

The Qatar Central Bank, QFC Regulatory Authority and Qatar Financial Markets Authority welcome new law regulating financial institutions

Doha, Qatar, 12th of December 2012: The Qatar Central Bank (QCB), the QFC Regulatory Authority (QFCRA) and the Qatar Financial Markets Authority (QFMA) have welcomed the enactment of The Law of the Qatar Central Bank and the Regulation of Financial Institutions (Law No. 13 of 2012), which was enacted by H.H. The Emir on 2 December 2012.

The new Law is an important step in advancing the framework for financial regulation and supervision in the State of Qatar, promoting financial stability and expanding the ambit of regulation and supervision to cover areas requiring new and enhanced financial regulation within the State. It also lays the foundation for increased co-operation between the regulatory and supervisory bodies in Qatar as they develop and apply regulatory and supervisory policy and implement international standards and best practices to deliver the objectives of the Qatar National Vision 2030 and Qatar National Development Strategy 2011-2016.

The QCB, the QFCRA and the QFMA have issued a summary of some of the important provisions of the new Law and detail on the objectives for the Financial Stability and Risk Committee established under the new Law.

His Excellency Sheikh Abdullah Saoud Al Thani, Governor of the Qatar Central Bank and Chairman of QFCRA and QFMA said:

“The new Law is an important step in continuing to build a resilient financial sector for the State of Qatar that operates to the highest international standards of regulation and supervision and best practices. Importantly, the new Law also formalises, through the Financial Stability and Risk Committee, the excellent level of co-ordination and collaboration that exists between the Central Bank, the QFCRA and the QFMA.”

---ends---

**JOINT STATEMENT BY
Qatar Central Bank
Qatar Financial Markets Authority
QFC Regulatory Authority
regarding**

**The Law of the Qatar Central Bank and the Regulation of
Financial Institutions (Law No. 13 of 2012)**

1. The Qatar Central Bank (“QCB”), the Qatar Financial Markets Authority (“QFMA”) and the QFC Regulatory Authority (“Regulatory Authority”) welcome the enactment of The Law of the Qatar Central Bank and the Regulation of Financial Institutions (Law No. 13 of 2012). The purpose of this statement is to provide a summary of some of the important provisions of the new Law and to explain the objectives for the Financial Stability and Risk Control Committee (the “Financial Stability Committee”) established under the new Law. More detailed explanations and guidance will be provided in due course on other aspects of the Law by the relevant authorities.
2. The Law is an important step in: (i) advancing the framework for financial regulation in the State of Qatar, (ii) promoting financial stability and (iii) expanding the ambit of regulation to cover areas requiring new and enhanced

PRESS RELEASE

PRESS RELEASE

PRESS RELEASE

financial regulation within the State. It also lays the foundation for increased co-operation between the regulatory bodies in Qatar as they develop and apply regulatory policy and implement international standards and best practices to deliver the objectives of the Qatar National Vision 2030 and Qatar National Development Strategy 2011-2016.

3. In addition to its existing responsibilities for the supervision of banking and financial services institutions, the QCB acquires responsibility for the licensing and supervision of insurance companies, reinsurance companies and insurance intermediaries that were previously licensed by The Ministry of Business and Trade. The Law repeals Decree Law No. 1 of 1966 on the Supervision and Control of Insurance Firms and Agents. The QCB will, in due course, publish further details regarding the new regulatory framework for the insurance sector in the State.
4. The Law also introduces important new provisions dealing with consumer protection, client confidentiality, protection of credit information, regulation of Islamic financial institutions, merger and acquisition of Financial Institutions, and settlement of disputes. Additional details on these matters will also be provided in due course. The Law also makes clear that the conduct of financial services in the State requires that a license be obtained from the competent authority and provides sanctions for persons who conduct such activities without the required license.
5. In line with its responsibilities for financial stability, the Law mandates the QCB to act as the competent supreme authority in framing the policies for the regulation and supervision of all financial services and markets in the State. The Financial Stability Committee is the mechanism established under the Law to help deliver this objective by providing recommendations to the Board of Directors of the QCB. The Financial Stability Committee provides a formal structure for co-ordination among the regulatory bodies and it will advance the objective of creating a consistent and co-operative regulatory and supervisory environment within the State.
6. The Financial Stability Committee will be chaired by H.E., The Governor of the QCB and its membership will include H.E., The Deputy Governor (Vice-Chairman) and the Chief Executive Officers of the QFMA and the Regulatory Authority. Under the new Law, the Financial Stability Committee is charged with the following critical functions:
 - identifying and assessing risks to the financial sector and markets and recommending solutions to manage and mitigate such risks;
 - co-ordinating the work of the financial regulatory authorities in the State with a view to enhancing co-operation and information exchange in order to establish a consistent and co-operative regulatory and supervisory environment; and
 - proposing policies related to regulation, control and supervision of financial services businesses and markets.
7. Where recommendations made by the Financial Stability Committee are approved by the Board of Directors of the QCB, the Boards of the QCB, the Regulatory Authority and the QFMA will consider what action they may need to take to implement the recommendations, taking into account their legal and regulatory mandates under their respective laws.
8. The QFMA and the Regulatory Authority remain independent regulators under the management and direction of their respective Boards of Directors in accordance with the Law regarding the Qatar Financial Market Authority (Law No.8 of 2012) ("QFMA Law") and the Qatar Financial Centre Law (Law No.7 of

2005) (“QFC Law”). The QFMA is responsible for the regulation and supervision of financial markets in Qatar (including the Qatar Exchange) in accordance with the QFMA Law and the Regulations and Rules made under that law. Authorized firms in the QFC will continue to be subject to authorization and supervision by the Regulatory Authority in accordance with the QFC Law, the Financial Services Regulations and the Regulatory Authority’s Rules.

9. The QCB, the QFMA and the Regulatory Authority look forward to continuing their co-operation in working together to implement the Law and to develop international standards of regulation across the spectrum of banking and financial activities in Qatar that will create the conditions in which the banking and financial sectors in Qatar can fulfill their potential.

Media Contact:

Valerie Ward – QFC Regulatory Authority

T: +974 4495 6776

F: +974 4483 0894

E: v.ward@qfcra.com

PRESS RELEASE

PRESS RELEASE

PRESS RELEASE