



QFC Regulatory Authority Issues New Prudential Rules for Authorised Firms Conducting Banking, Investment Management or Advisory Business

Doha, Qatar, 23 December 2014: The QFC Regulatory Authority today introduced a number of enhancements to its prudential framework for QFC authorised firms undertaking banking, investment management or advisory business.

The changes are included in two new set of prudential rules: the Banking Business Prudential Rules 2014 and the Investment Management and Advisory Rules 2014. The new framework is being introduced following public consultation and dialogue with QFC firms.

“The strengthening of the prudential framework for QFC authorised firms undertaking banking, investment management and advisory business in the QFC is closely aligned with the significant improvements in international regulatory standards in recent years,” said Michael Ryan, Chief Executive Officer of the QFC Regulatory Authority, “and reinforces the ability of our firms to operate with a strong capital base and sound risk management practices as their business activities increase and expand.”

The new Rules come into force on 1 January 2015.

These initiatives support the QFC Regulatory Authority’s ongoing commitment to meet high international regulatory standards, and supports the continued development of the QFC as a leading financial and business centre in the region.

Banking Business Prudential Rules 2014

Click [here](#) to access the Banking Business Prudential Rules 2014.

The new Banking Business Prudential Rules 2014 contain the prudential framework for authorised firms that undertake banking business - accepting deposits, providing credit, dealing in investments as principal, or undertaking Islamic financial management. They are designed to align with the banking principles established by the Basel Core Principles for Effective Banking Supervision and Basel Accord frameworks which aim to provide a more resilient global banking system in the wake of the 2008 global financial crisis.

These new rules replace the framework for banking business firms contained in the Investment and Banking Business Rules 2005, which will be repealed at the end of 2014. They are designed to enhance the previous QFC prudential framework, with enhancements being particularly focussed on the following areas:

- The Internal Capital Adequacy Assessment Process
- Capital adequacy and capital requirements
- Credit risk
- Market risk
- Interest rate risk in the banking book
- Liquidity risk
- Group risk



- Prudential reporting
- Islamic financial management firms

Investment Management and Advisory Rules 2014.

Click [here](#) to access the Investment Management and Advisory Rules 2014.

The new Investment Management and Advisory Rules 2014 contain the prudential framework for authorised firms undertaking investment management and advisory business. The new framework reflects international standards for firms conducting these types of activities.

These new rules replace the framework for firms conducting investment management and advisory business that was contained in the Investment and Banking Business Rules 2005, which will be repealed at the end of 2014. They are designed to enhance the previous QFC prudential framework, with enhancements being particularly focussed on the following areas:

- Minimum paid-up share capital and liquid assets requirement
- Risk management
- Professional Indemnity Insurance
- Client money and asset protection

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Media Contact:

Betsy Richman – QFC Regulatory Authority

T +974 4495 6772

M +974 3355 0206

b.richman@qfcra.com

About the QFC Regulatory Authority

The Qatar Financial Centre 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 at 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.