



qatar

FINANCIAL CENTRE
REGULATORY AUTHORITY

NOTICE OF MODIFICATION AND WAIVER

Firm	QREIC Sukuk LLC
Address	C/O Ansbacher & Co Limited, 11 th Floor, MEC Building, Doha, Qatar
QFC No.	00012
Notice No.	W0010/06

THE QFC REGULATORY AUTHORITY HERBY GIVES NOTICE THAT:

This notice is issued by the QFC Regulatory Authority (i) in respect of the Rulebooks, under Article 16 of the QFC Financial Services Regulations 2005; and (ii) in respect of the Anti Money Laundering Regulations, under Article 5 of those regulations.

Effective Date: This notice comes into effect on 10th July 2006 and remains in effect until revoked or withdrawn.

RULES MODIFIED

Interpretation and Application Rulebook (INAP)

The Interpretation and Application Rulebook (INAP), as published and amended from time to time, is modified by deleting Chapters 1 and 2 thereof and replacing them with the provisions of Chapter 1 of the Appendix to this notice.

Principles Rulebook (PRIN)

The Principles Rulebook (PRIN), as published and amended from time to time, is modified by deleting Chapters 1 and 2 thereof and replacing them with the provisions of Section 1.2 and Chapter 2 of the Appendix to this notice.

General Rulebook (GENE)

The General Rulebook (GENE), as published and amended from time to time, is modified by deleting Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 and Appendices 1, 2, 3 and 4 thereof and replacing them with the provisions of Section 1.2 and Chapters 3, 4, 5, 6, 7, 8, 12, 13 and 15 of the Appendix to this notice.

Conduct of Business Rulebook (COND)

The Conduct of Business Rulebook (COND), as published and amended from time to time, is modified by deleting Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 and Appendices 1, 2, 3, 4 and 5 thereof and replacing them with the provisions of Section 1.2 and Chapter 9 of the Appendix to this notice.

Individuals Rulebook (INDI)

The Individuals Rulebook (INDI), as published and amended from time to time, is modified by deleting Chapters 1, 2, 3, 4, 5, 6 and 7 and Appendix 1 thereof and replacing them with the provisions of Section 1.2 and Chapter 10 of the Appendix to this notice.

Islamic Rulebook (ISFI)

The Islamic Rulebook (ISFI), as published and amended from time to time, is modified by deleting Chapters 1, 2, 3, 4, 5, 6 and 7 thereof and replacing them with the provisions of Section 1.2 and Chapter 14 of the Appendix to this notice.

Anti Money Laundering Rulebook (AMLR)

The Anti Money Laundering Rulebook (AMLR), as published and amended from time to time, is modified by deleting Chapters 1, 2 and 3 (other than Sections 3.8 and 3.9 of Chapter 3) and Appendices 1 and 2 thereof and replacing them with the provisions of Sections 1.2 and 11.2 of the Appendix to this notice.

Controls Rulebook (CTRL)

The Controls Rulebook (CTRL), as published and amended from time to time, is modified by deleting Chapters 1, 2, 3, 4 and 5 thereof and replacing them with the provisions of Section 1.2 and Chapter 16 of the Appendix to this notice.

RULES WAIVED

Assets Rulebook (ASET)

The requirements of the Assets Rulebook (ASET), as published and amended from time to time, are waived in their entirety.

Interim Prudential – Investment, Insurance Mediation & Banking Business Rulebook (PIIB)

The requirements of the Interim Prudential – Investment, Insurance Mediation & Banking Business Rulebook (PIIB), as published and amended from time to time, are waived in their entirety.

REGULATIONS MODIFIED

The Anti Money Laundering Regulations

The Anti Money Laundering Regulations, as published and amended from time to time, are modified by deleting Articles 6, 7, 8, 10, 11, 12, 13, 14, 15, 16 and 17 thereof and inserting in Part 2 thereof the provisions of Section 11.2 of the Appendix to this notice.

CONDITIONS

None

INTERPRETATION

The provisions in this notice are to be construed as if these provisions are provisions of the Rulebooks.

Defined terms are identified in this notice by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Interpretation and Application Rulebook (INAP) as modified. Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

This notice was issued by:



~~Phillip Thorpe~~
Chairman and Chief Executive Officer

10th July 2006



APPENDIX TO MODIFICATION NOTICE No. W 0010/06

Table of Contents

1	Interpretation	6
1.1	Defined Terms.....	6
1.2	Application.....	7
2	Principles	8
2.1	Introduction.....	8
2.2	Principles of Conduct.....	8
3	Fitness and Propriety	11
3.1	Fitness and Propriety.....	11
4	Notifications	12
4.1	Procedures.....	12
4.2	Notification Trigger Events.....	13
5	Reports	20
5.1	Procedures.....	20
6	Record Keeping	23
6.1	Procedures.....	23
6.2	Summary of Record Keeping Requirements.....	25
7	Waivers and Modifications	27
7.1	Application for a Waiver or Modification.....	27
7.2	Continuing relevance of a Waiver or Modification.....	28
8	Controllers	29
8.1	Systems and Controls.....	29
8.2	Requirement to Seek Approval and Notify the Regulatory Authority.....	29
8.3	Controller Notice.....	29
8.4	Annual Controllers Report.....	31
9	Communication and Disclosure	33
9.1	Communication.....	33
9.2	Approval and Content of Financial Communications.....	33
9.3	Withdrawing a Financial Communication.....	36
9.4	Disclosure in Offering and Listing Documents.....	36
9.5	Regulatory Status.....	37
9.6	Record Keeping.....	39
10	Controlled Functions	41

Appendix to Modification Notice No. W 0010/06

10.1	Appointment.....	41
10.2	Money Laundering Reporting Officer.....	42
10.3	Senior Executive Function.....	43
10.4	Executive Governance Function.....	43
10.5	Non-Executive Governance Function.....	44
11	AML.....	45
11.1	Qatar Laws.....	45
11.2	AML Regulations and Rules.....	45
12	Auditing and Accounting.....	47
12.1	Accounting and Audit.....	47
12.2	Appointment of Auditor.....	47
13	Annual Declaration.....	49
13.1	Contents of Annual Declaration.....	49
14	Islamic Business.....	51
14.1	Shari'a Supervisory Board.....	51
15	Fees.....	52
15.1	General Provisions.....	52
15.2	Application Fees.....	52
15.3	Initial Annual Fee.....	53
15.4	Subsequent Annual Fees.....	53
16	Outsourcing.....	54
16.1	General Provisions.....	54

1 Interpretation

1.1 Defined Terms

1.1.1 (1) Subject to (2), in this appendix words and expressions of which the initial letters are capitalised and which appear in italics have the meanings given to them in the *Glossary of the Interpretation and Application Rulebook*.

(2) The following words and expressions have the meaning given below:

Defined Term	Meaning
Authorised Firm	QREIC Sukuk LLC
Executive Governance Function	Has the meaning given in section 10.4 of these Rules.
MLRO	Has the meaning given in section 10.2 of these Rules.
Offering Circular	The offering circular in relation to the issue by QREIC Sukuk LLC of \$270,000,000 Trust Certificates (Sukuk Al-Musharaka) due 2016.
Non-Executive Governance Function	Has the meaning given in section 10.5 of these Rules.
Senior Executive Function	Has the meaning given in section 10.3 of these Rules.
Transaction	The transaction referred to and described in the Offering Circular issued by QREIC Sukuk LLC.
Transaction Documents	Has the meaning given in the Offering Circular.

1.2 Application

1.2.1 These *Rules* apply to the *Authorised Firm*.

2 Principles

2.1 Introduction

2.1.1 The principles are a general statement of the standards expected of the *Authorised Firm* and apply directly to the conduct of business, operation and financial standing of the *Authorised Firm*.

2.1.2 In establishing compliance with the principles, the *Authorised Firm* should have regard to all relevant factors including the nature, scale and complexity of its business.

2.2 Principles of Conduct

2.2.1	Principle 1 Integrity	The <i>Authorised Firm</i> must observe high standards of integrity in the conduct of its business.
2.2.2	Principle 2 Skill, Care and Diligence	The <i>Authorised Firm</i> must act with due skill, care and diligence in the conduct of its business.
2.2.3	Principle 3 Management	The <i>Authorised Firm</i> must ensure that its affairs are managed effectively by its senior management.
2.2.4	Principle 4 Systems and Controls	The <i>Authorised Firm</i> must have effective systems and controls including risk management systems and adequate human and technological resources.
2.2.5	Principle 5 Financial Prudence	The <i>Authorised Firm</i> must maintain adequate financial resources.
2.2.6	Principle 6 Market Conduct	The <i>Authorised Firm</i> must observe proper standards of market conduct.
2.2.7	Principle 7 Customers' Interests	The <i>Authorised Firm</i> must have due regard to its <i>Clients'</i> interests and treat them fairly.
2.2.8	Principle 8 Communications with Clients	The <i>Authorised Firm</i> must pay due regard to the information needs of its <i>Clients</i> and communicate information to them in a way which is clear, fair and not misleading.
2.2.9	Principle 9 Conflicts of Interest	The <i>Authorised Firm</i> must manage conflicts of interest fairly, both between itself and its <i>Clients</i> and between <i>Clients</i> and must organise its affairs such that conflicts can be identified.
2.2.10	Principle 10 Relationship of Trust	The <i>Authorised Firm</i> must discharge faithfully a responsibility of trust toward a <i>Client</i> , including taking reasonable care to ensure the suitability of its advice and discretionary decisions for any <i>Client</i> who is entitled to rely upon its judgment.
2.2.11	Principle 11 Client Assets	The <i>Authorised Firm</i> must arrange adequate protections for <i>Clients'</i> assets when it is responsible for them in accordance with the responsibility it has accepted.
2.2.12	Principle 12 Confidentiality	The <i>Authorised Firm</i> must ensure that information of a confidential nature received in the course of dealings with its <i>Clients</i> is treated in an appropriate manner.
2.2.13	Principle 13 Relations with Regulators	The <i>Authorised Firm</i> must deal with all relevant regulators in an open and cooperative manner and keep the <i>Regulatory Authority</i> promptly informed of anything relating to the <i>Authorised Firm</i> , of which the <i>Regulatory Authority</i> would reasonably expect notice.

3 Fitness and Propriety

3.1 Fitness and Propriety

3.1.1 The *Authorised Firm* must at all times be able to demonstrate to the *Regulatory Authority* that it is fit and proper.

3.1.2 In considering *Fitness and Propriety* the *Regulatory Authority* will consider amongst other matters:

- (A) the *Authorised Firm's* connection with its *Controllers*;
- (B) the *Authorised Firm's Close Links* with any other *Person* or connection with any other person including any *Person* appearing to be, or likely to be in a contractual relationship with the *Authorised Firm*;
- (C) the nature of the regulated activities concerned; and
- (D) whether the *Authorised Firm's* affairs will be or are conducted and managed in a sound and prudent manner.

4 Notifications

4.1 Procedures

4.1.1 Unless a provision states otherwise, the *Authorised Firm* must ensure that each notification it provides to the *Regulatory Authority*:

- (A) is in writing and contains the *Authorised Firm's* name and *QFC* number; and
- (B) is submitted on the relevant *QFC* Form.

4.1.2 A notification must be submitted to the *Regulatory Authority*:

- (A) by electronic mail at the address provided by the *Regulatory Authority*; and
- (B) duly signed by the signatories specified in the relevant *Rule* and delivered by:
 - (i) post to the current address of the *Regulatory Authority*;
 - (ii) hand delivery to the current address of the *Regulatory Authority*; or
 - (iii) fax to a fax number provided by the *Regulatory Authority*.

4.1.3 Notifications must be signed by the individual performing the *Senior Executive Function*.

4.2 Notification Trigger Events

Core Details

4.2.1 The *Authorised Firm* must provide the *Regulatory Authority* with reasonable advance notice of any change in:

- (A) the *Authorised Firm's* name;
- (B) any business or trading name under which the *Authorised Firm* carries on a *Regulated Activity* in or from the *QFC*;
- (C) the address of the *Authorised Firm's* principal place of business in the *QFC*;
- (E) its legal structure; or
- (F) an *Approved Individual's* name or any material matters relating to his *Fitness and Propriety*.

4.2.2 The *Authorised Firm* must provide the *Regulatory Authority* with prior notice of the establishment or closure of a branch office anywhere in the world from which it carries on financial services.

Transaction Documents

4.2.3 The *Authorised Firm* must notify the *Regulatory Authority* immediately of any:

- (A) material change to the *Transaction Documents*; or
- (B) material breach of its obligations under the *Transaction Documents*.

Significant Events

4.2.4 The *Authorised Firm* must advise the *Regulatory Authority* immediately it becomes aware, or has reasonable grounds to believe, that any of the following matters may have occurred or may be about to occur:

- (A) the *Authorised Firm's* failure to satisfy the *Fitness and Propriety* requirements;
- (B) any matter which could have a significant adverse effect on the *Authorised Firm's* reputation;
- (C) any matter in relation to the *Authorised Firm* which could result in serious adverse financial consequences to the financial system or to other firms;
- (D) a significant breach of a *Rule* by the *Authorised Firm* or any of its *Employees*;
- (E) a significant breach of any requirement imposed by any applicable regulation or other law by the *Authorised Firm* or any of its *Employees*;
- (F) any proposed restructuring, merger, acquisition, reorganisation or business expansion which could have a significant impact on the *Authorised Firm's* risk profile or resources;
- (G) any significant failure in the *Authorised Firm's* systems or controls, including a failure reported to the *Authorised Firm* by the firm's auditor;
- (H) any action that would result in a material change in the capital adequacy or solvency of the *Authorised Firm*; or
- (I) non-compliance with *Rules* due to an emergency outside the *Authorised Firm's* control and the steps being taken by the *Authorised Firm*.

Fraud and Errors

4.2.5 The *Authorised Firm* must notify the *Regulatory Authority* immediately if one of the following events arises in relation to its activities in or from the *QFC*:

- (A) it becomes aware that an *Employee* may have committed a fraud against one of its clients;
- (B) a serious fraud has been committed against it;

Appendix to Modification Notice No. W 0010/06

- (C) it has reason to believe that a *Person* is acting with intent to commit a serious fraud against it;
- (D) it identifies significant irregularities in its accounting or other records, whether or not there is evidence of fraud; or
- (E) it suspects that one of its *Employees* who is connected with the *Authorised Firm's Regulated Activities* may be guilty of serious misconduct concerning his honesty or integrity.

Other Regulators

4.2.6 The *Authorised Firm* must advise the *Regulatory Authority* immediately:

- (A) of the granting or refusal of any application for or revocation of authorisation to carry on financial services in any jurisdiction outside the *QFC*;
- (B) of the granting, withdrawal or refusal of an application for, or revocation of, membership of the *Authorised Firm* of any exchange or clearing house;
- (C) where the *Authorised Firm* becomes aware that an *Overseas Regulator* has started an investigation into the affairs of the *Authorised Firm*;
- (D) of the appointment of inspectors, howsoever named, by an *Overseas Regulator* to investigate the affairs of the *Authorised Firm*; or
- (E) of the imposition of disciplinary measures or disciplinary sanctions on the *Authorised Firm* in relation to its financial services by any *Overseas Regulator* or any exchange or clearing house.

Action against an Authorised Firm

4.2.7 The *Authorised Firm* must notify the *Regulatory Authority* immediately if:

- (A) civil proceedings are brought against the *Authorised Firm* and the amount of the claim is significant in relation to the *Authorised Firm's* financial resources or its reputation; or
- (B) the *Authorised Firm* is prosecuted for, or convicted of, any offence involving fraud or dishonesty, or any penalties are imposed on it for tax evasion.

Winding up, Bankruptcy and Insolvency

4.2.8 The *Authorised Firm* must notify the *Regulatory Authority* immediately on:

- (A) the calling of a meeting to consider a resolution for winding up the *Authorised Firm*;
- (B) an application to dissolve the *Authorised Firm* or to strike it from the register, maintained by the *CRO*, or a comparable register in another jurisdiction;
- (C) the presentation of a petition for the winding up of the *Authorised Firm*;

Appendix to Modification Notice No. W 0010/06

- (D) the making of, or any proposals for the making of, a composition or arrangement with creditors of the *Authorised Firm*; or
- (E) the application of any person for the commencement of any insolvency proceedings, appointment of any receiver, administrator or provisional liquidator under the law of any country.

5 Reports

5.1 Procedures

5.1.1 (1) The *Authorised Firm* must ensure that each report it provides to the *Regulatory Authority*:

(A) contains the *Authorised Firm's* name and *QFC* number; and

(B) subject to (2) is received by the *Regulatory Authority* by 5pm on the day on which it is due.

(2) If the due date is not a *Business Day*, the report must be received by the *Regulatory Authority* by 5pm on the next *Business Day*.

(3) A report will not be considered to have been received by the *Regulatory Authority* until it has been:

(A) received by electronic mail at the address provided by the *Regulatory Authority*; and

(B) duly signed by the signatories specified in the relevant *Rule* and delivered by:

(i) post to the current address of the *Regulatory Authority*;

(ii) hand delivered to the current address of the *Regulatory Authority*; or

(iii) faxed to a fax number provided by the *Regulatory Authority*.

5.1.2 Reports must be signed by the individual performing the *Senior Executive Function*

5.1.3 The following table provides a summary of the *Authorised Firm's* reporting requirements to the *Regulatory Authority*.

Ref.	Report	Freq.	Due date
8.4	Controllers report (can form part of the Annual declaration)	Annually	Within 4 months of its financial year end
12.1.2	Audited accounts (The <i>Authorised Firm</i> is required to submit this form only once and it will be deemed to be submitted to <i>QFCA</i> (under Co. Regs) and the <i>QFCRA</i>)	Annually	Within 4 months of its financial year end
13.1.1	Annual declaration	Annually	Within 4 months of its financial year end

6 Record Keeping

6.1 Procedures

6.1.1 The *Authorised Firm* must maintain appropriate records of:

- (A) matters and dealings, including accounting records;
- (B) policies and procedures; and
- (C) other documentation

which are required under these *Rules* or *Regulations* in the *QFC*.

6.1.2 The *Authorised Firm* must ensure records, however stored, are capable of reproduction on paper within a reasonable period not exceeding three days.

6.1.3 In maintaining records, the *Authorised Firm* must have regard to any requirements for preservation, confidentiality, security and the frequency and ease of access required to records.

6.1.4 Subject to Rule 6.1.5, the *Authorised Firm* must ensure records are maintained in the English language.

6.1.5 Where records relate to the *Authorised Firm's* activities not related to *Regulated Activities* in or from the *QFC*, the *Authorised Firm* may maintain those records in another language. If those records are requested by the *Regulatory Authority* they must be reproduced in English within a reasonable period not exceeding seven days.

6.1.6 (1) Where original documents cannot be maintained, copies may be kept, provided they are duly certified copies of the original documents.

(2) A document in (1) must be certified by:

- (A) in the case of a document created or issued by the *Authorised Firm* itself, a director or secretary of the *Authorised Firm*;
- (B) in the case of a document issued by a public body responsible for the maintenance of the original document, a *Person* properly authorised by that public body; or
- (C) in any other case, a *Person* duly authorised to certify official documents in the jurisdiction in which the copy is being certified.

6.1.7 Unless otherwise stated in a specific provision, records and documents must be maintained by the *Authorised Firm* for at least six years.

Appendix to Modification Notice No. W 0010/06

6.1.8 The *Authorised Firm* is not required to maintain the records required under these rules in the *QFC*, but records must be capable of reproduction in the *QFC* and provided to the *Regulatory Authority* if requested.

6.1.9 The *Authorised Firm* will have other record keeping obligations under other *QFC* legislation such as the *Companies Regulations* which may require documents to be stored at its registered office in the *QFC*.

6.2 Summary of Record Keeping Requirements

6.2.1 The following table contains a summary of the record keeping requirements:

Ref.	Subject of record	When	Retention Period
9.6	Details of <i>Financial Communications</i> issued by the <i>Authorised Firm</i> and copies of written <i>Financial Communications</i>	On issue	Six years from the date on which the <i>Financial Communication</i> is no longer communicated
10.1	A record of the appointment of <i>Approved Individuals</i> (including confirmation that the individual is aware of and has accepted the responsibilities of their appointment)	On appointment	Six years from the date on which the appointment is made
11.2.4	Proof of regulatory status of the <i>Client</i> or <i>Regulated Financial Institution</i>	On assessment	Six years from the date on which the relationship ends
11.2.4	<i>Suspicious Transaction Report</i>	The making the report.	Six years from the date the report is made
12.2.3	Auditor assessment	On appointment of the auditor	Six years following the cessation of appointment of the auditor

7 Waivers and Modifications

7.1 Application for a Waiver or Modification

7.1.1 If the *Authorised Firm* wishes to apply for a *Waiver or Modification Notice*, it must apply in writing.

7.1.2 The application for a *Waiver or Modification Notice* must contain:

- (A) the *Authorised Firm's* name and *QFC* number;
- (B) the *Rule* or *Rules* to which the application relates;
- (C) a clear explanation of the *Rule* waiver or modification that is being applied for and the reason why the *Authorised Firm* is requesting it;
- (D) details of any other requirements; for example, if there is a specific period for which the *Waiver or Modification Notice* is required;
- (E) any reasons the *Authorised Firm* may have as to why the *Waiver or Modification Notice* should not be published or why it should be published without disclosing the identity of the *Authorised Firm* or the confidential or propriety nature of certain information; and
- (F) all relevant facts to support the application.

7.1.3 An application for a *Waiver or Modification Notice* must be signed by the individual performing the *Senior Executive Function*.

7.1.4 The *Authorised Firm* must immediately notify the *Regulatory Authority* if it becomes aware of any material change in circumstances which may affect the application for a *Waiver or Modification Notice*.

7.2 Continuing relevance of a Waiver or Modification

7.2.1 An *Authorised Firm* must immediately notify the *Regulatory Authority* if it becomes aware of any material change in circumstances which could affect the continuing relevance of a *Waiver or Modification Notice*.

8 Controllers

8.1 Systems and Controls

8.1.1 An *Authorised Firm* must establish and maintain systems and controls to enable it to:

- (A) be advised of any proposed or actual acquisitions or changes in *Control*; and
- (B) monitor any proposed or actual acquisition or changes in *Control*

8.2 Requirement to Seek Approval and Notify the Regulatory Authority

8.2.1 A *Controller Notice* must be submitted to the *Regulatory Authority* to request approval to acquire *Control* in the *Authorised Firm*.

8.2.2 A *Controller Notice* must be submitted to the *Regulatory Authority* to notify the *Regulatory Authority* of a cessation in *Control* in the *Authorised Firm*.

8.3 Controller Notice

8.3.1 A *Controller Notice* must be in writing on the relevant *QFC Form*.

8.3.2 A *Controller Notice* must be accompanied by the information and documents as specified in the relevant *QFC Form*.

8.3.3 The *Regulatory Authority* may request such additional information or documents as it reasonably considers necessary in order to enable it to determine what action it should take in response to the *Controller Notice*.

8.3.4 A *Controller Notice* must be submitted by:

- (A) the *Authorised Firm* in question; or
- (B) where the *Authorised Firm* is not aware of the acquisition or change in *Control*, the *Person* who is proposing to acquire or cease *Control* or has acquired or ceased *Control*

8.3.5 Where a *Controller Notice* is submitted by the *Authorised Firm* it must be signed by the individual performing the *Senior Executive Function*.

8.3.6 A *Controller Notice* must be submitted to the *Regulatory Authority* in line with the *Rules* for notifications outlined in chapter 4.

8.3.7 A *Controller Notice* must be submitted to the *Regulatory Authority* not less than 30 days in advance of the proposed acquisition or change in *Control*. Where this is not reasonably practicable, the *Controller Notice* must be submitted immediately upon becoming aware of the proposed or actual acquisition or change in *Control*.

8.4 Annual Controllers Report

- 8.4.1** (1) An *Authorised Firm* must submit a controllers report to the *Regulatory Authority* annually within four months of its financial year end.
- (2) The controllers report in (1) must include:
- (A) the name of each *Person* having *Control* over the *Authorised Firm*;
 - (B) the level and type of *Control* of each *Person* in (A);
 - (C) if the *Person* in (A) is a *Body Corporate*, its country of incorporation, address and registered number; and
 - (D) if the *Person* in (A) is an individual, his date and place of birth.
- 8.4.2** The submission of the annual declaration in chapter 13 will fulfil the *Authorised Firm's* obligation to submit an annual controllers report under this section and Article 40 of the *Financial Services Regulations*.

9 Communication and Disclosure

9.1 Communication

9.1.1 Before the *Authorised Firm* communicates or issues any communication, including a *Financial Communication* it must ensure that:

- (A) the communication is clear, fair and not misleading;
- (B) the accuracy of all material statements of fact can be substantiated; and
- (C) the communication does not make any untrue claims.

9.1.2 An *Authorised Firm* must take reasonable steps to ensure that any other *Person* does not communicate or otherwise issue a *Financial Communication* on behalf of the *Authorised Firm* unless it complies with the *Rules* in this chapter.

9.2 Approval and Content of Financial Communications

9.2.1 Where the *Authorised Firm* issues a *Financial Communication* in writing it must contain the following information:

- (A) the name of the *Authorised Firm* issuing the *Financial Communication*;
- (B) either the address of the *Authorised Firm* or a contact point from which the address is available;
- (C) the date of issue and if applicable, the expiry date, of the *Financial Communication*;
- (D) a statement of the intended audience of the *Financial Communication* and if applicable, that the *Financial Communication* is directed solely at *Persons* who are not *Retail Customers*; and
- (E) the *Authorised Firm's* regulatory status, in the format described in section 9.5.

9.2.2 The *Authorised Firm* must ensure that before it issues a *Financial Communication* it confirms that the *Financial Communication* complies with the *Rules* in this chapter.

9.2.3 An *Authorised Firm* must arrange for the confirmation exercise in Rule 9.2.2 to be carried out by an individual or individuals with appropriate expertise.

9.2.4 Further to Article 81 of the *Financial Services Regulations*, the *Authorised Firm* is not permitted to approve a *Financial Communication* on behalf of another *QFC Licensed Firm*.

9.3 Withdrawing a Financial Communication

9.3.1 If, at any time after it has completed a confirmation exercise in Rule 9.2.2, the *Authorised Firm* becomes aware that a *Financial Communication* no longer complies with the *Rules* in this chapter, it must ensure that the *Financial Communication* is withdrawn as soon as reasonably practicable by:

- (A) ceasing to communicate it;
- (B) if applicable, withdrawing its approval; and
- (C) notifying any *Person* that the *Authorised Firm* knows to be relying on its confirmation.

9.4 Disclosure in Offering and Listing Documents

9.4.1 In carrying out *Regulated Activities* the *Authorised Firm* must, as far as reasonably practical, ensure that all offer documents or listing documents contain sufficient information as is necessary to enable the prospective investors in the Transaction to make a reasonable evaluation of the offer and to make an informed decision as to whether or not to subscribe for or purchase such Transaction.

9.4.2 In carrying out *Regulated Activities* the *Authorised Firm* must, as far as reasonably practical, ensure all offer documents or listing documents contain on the front page the following prominent and legible disclaimer statement:

“The Issuer has been authorised by the Qatar Financial Centre Regulatory Authority (the “QFC Regulatory Authority”) as an Authorised Firm (as defined in the QFC Financial Services Regulations 2005) solely to participate in the transaction referred to in this Offering Circular. The QFC Regulatory Authority has no jurisdiction in respect of the transaction other than in respect of the Issuer as an Authorised Firm.

Accordingly, the QFC Regulatory Authority has no responsibility for, and will not be, reviewing or supervising the transaction described in this Offering Circular or any offer to investors made in relation to it. The QFC Regulatory Authority also has no responsibility for reviewing, approving or verifying this Offering Circular or any Transaction Document, and has not done so.”

9.5 Regulatory Status

9.5.1 The *Authorised Firm* must not misrepresent its regulatory status expressly or by implication.

9.5.2 (1) The *Authorised Firm* must take reasonable care to ensure that all business documents in connection with the carrying on of *Regulated Activities* in or from the *QFC* include one of the disclosures in (3).

(2) The expression “business documents”:

Appendix to Modification Notice No. W 0010/06

- (A) includes, but is not limited to, letterheads, whether issued by post, fax or electronic means, terms of business, client agreements, written financial communications, business cards, prospectuses and websites; but
- (B) does not include compliment slips, account statements or text messages.
- (3) The disclosure required under this rule is:
 - (A) 'Authorised by the Qatar Financial Centre Regulatory Authority for the sole purpose of a single structured finance transaction; or
 - (B) 'Authorised by the QFC Regulatory Authority for the sole purpose of a single structured finance transaction'.
- (4) The *Regulatory Authority* logo must only be reproduced with the express written permission of the *Regulatory Authority* and in accordance with any conditions for use issued from time to time.

9.6 Record Keeping

9.6.1 The *Authorised Firm* must establish and maintain records which show for each *Financial Communication* which it has issued:

- (A) the name of the individual or individuals who confirmed that the *Financial Communication* complies with the *Rules* in this chapter;
- (B) the date of issue and where appropriate, approval;
- (C) details of the medium for which the *Financial Communication* was authorised;
- (D) the evidence supporting any material statements of fact in the *Financial Communication*; and
- (E) if applicable, the details of a withdrawal under Rule 9.3.1.

9.6.2 The *Authorised Firm* must also retain, for written *Financial Communications*, a copy of the *Financial Communication* as finally issued.

9.6.3 The records required under this section must be maintained for at least six years from the date on which the *Financial Communication* is no longer communicated.

10 Controlled Functions

10.1 Appointment

10.1.1 For the purposes of Article 41(2) of the *Financial Services Regulations*, the functions described in sections 10.2 to 10.5 are *Controlled Functions*.

10.1.2 The *Authorised Firm* must be satisfied that each individual appointed to carry on a *Controlled Function* is and remains fit and proper to carry out that *Controlled Function*.

10.1.3 In considering *Fitness and Propriety* the *Regulatory Authority* will consider amongst other matters:

- (A) the honesty, integrity and reputation of the individual;
- (B) the competence and capability of the individual to perform the *Controlled Function*, and
- (C) the individual's financial soundness.

10.1.4 The individual must be approved by the *Regulatory Authority* as an *Approved Individual* to carry on a *Controlled Function*.

10.1.5 On appointment, the individual performing the *Controlled Function* must confirm in writing that they are aware of and have accepted the responsibilities of their appointment.

10.1.6 The *Authorised Firm* must keep a record of each individual it has appointed to a *Controlled Function* and of the confirmation obtained in Rule 10.1.5.

10.1.7 Where an individual ceases to perform a *Controlled Function*, the *Authorised Firm* must appoint another individual to that function.

10.2 Money Laundering Reporting Officer

10.2.1 The *Authorised Firm* must appoint an individual to perform the *Controlled Function* of *MLRO*.

10.2.2 The *Authorised Firm* must ensure that its *MLRO* is responsible for all of its anti *Money Laundering* activities carried on in or from the *QFC*, including ensuring compliance with relevant Qatar laws.

10.2.3 The *Authorised Firm* must ensure that its *MLRO*:

- (A) has direct access to the senior management of the *Authorised Firm*;
- (B) is of sufficient seniority to act on his own authority;

Appendix to Modification Notice No. W 0010/06

- (C) has unrestricted access to information the *Authorised Firm* has about the financial and business circumstances of a *Client* or any person on whose behalf the *Client* is or has been acting; and
- (D) has unrestricted access to relevant information about the features of the transactions which the *Authorised Firm* has entered into or may have contemplated entering into with or for the *Client* or that *Person*.

10.3 Senior Executive Function

10.3.1 The *Authorised Firm* must appoint a *Director*, who has overall responsibility for the conduct of the whole of the business of the *Authorised Firm* to the *Controlled Function* of *Senior Executive Function*.

10.4 Executive Governance Function

10.4.1 The *Authorised Firm* must appoint each individual acting in the capacity of a *Director* of the *Authorised Firm*, other than a *Non-Executive Director* to the *Controlled Function* of *Executive Governance Function*.

10.5 Non-Executive Governance Function

10.5.1 The *Authorised Firm* must appoint each individual holding a position on the *Governing Body* of the *Authorised Firm*, but not having responsibility for the day-to-day direction of the *Authorised Firm's* affairs to the *Controlled Function* of *Non-Executive Governance Function*.

11 AML

11.1 Qatar Laws

11.1.1 The *Authorised Firm* is reminded that by virtue of Article 18 of the *QFC Law*, the relevant provisions of the “Law No. (28) of 2002 on Anti Money Laundering”, the “Law No. (11) of 2004 Penal Code” and any other criminal law of the *State* are applicable in the *QFC*.

11.2 AML Regulations and Rules

11.2.1 An *Authorised Firm* must comply with the *Client* identity verification requirements in the *QFC AML Regulations* and the Anti Money Laundering Rulebook in respect of every *Client* unless:

- (A) the *Client* is a firm *Authorised* by the *Regulatory Authority* or a *Relevant Person*;
- (B) the *Client* is a *Regulated Financial Institution* in a *FATF Country*;
- (C) the *Client* is a *Subsidiary* of a *Regulated Financial Institution* in a *FATF Country* provided that the law that applies to the *Parent Entity* ensures that the *Subsidiary* also observes the same provisions; or
- (D) the *Client’s* identity has been verified by a *Regulated Financial Institution* in a *FATF Country*.

11.2.2 The *Authorised Firm* must obtain proof of the regulatory status of the *Client* or the *Regulated Financial Institution* in Rule 11.2.1 (B), (C) or (D) from an *Overseas Regulator* or another relevant authority.

11.2.3 If the *Authorised Firm* makes a *Suspicious Transaction Report* to the *FIU* it must notify the *Regulatory Authority* that such a report has been made and include general details of the report.

11.2.4 The *Authorised Firm* must maintain a record of the proof obtained in Rule 11.2.2 and any *Suspicious Transaction Reports* made under Rule 11.2.3.

12 Auditing and Accounting

12.1 Accounting and Audit

12.1.1 The *Authorised Firm* is reminded that it is subject to the Accounting and Audit requirements set out in section 11 of the *Companies Regulations*.

12.1.2 Within four months of the end of the financial year, the *Authorised Firm* must file a copy of the audited accounts required under the *QFC Companies Regulations* with the *Regulatory Authority*.

12.2 Appointment of Auditor

12.2.1 The *Authorised Firm* must notify the *Regulatory Authority* of the appointment of an auditor including the name and business address of the auditor and the date of the commencement of the appointment.

12.2.2 In addition to the provisions of the *Companies Regulations* the *Authorised Firm* must not appoint an auditor unless the auditor:

- (A) has prior to the appointment, consented in writing to the appointment;
- (B) has the required skills, resources and experience to audit the businesses of the *Authorised Firm*; and
- (C) has satisfied the *Authorised Firm* that it and its relevant audit staff are independent of, and not subject to any conflict of interest with respect to, the *Authorised Firm*.

12.2.3 The *Authorised Firm* must keep a record of the assessment under Rule 12.2.2.

12.2.4 Where an auditor ceases for any reason to be appointed by the *Authorised Firm*, the *Authorised Firm* must notify the *Regulatory Authority* in writing including the reason for the cessation of appointment.

13 Annual Declaration

13.1 Contents of Annual Declaration

13.1.1 The *Authorised Firm* must submit an annual declaration to the *Regulatory Authority* which confirms:

- (A) that the *Authorised Firm* has only undertaken activities for which it is *Authorised*;
- (B) the individuals performing each of the *Controlled Functions* under chapter 10;
- (C) the extent the *Authorised Firm* has complied with these rules;
- (D) details of the *Controllers* of the *Authorised Firm*, or a statement that there has been no changes to the *Controllers* since the last declaration;
- (E) that there were no notifiable events during the period covered by this declaration other than those which have previously been reported to the *Regulatory Authority*; and
- (F) that it has complied with its obligations under the *Transaction Documents*.

13.1.2 The annual declaration must be signed by the *Authorised Firm's MLRO* and the individual performing the *Senior Executive Function*.

13.1.3 The annual declaration must be submitted to the *Regulatory Authority* within four months of the *Authorised Firm's* financial year end.

14 Islamic Business

14.1 Shari'a Supervisory Board

14.1.1 The *Authorised Firm* must ensure that the *Transaction* is reviewed by a Shari'a supervisory board and a Fatwa must be obtained in respect of whether the *Transaction* complies with Shari'a principles.

14.1.2 The *Authorised Firm* must set out in the *Offer Circular* the following information:

- (A) the identity of the members of the Shari'a supervisory board which reviewed the transaction; and
- (B) a copy of the Fatwa issued by the Shari'a supervisory board in respect of the Shari'a compliance of the *Transaction*.

15 Fees

15.1 General Provisions

15.1.1 Where a fee is payable for any application to the *Regulatory Authority*, the application may not be regarded as submitted until the fee has been paid in full.

15.1.2 Fees must be paid by the date upon which they fall due. Should the *Authorised Firm* fail to pay by the due date then, without limiting the right of the *Regulatory Authority* to take any other action, the sum due will be increased by 1% for each calendar month, or part of a calendar month, that it remains outstanding beyond the due date.

15.2 Application Fees

15.2.1 The *Authorised Firm* (or 'the applicant' prior to *Authorisation*) seeking to conduct *Regulated Activities* in or from the *QFC* or applying for *Authorisation* to conduct additional *Regulated Activities* must pay to the *Regulatory Authority* an application fee of US\$5,000.

15.2.2 Any application fees paid, whether in respect of the applicant or the *Authorised Firm* are non-refundable, regardless of whether the application is successful or not.

15.3 Initial Annual Fee

15.3.1 The *Authorised Firm* must pay to the *Regulatory Authority* an initial annual fee for the initial period of regulation after the grant of *Authorised Firm* status.

15.3.2 The initial annual fee is calculated as the fee which was payable at the time of application for *Authorisation*, pro-rated over the whole months remaining between the date of *Authorisation* and the end of the year.

15.3.3 The initial annual fee must be paid in full to the *Regulatory Authority* within 21 days of the date of *Authorisation*.

15.4 Subsequent Annual Fees

15.4.1 The *Authorised Firm* must pay to the *Regulatory Authority* a standard annual fee of US\$5,000 for any period of regulation after the initial period of regulation in section 15.3.

15.4.2 Subsequent annual fees must be paid in full to the *Regulatory Authority* on or before 1 January of every calendar year.

16 Outsourcing

16.1 General Provisions

- 16.1.1** Where the *Authorised Firm* *Outsources* any of its functions or activities directly related to *Regulated Activities* to third party providers (including within its *Group*) is not relieved of its regulatory obligations and remains responsible for compliance with applicable requirements in the *QFC*.
- 16.1.2** The *Authorised Firm* must not enter into an *Outsourcing* arrangement which may adversely impact on the *Regulatory Authority's* ability to supervise the activities of the *Authorised Firm*.
- 16.1.3** The *Authorised Firm* must provide the *Regulatory Authority* with prior notification of its intention to enter into any *Material Outsourcing* arrangement.
- 16.1.4** The *Authorised Firm* must maintain records of each *Material Outsourcing* arrangement and make available on request of the *Regulatory Authority* all information relevant to the *Material Outsourcing* to enable the *Regulatory Authority* to assess compliance of these arrangements.
- 16.1.5** The *Authorised Firm* must exercise due skill, care and diligence in selecting, entering into, managing and exiting from *Material Outsourcing* arrangements.
- 16.1.6** The *Authorised Firm* must ensure the service provider has the ability and capacity to perform the outsourced functions reliably and professionally at the start and during the life cycle of the *Material Outsourcing* having regard to the following non-exhaustive factors:
- (A) whether the service provider is regulated, to what extent, and by whom;
 - (B) whether the provision of the outsourced function is subject to specific regulation or supervision;
 - (C) the risk that the requested services are not available due to the number of other persons using the same service provider;
 - (D) the financial stability and expertise of the service provider; and
 - (E) potential conflicts of interest that may arise from the provision of the service by the service provider.
- 16.1.7** The *Authorised Firm* must enter into a written agreement with the service provider which requires the service provider:
- (A) to deal with the *Regulatory Authority* in an open and co-operative way in respect of matters relating to the *Authorised Firm* under the *Material Outsourcing*; and

Appendix to Modification Notice No. W 0010/06

- (B) to provide the *Regulatory Authority*, upon written request, copies of the *Authorised Firm's* books, records and data in the possession or control of the service provider.