5	10,170.6	5,701.2	226.0	99.7	9,215.5	6,129.8	—	3,085.7	3,493.7	—	18.3	3,475.4	15.41
	Jun-19	29,721.5	17,008.4	91.4	10,755.0	5,836.2	226.0	99.7	9,210.4	6,123.4	—	3,087.0	3,502.8	—	18.1	3,484.6	15.41
	Jul-19	29,673.8	16,953.4	106.0	10,542.2	5,979.5	226.0	99.7	9,206.0	6,117.5	—	3,088.5	3,514.4	—	18.0	3,496.5	15.37
	Aug-19	29,552.0	16,840.1	105.3	10,459.8	5,949.2	226.0	99.7	9,201.5	6,111.5	—	3,090.0	3,510.5	—	17.8	3,492.7	15.27
	Sep-19	29,966.9	17,255.2	103.9	10,815.1	6,045.2	191.3	99.7	9,190.4	6,105.1	—	3,085.3	3,521.3	—	17.7	3,503.7	15.37
	Oct-19	31,086.8	18,369.1	103.7	11,796.1	6,160.3	209.3	99.7	9,184.9	6,099.1	—	3,085.8	3,532.8	—	17.5	3,515.3	15.40
	Nov-19	31,773.5	18,592.2	103.6	11,985.8	6,193.8	209.3	99.7	9,628.7	6,092.7	200.2	3,335.8	3,552.6	—	17.3	3,535.3	15.38
	Dec-19	32,281.5	18,964.7	103.6	11,954.4	6,372.8	434.3	99.7	9,626.4	6,086.7	201.1	3,338.7	3,690.3	—	147.2	3,543.2	15.38
2020.....	Jan-20	32,570.5	19,264.1	103.2	12,141.2	6,485.7	434.3	99.7	9,624.0	6,080.6	202.0	3,341.4	3,682.4	—	147.0	3,535.4	15.35
	Feb-20	33,369.3	19,842.7	102.9	12,354.2	6,547.5	738.4	99.7	9,660.4	6,073.8	243.4	3,343.2	3,866.2	0.0	316.8	3,549.4	15.34
	Mar-20	34,180.1	20,634.3	102.8	12,245.1	7,206.5	748.0	332.0	9,649.5	6,067.7	241.6	3,340.1	3,896.3	21.1	316.6	3,558.6	15.31
	Apr-20	35,881.8	21,530.4	103.1	12,364.7	7,898.9	828.2	335.5	9,644.1	6,061.3	241.4	3,341.4	4,707.3	828.9	316.5	3,562.0	15.41
	May-20	37,581.7	21,291.3	103.0	12,101.6	7,963.6	788.0	335.2	9,627.9	6,055.2	236.8	3,336.0	6,662.4	2,763.2	316.5	3,582.7	15.39
	Jun-20	38,883.0	21,805.9	103.1	12,663.7	8,155.4	548.3	335.5	9,622.0	6,048.7	235.0	3,338.3	7,455.1	3,544.0	316.2	3,594.9	15.41
	Jul-20	39,479.5	21,887.7	103.1	12,767.1	8,173.4	508.6	335.5	9,647.2	6,042.6	235.5	3,369.1	7,944.7	4,033.4	316.0	3,595.2	15.41
	Aug-20	39,785.4	22,803.4	96.9	13,543.8	8,539.1	288.3	335.3	9,645.3	6,036.4	236.9	3,371.9	7,336.8	3,414.0	315.9	3,606.9	15.40
	Sep-20	41,653.6	22,943.1	96.9	13,593.7	8,682.5	284.0	286.0	13,488.7	6,029.9	4,090.3	3,368.5	5,221.9	1,291.1	315.7	3,615.1	15.40
	Oct-20	43,272.3	23,358.8	96.8	13,819.7	8,868.4	288.3	285.7	13,488.1	6,023.7	4,093.9	3,370.4	6,425.4	2,489.3	315.5	3,620.6	15.37
	Nov-20	44,339.6	23,750.5	91.2	14,190.5	8,984.1	288.3	196.5	13,481.5	6,017.2	4,099.6	3,364.7	7,107.5	3,158.3	315.3	3,633.8	15.36
	Dec-20	44,718.4	24,087.5	91.3	14,350.1	9,253.6	288.3	104.3	13,505.9	6,011.0	4,127.1	3,367.8	7,125.0	3,296.8	186.2	3,641.9	15.41
2021.....	Jan-21	45,432.0	24,911.1	88.2	15,045.7	9,384.5	288.3	104.3	13,668.7	6,004.8	4,294.2	3,369.7	6,852.2	2,849.7	357.2	3,645.3	15.42

Period	Claims on	Treasury	Central	Commercial	Other	Public	Private	Treasury	Central	Commercial	Other	Loans &	Central	Commercial	Other	
	central	bills and														bank
	govt	Islamic			corp.	financial					corp.				corp.	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	
2015.....	11.9	12.9	na	33.3	4.8	(42.6)	(26.5)	15.2	(1.0)	na	na	1.6	na	(41.6)	3.5	
2016.....	14.4	14.9	na	28.9	(8.0)	(32.3)	18.8	18.3	(1.1)	(50.0)	159.1	3.5	na	(52.6)	4.9	
2017.....	2.8	(2.5)	20.9	(14.4)	43.7	(52.1)	(21.3)	6.2	(1.1)	(100.0)	28.0	17.2	na	1135.2	4.4	
2018.....	2.0	6.5	9.6	10.5	5.7	(19.7)	(69.0)	(0.8)	(1.2)	na	—	(8.4)	(100.0)	(95.6)	3.4	
2019.....	16.5	26.3	14.7	24.5	27.0	116.1	—	4.1	(1.2)	na	8.1	6.8	na	672.2	3.2	
2020.....	38.5	27.0	(11.9)	20.0	45.2	(33.6)	4.6	40.3	(1.2)	1,952.6	0.9	93.1	na	26.5	2.8	
2019.....	Feb-19	4.4	8.1	11.1	7.6	10.1	(9.7)	—	(0.8)	(1.2)	na	—	3.0	na	(8.3)	3.0
	Mar-19	7.3	13.6	11.0	14.4	13.7	(9.7)	—	(0.8)	(1.2)	na	—	3.1	(100.0)	(7.8)	3.2
	Apr-19	8.0	15.0	16.9	16.9	13.2	(9.6)	—	(0.8)	(1.2)	na	—	3.0	na	(8.0)	3.1
	May-19	7.4	13.6	17.7	15.5	11.7	(9.2)	—	(0.8)	(1.2)	na	—	3.4	na	(9.0)	3.5
	Jun-19	10.3	19.0	15.8	21.9	15.9	(9.2)	—	(0.8)	(1.2)	na	—	3.4	na	(9.0)	3.5
	Jul-19	11.3	21.3	16.4	18.8	27.6	(0.8)	—	(0.8)	(1.2)	na	—	3.4	na	(9.1)	3.5
	Aug-19	10.2	19.2	16.1	16.2	26.3	(0.8)	—	(0.8)	(1.2)	na	—	3.1	na	(9.3)	3.1
	Sep-19	11.3	21.3	16.7	21.6	22.9	(15.9)	—	(0.8)	(1.2)	na	(0.0)	3.0	na	(9.4)	3.1
	Oct-19	13.5	25.0	16.7	27.7	21.7	(1.5)	—	(0.8)	(1.2)	na	(0.0)	2.8	na	(10.2)	2.9
	Nov-19	15.7	25.9	16.7	29.8	20.8	(0.8)	—	4.1	(1.2)	na	8.1	3.1	na	(9.7)	3.2
	Dec-19	16.5	26.3	14.7	24.5	27.0	116.1	—	4.1	(1.2)	na	8.1	6.8	na	672.2	3.2
2020.....	Jan-20	14.7	22.7	12.6	19.3	26.9	92.2	—	4.1	(1.2)	na	8.2	6.5	na	671.3	2.9
	Feb-20	19.2	29.7	12.3	27.0	27.1	226.7	—	4.6	(1.2)	na	8.2	11.7	na	1,575.7	3.1
	Mar-20	18.4	27.5	12.4	18.2	33.4	231.0	232.9	4.6	(1.2)	na	8.3	12.3	na	1,587.9	3.2
	Apr-20	23.5	31.7	12.8	19.8	40.7	266.5	236.5	4.6	(1.2)	na	8.3	35.5	na	1,601.5	3.1
	May-20	29.6	30.7	12.5	19.0	39.7	248.7	236.2	4.5	(1.2)	na	8.1	90.7	na	1,629.4	3.1
	Jun-20	30.8	28.2	12.7	17.7	39.7	142.6	236.5	4.5	(1.2)	na	8.1	112.8	na	1,642.8	3.2
	Jul-20	33.0	29.1	(2.8)	21.1	36.7	125.1	236.5	4.8	(1.2)	na	9.1	126.1	na	1,657.1	2.8
	Aug-20	34.6	35.4	(8.0)	29.5	43.5	27.6	236.3	4.8	(1.2)	na	9.1	109.0	na	1,671.9	3.3
	Sep-20	39.0	33.0	(6.7)	25.7	43.6	48.5	186.9	46.8	(1.2)	na	9.2	48.3	na	1,687.0	3.2
	Oct-20	39.2	27.2	(6.7)	17.2	44.0	37.7	186.5	46.9	(1.2)	na	9.2	81.9	na	1,702.5	3.0
	Nov-20	39.5	27.7	(12.0)	18.4	45.1	37.7	97.1	40.0	(1.2)	1,948.3	0.9	100.1	na	1,718.5	2.8
	Dec-20	38.5	27.0	(11.9)	20.0	45.2	(33.6)	4.6	40.3	(1.2)	1,952.6	0.9	93.1	na	26.5	2.8
2021.....	Jan-21	39.5	29.3	(14.5)	23.9	44.7	(33.6)	4.6	42.0	(1.2)	2,026.0	0.8	86.1	na	143.0	3.1

Source: Maldives Monetary Authority

Notes:

- (1) Figures represent the face value of treasury bills and Islamic instruments.
- (2) Figures represent dormant accounts.
- (3) Includes pension funds, other fund accounts, finance and insurance companies.
- (4) Includes the purchase price and accrued interest receivable of treasury bonds.
- (5) Data includes accrued interest and accounts receivable.
- (6) This includes recognition bond.

Summary of Treasury Bills and Islamic Instruments

Period	Issuance (2 to 6)		Matured						Outstanding (14 to 18)										
	28 days	91 days	182 days	273 days	364 days	(8 to 12)	28 days	91 days	182 days	273 days	364 days	28 days	91 days	182 days	273 days	364 days			
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13	-14	-15	-16	-17	-18	
2015.....	36,932.1	16,497.2	7,898.7	5,473.7	—	7,062.5	35,497.6	17,475.1	7,682.9	5,791.1	50.0	4,498.5	12,582.0	794.3	1,881.9	2,843.3	—	7,062.5	
2016.....	30,304.9	9,051.7	7,843.6	5,098.3	50.2	8,261.1	28,428.0	8,672.4	7,393.3	5,299.8	—	7,062.5	14,455.7	1,173.2	2,331.2	2,640.4	50.2	8,260.7	
2017.....	32,887.3	13,359.5	5,159.7	6,225.1	—	8,143.0	33,253.3	12,579.8	6,091.0	6,117.7	50.2	8,414.5	14,093.4	1,954.3	1,401.1	2,748.5	—	7,989.5	
2018.....	39,619.4	18,183.0	6,163.3	5,022.2	—	10,250.9	38,699.1	19,101.4	5,802.5	5,777.0	—	8,018.2	15,013.6	1,035.7	1,762.0	1,993.7	—	10,222.2	
2019.....	38,912.4	15,547.7	4,735.7	3,739.9	—	14,889.1	34,956.6	15,170.8	5,460.5	4,103.8	—	10,221.5	18,964.7	1,411.9	1,036.5	1,629.8	—	14,886.6	
2020.....	53,506.1	25,160.1	5,917.4	5,195.6	—	17,233.0	48,390.9	24,633.2	4,585.5	4,286.7	—	14,885.5	24,087.5	1,938.4	2,369.5	2,540.2	—	17,239.3	
2019.....	Feb-19	2,946.2	989.1	827.4	43.0	—	1,086.7	3,352.2	1,124.7	944.7	205.0	—	1,077.7	15,298.1	989.1	1,586.4	2,443.4	—	10,279.2
	Mar-19	2,751.8	1,135.1	244.6	116.5	—	1,255.5	1,870.9	988.9	205.0	250.0	—	427.0	16,178.4	1,135.1	1,626.0	2,309.9	—	11,107.4
	Apr-19	3,206.4	1,680.1	382.9	550.5	—	592.8	3,035.8	1,521.5	554.0	430.0	—	530.3	16,352.5	1,294.8	1,455.0	2,430.5	—	11,172.2
	May-19	2,596.8	1,221.4	485.4	359.7	—	530.3	2,660.2	1,294.8	827.4	145.0	—	393.0	16,289.1	1,221.4	1,113.0	2,645.2	—	11,309.5
	Jun-19	3,129.1	1,121.3	303.6	175.0	—	1,529.2	2,409.8	1,221.4	244.6	710.0	—	233.8	17,008.4	1,121.3	1,171.9	2,110.2	—	12,604.9
	Jul-19	2,541.3	1,118.5	166.7	377.1	—	879.1	2,589.6	1,120.2	277.0	865.4	—	327.0	16,953.4	1,118.5	1,061.2	1,621.7	—	13,152.0
	Aug-19	3,137.5	1,015.0	310.0	160.0	—	1,652.5	3,234.5	1,116.2	403.2	20.0	—	1,695.1	16,840.1	1,015.0	967.2	1,761.2	—	13,096.6
	Sep-19	3,307.3	1,797.6	484.2	175.0	—	850.5	2,908.5	1,495.2	491.1	174.5	—	747.8	17,255.2	1,320.0	960.8	1,762.2	—	13,212.1
	Oct-19	4,496.2	1,518.8	171.2	313.0	—	2,493.2	3,387.3	1,320.9	166.7	515.5	—	1,384.2	18,369.1	1,518.8	965.5	1,559.8	—	14,325.1
	Nov-19	3,588.3	1,414.1	335.0	184.7	—	1,654.5	3,360.7	1,518.0	310.0	359.7	—	1,173.0	18,592.2	1,414.1	990.4	1,384.8	—	14,802.9
	Dec-19	3,537.7	1,411.9	470.8	420.0	—	1,235.1	3,165.1	1,414.1	424.6	175.0	—	1,151.4	18,964.7	1,411.9	1,036.5	1,629.8	—	14,886.6
2020.....	Jan-20	3,380.7	1,464.5	266.0	315.5	—	1,334.7	3,075.2	1,410.9	157.6	377.0	—	1,129.7	19,264.1	1,464.5	1,144.8	1,568.2	—	15,086.5
	Feb-20	3,414.5	1,772.6	424.1	100.0	—	1,117.9	2,833.9	1,464.3	123.0	160.0	—	1,086.6	19,842.7	1,772.6	1,445.8	1,508.2	—	15,116.2
	Mar-20	5,549.2	2,157.3	780.7	1,075.0	—	1,536.2	4,751.1	2,418.5	755.7	175.0	—	1,401.9	20,634.3	1,510.5	1,470.3	2,408.1	—	15,245.4
	Apr-20	3,408.3	2,067.1	64.6	640.0	—	636.5	2,534.9	1,512.8	266.1	313.0	—	443.0	21,530.4	2,067.1	1,270.3	2,736.9	—	15,456.1
	May-20	1,887.0	1,136.1	80.0	95.0	—	576.0	2,121.5	1,421.3	120.0	50.0	—	530.3	21,291.3	1,781.4	1,230.1	2,781.5	—	15,498.4
	Jun-20	6,444.2	3,468.6	773.9	430.0	—	1,771.7	5,934.2	2,675.9	1,085.7	554.7	—	1,617.9	21,805.9	2,574.7	918.5	2,657.2	—	15,655.6
	Jul-20	2,885.0	1,344.9	77.1	145.0	—	1,318.0	2,803.3	1,424.4	54.6	315.6	—	1,008.6	21,887.7	2,495.1	941.0	2,486.6	—	15,965.0
	Aug-20	6,950.7	3,827.9	736.7	361.1	—	2,025.0	6,032.6	3,676.2	515.1	225.0	—	1,616.3	22,803.4	2,646.3	1,162.6	2,622.5	—	16,372.0
	Sep-20	5,524.9	2,364.3	888.2	755.0	—	1,517.4	5,385.2	2,646.3	348.8	951.4	—	1,438.7	22,943.1	2,364.3	1,702.0	2,426.1	—	16,450.7
	Oct-20	5,225.7	1,849.8	659.6	805.0	—	1,911.3	4,803.5	2,363.2	77.1	640.0	—	1,723.2	23,358.8	1,849.8	2,284.1	2,591.1	—	16,633.8
	Nov-20	4,294.5	1,768.7	426.3	244.4	—	1,855.1	3,900.6	1,849.5	301.8	95.0	—	1,654.3	23,750.5	1,768.7	2,408.5	2,740.4	—	16,833.0
	Dec-20	4,541.5	1,938.4	740.2	229.7	—	1,633.2	4,214.8	1,769.9	779.9	430.0	—	1,235.1	24,087.5	1,938.4	2,369.5	2,540.2	—	17,239.3
2021.....	Jan-21	5,352.6	1,636.3	1,264.5	555.9	—	1,895.9	4,531.1	1,938.7	1,112.7	145.0	—	1,334.7	24,911.1	1,636.3	2,521.5	2,951.1	—	17,802.2

THE TRUSTEE

Maldives Sukuk Issuance Limited
c/o Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1 9008
Cayman Islands

MINISTRY OF FINANCE ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF MALDIVES

Ameenee Magu
Malé, 20379
Republic of Maldives

**PRINCIPAL PAYING AGENT, REGULATION S REGISTRAR, REGULATION S TRANSFER AGENT
AND EUROCLEAR/CLEARSTREAM RULE 144A REGISTRAR**

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

DELEGATE

HSBC Corporate Trustee Company (UK) Limited
Level 28
8 Canada Square
London E14 5HQ
United Kingdom

**RULE 144A PAYING AGENT, DTC RULE 144A REGISTRAR
AND DTC RULE 144A TRANSFER AGENT**

HSBC Bank USA, National Association
Issuer Services
452 Fifth Avenue
New York, NY 10018
United States of America

ARRANGERS AND DEALERS

Credit Suisse (Singapore) Limited

1 Raffles Link
#03/#04-01 South Lobby
Singapore 0393931

Emirates NBD Bank PJSC

c/o Emirates NBD Capital Limited
Level 12, West Wing
The Gate Building
DIFC, Dubai
United Arab Emirates
P.O. Box: 506710

The Hongkong and Shanghai Banking Corporation Limited

Level 30, HSBC Main Building
1 Queen's Road Central
Hong Kong

The Islamic Corporation for the Development of the Private Sector

8111 King Khalid Street
Al-Nuzlah Al-Yamania District – Unit No.1
P.O. Box 54069
Jeddah 21514
Kingdom of Saudi Arabia

LEGAL ADVISERS TO THE GOVERNMENT

As to English law and United States law:

Clifford Chance LLP

Level 15, Burj Daman
Dubai International Financial Centre
P.O. Box 9380
Dubai, United Arab Emirates

LEGAL ADVISERS TO THE TRUSTEE

As to Cayman Islands law:

Walkers (Dubai) LLP

Level 14, Burj Daman
Dubai International Financial Centre
P.O. Box 506513
Dubai, United Arab Emirates

LEGAL ADVISERS TO THE DEALERS

As to English law:

Linklaters LLP

Ninth Floor, Currency House
Dubai International Financial Centre
P.O. Box 506516
Dubai
United Arab Emirates

As to Maldivian law:

SHC Lawyers LLP

6th Floor, Aagé
12 Boduthakurufaanu Magu
Henneiru
Malé, 20094
Republic of Maldives

As to United States law:

Linklaters Singapore Pte. Ltd.

One George Street #17
Singapore 049145

LEGAL ADVISERS TO THE DELEGATE

As to English law:

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

IRISH LISTING AGENT

Walkers Listing Services Limited
The Exchange
George's Dock, IFSC
Dublin D01 W3P9
Ireland