



## **QFC Regulatory Authority's Enforcement Action Against Seifeldin Abdelkareem and Kashif Chaudhry Upheld by the QFC Regulatory Tribunal**

**Doha, Qatar, 9 May 2012:** Disciplinary actions taken by the QFC **Regulatory Authority** (the "Regulatory Authority") against Mr Seifeldin Abdelkareem and Mr Kashif Chaudhry have been upheld by the QFC Regulatory Tribunal (the "Tribunal"). These appeals were the first to be heard by the Tribunal.

The disciplinary actions relate to failings by the two individuals, both former officers of Al Mal Bank LLC ("Al Mal"), in the performance of their duties while serving as officers of Al Mal. The Regulatory Authority previously took action to impose a fine on Al Mal and withdraw its authorisation. Al Mal was placed in liquidation in June 2010.

Mr Abdelkareem was Al Mal's former Chief Financial Officer and Mr Chaudhry was its First Vice President, Compliance. The Regulatory Authority found that they committed serious contraventions of the Regulatory Authority's rules and regulations and provisions of the Financial Services Regulations. Mr Abdelkareem knowingly submitted inaccurate and misleading information to the Regulatory Authority about the true amount of Al Mal's capital, was actively involved in the contravention of regulatory requirements at Al Mal which resulted in the submission of false information to the Regulatory Authority, and failed to disclose a bank account, of which he was aware, in Al Mal's accounting records. Mr Chaudhry recklessly prepared and submitted Board minutes of Al Mal to the Regulatory Authority which were false or misleading.

In relation to Mr Abdelkareem, the Regulatory Authority imposed a financial penalty of US\$100,000 and a prohibition from performing any function for, or being employed by, any authorised firm in the Qatar Financial Centre ("QFC").

In relation to Mr Chaudhry, the Regulatory Authority imposed a financial penalty of US\$20,000 and a prohibition from performing the Compliance Oversight Function for any authorised firm in the QFC for a period of 12 months.

The Regulatory Authority's decisions were appealed to the Tribunal by Mr Abdelkareem and Mr Chaudhry. After independently considering the evidence, the Tribunal confirmed the Regulatory Authority's findings and upheld the actions taken against both Mr Abdelkareem and Mr Chaudhry. In its Decisions, the Tribunal was extremely critical of the behaviour of both Mr Abdelkareem and Mr Chaudhry.

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Mr. Michael Ryan, CEO of the Regulatory Authority, welcomed the Decisions of the Tribunal, commenting:

*"The action taken by the Regulatory Authority, and upheld by the Tribunal, underscores the high standards expected of officers of financial institutions operating in the QFC. It is not appropriate for persons holding management positions to turn a blind eye to misconduct or hide behind the actions of more senior staff. The Regulatory Authority expects employees holding management positions in the QFC to take an active role in ensuring that they and their firm comply with regulatory obligations."*

The Tribunal's Decision relating Mr Abdelkareem can be found [HERE](#)

The Tribunal's Decision relating Mr Chaudhry can be found [HERE](#)

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**About the QFC Regulatory Authority**

The QFC Regulatory Authority is an independent regulatory body established by Article 8 of the QFC Law. It regulates firms that conduct financial services in or from the QFC. It has a broad range of regulatory powers to authorise, supervise and, when necessary, discipline firms and individuals. The QFC Regulatory Authority regulates firms using principle-based legislation of international standard, modelled closely on that used in major financial centres. Further details are available on the website [www.qfcra.com](http://www.qfcra.com)

**About the Qatar Financial Centre**

The Qatar Financial Centre (QFC) is a financial and business centre established by the Government of Qatar and located in Doha. It has been designed to attract international financial services institutions and major multi-national corporations and to encourage participation in the growing market for financial services in Qatar and elsewhere in the region. The QFC operates to international standards and provides a first class legal and business infrastructure for those doing business within the QFC. The QFC was created by QFC Law No.(7) of Qatar and has been open for business since 1 May 2005.

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