



QFC Regulatory Authority Statement on the conduct of unlicensed financial services

Doha, Qatar, 29 September 2011: The QFC Regulatory Authority has issued a statement emphasising the importance of consumers ensuring that the firms they deal with are properly licensed and regulated. The Regulatory Authority's concern has been heightened recently by reports of a number of firms and individuals who are operating in the State without a license to conduct financial services. Such firms are outside the scope of the State's regulatory framework and present a risk both to consumers and to the reputation of the State's financial system. The Regulatory Authority stressed that consumers can only be confident that they will be treated fairly if they deal with a firm that is licensed and supervised by one of Qatar's financial regulators.

The purpose of financial services regulation is to ensure that firms offering financial services operate to high standards and with integrity. Licensed firms are subject to detailed codes of conduct setting out their obligations to consumers and their activities are subject to scrutiny by the financial regulator that has licensed the firm. If a consumer encounters a problem with a licensed firm (for example if a product has been misrepresented), the consumer will have effective recourse against the firm and, importantly, the firm's regulator is in a position to ensure that the consumer's complaints are addressed. If the firm is not licensed, the consumer may have no such protections.

The Regulatory Authority's Chairman and CEO, Phillip Thorpe said:

"A robust regulatory regime requires not only vigilant regulators, but also vigilant consumers to ensure that they receive the full protections afforded by the State and its regulatory framework."

If a consumer is offered financial services or advice by a firm, it is important that they confirm that the firm is properly licensed to conduct financial services, and that they will benefit from the applicable protections afforded to consumers. A firm that is properly licensed will be able to provide that confirmation quickly by referring the consumer to the public records maintained by their regulator.

If a firm states that it is licensed by the QFC Regulatory Authority, that fact can be confirmed by checking the Public Register on the QFC Regulatory Authority's website, which is located at: <http://www.qfcra.com/advsearch/af.php>.

The Regulatory Authority also emphasised that consumers should be particularly cautious in responding to cold calling or unsolicited approaches from persons offering financial advice and should always obtain the names and addresses of the individuals concerned and the company they represent.

Mr. Thorpe also commented:

"The savings and investment cycle is essential to a growing economy and, in that regard, it is critical that the confidence of consumers and investors in the financial system is maintained. Financial services providers who are not licensed present a significant risk to consumers and to the system. The regulatory framework provides



the necessary protections where firms are licensed, but we must remain on guard to ensure that all financial services firms are properly part of the regulatory framework. If consumers encounter a firm offering financial services without a license, the firm should be reported to the relevant authorities."

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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

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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