



QFCRA PUBLISHES PROPOSED RULES ON THE CONDUCT OF RETAIL BUSINESS

QFCRA Chairman & CEO speaks of "careful policy developments and wide consultation" on new retail rules.

DOHA, 30th May 2007

The QFCRA today published the proposed rules relating to the conduct of retail business in or from the Qatar Financial Centre (QFC) and the protection of retail customers.

The proposed rules incorporate amendments made following the earlier round of consultation in addition to other changes of a technical or operational nature.

The proposed rules, which are now subject to a further consultation, have been published in full on the QFCRA website and contain several changes in areas including the use of approved representatives, cold calls, projections in relation to life policies and the offering of insurance products from non-QFC insurers.

This next round of consultation is set to last until June 18 this year, with the target date of July 1 2007 for publication of the final rules.

Mr Phillip Thorpe, Chairman and CEO of the QFCRA welcomed the publication of the current proposed rules for consultation, saying,

"The QFCRA is developing a suite of regulatory requirements to deliver on its mandate of creating a vibrant capital market environment in Qatar. We are seeking to ensure these requirements meet the needs of investors and the financial services industry by means of careful policy development and wide consultation.

"Our aim of offering world class regulation in the QFC demands a robust approach to the retail sector and I am pleased we can now publish proposed rules which we believe will deliver the quality of protection that retail customers require."

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Notes to Editors

The full set of proposed rules is published today on the QFCRA website.

The proposed rules for the conduct of business in or from the QFC and the protection of retail customers. The rules have a particular emphasis on insurance business, although the proposed regime is intended to be the framework for any regulated activities conducted by firms authorised to do so by the QFCRA.

Changes from the earlier consultation draft include:

Approved representatives

- The new rules limit the use of approved representatives or non-QFC intermediaries to insurance related business, rather than all investment business.

Cold calls

- The rules on cold calls have been amended to allow cold calling to be made in relation to packaged products (including life policies), although the procedures and limits around cold calling remain untouched.

Non-QFC insurers

- The rules relating to the disclosure requirements for non-QFC insurance products have been amended to include a generic warning that the providers of these products are not licensed or regulated by the QFCRA
- A new rule has been included that any such offer of non –QFC insurance products must also comply with any other applicable Qatar laws.

Projections for life policies

- The rules relating to the projections used for the product disclosure documents for life policies have been amended to allow the inclusion of at least two projections, one using a lower rate (no more than 5%) and another using an upper rate (no more than 9%).

Terms of business for deposit taking

- The rules have been amended to reinstate a requirement existing in the current Conduct of Business (COND) rulebook for business customers to receive terms of business statements in relation to deposit taking business. The new rules provide greater clarity to the existing requirements by setting out a minimal content for the terms of business.



Consumer dispute resolution schemes

- The new rules include general provisions for complaints to be resolved by an independent consumer dispute resolution process.

Comments on the proposed rules are invited, to be received by the QFCRA by 18 June 2007, with the proposed commencement date for the proposed rules being 1 July 2007.

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, modeled closely on that used in London and other 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.

About the QFC Authority

The QFC Authority is the commercial, administrative and legislative body responsible for driving the commercial strategy of the QFC and for developing relationships with the global corporate community and other key institutions both within and outside of Qatar. More information on the QFC Authority is available at www.qfc.com.qa

About Qatar

In 2005 a nationwide referendum overwhelmingly approved a new constitution providing for Qatar's first legislative election and an independent judiciary. Qatar is currently a member of the UN Security Council. It has one of the world's fastest growing economies, is on course to be the world's leading exporter of liquefied natural gas and has an active programme of infrastructure investment and economic diversification.