



qatar

FINANCIAL CENTRE  
REGULATORY AUTHORITY

# A Guide to the Application Process

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# A Guide to the Application Process

## Disclaimer

The goal of the Qatar Financial Centre Regulatory Authority (Regulatory Authority) in producing this document is to provide Applicants with easy to understand information about the QFC, its structure, legislation and policies, including the authorisation, licensing and registration requirements.

The Regulatory Authority does not make any warranty or assume any legal liability for the accuracy or completeness of the information as it may apply to the particular circumstances of an individual or a firm. The information does not constitute legal advice and it is provided for information purposes only.

This guide to the application process should be read in conjunction with the Financial Services Regulations and the Regulatory Authority Rulebooks and other relevant material. This material may be amended from time to time.

Log on to [www.qfcra.com](http://www.qfcra.com) to read the full text of the QFC Law, Regulations and Rules that apply in the QFC.

Terms that appear in italics throughout this document are defined in the Interpretation and Application Rulebook ("INAP") which is available through the Regulatory Authority website at [www.qfcra.com](http://www.qfcra.com).

# Chapter 1

## 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. The QFC 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. In particular, the QFC aims to establish Qatar as a vibrant hub for project finance and to provide an attractive environment for a wide range of related financial services activities in the Gulf region.

The QFC operates to international standards and provides a first class legal and business infrastructure for those doing business within the centre. The QFC’s commercial and regulatory environment and systems conform to international best practices and are separate from and independent of the host Qatari systems. The standards required and the legal environment will be familiar to businesses currently operating in major financial centres around the world.

The QFC is operated by the Qatar Financial Centre Authority (“QFCA”), which is responsible for the commercial strategy and business development of the centre and provides its administrative functions. Further information about the QFCA can be obtained from their website at [www.qfc.com.qa](http://www.qfc.com.qa). The regulatory framework has been developed by and is operated by the QFC Regulatory Authority (the “Regulatory Authority”). There is also a QFC Appeals Body that considers appeals arising from Regulatory Authority decisions, and a QFC Tribunal that administers and enforces the commercial laws of the QFC.

The Regulatory Authority, the Appeals Body and the Tribunal have been established so as to operate transparently, objectively and fairly. Their decision-making, financing and operations are structured to ensure appropriate and resilient independence, whilst being fully supported by the Government of Qatar.

Finally, there is a QFC Companies Registration Office (“CRO”) which processes applications to incorporate limited liability companies (“LLCs”) and limited liability partnerships (“LLPs”) within the QFC or applications to register branches of overseas companies operating within the QFC.

Further details of the QFC legal and regulatory framework can be obtained from the Regulatory Authority website at [www.qfcra.com](http://www.qfcra.com).

# Chapter 2

## Permitted Activities in the QFC

The QFC Law prescribes a range of activities (termed “*Permitted Activities*”) which may be conducted in or from the QFC. These activities are those most commonly recognised as constituting financial services or services found in support of financial services businesses, together with a number of related or corporate headquarters-type activities.

Within the range of *Permitted Activities* are two sub-classifications: *Non-Regulated Activities* which, as the name suggests, do not require extensive supervision, and *Regulated Activities* which are those financial services (such as banking, insurance or securities businesses) that require close and continuing scrutiny to ensure prudential soundness and the proper conduct of those businesses.

The conducting of any *Permitted Activities* in or from the QFC can only be carried on by entities with a legal presence in the QFC and legal presence can only be established by incorporating an LLC or LLP with the CRO, or by registering a branch of a non-QFC legal entity with the CRO.

Further, *Permitted Activities* can only be conducted if a *Licence* is granted for those activities by the QFCA. The licensing process is intended to ensure that only entities likely to contribute to the achievement of the QFC objectives are given the opportunity to operate within the QFC.

Finally, entities wanting to conduct *Regulated Activities* will also require *Authorisation* by the Regulatory Authority.

## QFC Permitted Activities

Non-Regulated Activities require:	Regulated Activities require:
CRO incorporation or registration	CRO incorporation or registration
QFCA licensing	QFCA licensing
	Regulatory Authority Authorisation

### Non-Regulated Activities

Generally, if a firm wishes to carry on one or more of the following *Non-Regulated Activities* in or from the QFC, it must hold a certificate of incorporation or registration issued by the CRO and must be *Licensed* by the QFCA (refer to Chapter 3):

1. the business of ship broking and shipping agents;
2. the business of provision of classification services and investment grading and other grading services;
3. business activities of company headquarters, management offices and treasury operations and other related functions for all kinds of business, and the administration of companies generally;
4. the business of providing professional services including but not limited to audit, accounting, tax, consulting and legal services;
5. business activities of holding companies, and the provision, formation, operation and administration of trusts and similar arrangements of all kinds; and
6. the business of provision, formation, operation and administration of companies.

### Regulated Activities

*Regulated Activities* are defined in the QFC Financial Services Regulations (“FSR”), which sets out the framework for the regulation of the financial services sector operating from the QFC.

Generally, if a firm wishes to carry on one or more of the following *Regulated Activities*, the firm must obtain *Authorisation* from the Regulatory Authority in addition to holding a certificate of incorporation or registration issued by the CRO and being *licensed* by the QFCA (refer to Chapter 3).

1. Deposit Taking
2. Providing Credit Facilities
3. Providing Custody Services
4. Dealing in Investments
5. Managing Investments
6. Advising on Investments
7. Arranging Deals in Investments
8. Arranging Credit Facilities
9. Arranging the Provision of Custody Services
10. Operating a Collective Investment Fund
11. Carrying out a Contract of Insurance
12. Effecting a Contract of Insurance

No firm may carry on a *Regulated Activity* in or from the QFC without *Authorisation* from the Regulatory Authority. A firm may only conduct the particular *Regulated Activities* that it has been granted specific *Authorisation* by the Regulatory Authority to carry on.

# Chapter 3

## The Application Process

The QFC operates a streamlined application process for those seeking to apply to the CRO to incorporate or register in the QFC and who need to obtain a *Licence* from the QFCA and *Authorisation*, if needed, from the Regulatory Authority. The process has been designed to allow the *Applicant* to make a single submission.

To this end, the QFC Application Forms require the *Applicant* to provide sufficient information to enable the QFC to determine whether a *Licence* or an *Authorisation* is required, and to allow the CRO to process applications to incorporate or register in the QFC.

### Applying for a Licence to Conduct Non-Regulated Activities

If an *Applicant* intends to carry on only *Non-Regulated Activities*, it must apply for a Licence from the QFCA by completing and submitting QFC Form Q01 “Application for a Licence to Conduct Non-Regulated Activities”, which is available to download from the Regulatory Authority website [www.qfcra.com](http://www.qfcra.com). Form Q01 asks for general information that establishes the *Applicant's* identity and its proposed business activities as well as general background information on individuals performing certain functions within the *Applicant*.

The completed Form Q01 should be submitted to the Regulatory Authority, which undertakes the initial processing of the application on behalf of the QFCA. The Regulatory Authority will review the information provided in the form to gain an understanding of the activities for which a *Licence* is being sought and to assess the suitability of the *Applicant* to be granted a *Licence* by the QFCA to conduct those activities in or from the QFC.

In order to be granted a Licence by the QFCA to carry on *Non-Regulated Activities*, the *Applicant* must also make an application to the CRO to establish in the QFC either by incorporating as an LLC or an LLP, or by registering a branch office. The information provided by the *Applicant* in either of Appendices I, II, or III of Form Q01 will be used by the CRO to establish the *Applicant* in the appropriate category. The *Applicant* does not need to apply separately to the CRO.

In summary, the completion of Form Q01, “Application for a Licence to Conduct Non-Regulated Activities” covers the following:

- Application to the CRO to establish a legal presence in the QFC; and
- Licensing of the *Applicant* by the QFCA to conduct *Non-Regulated Activities* in the QFC.

### Applying for Authorisation to Conduct Regulated Activities

*Applicants* seeking *Authorisation* by the Regulatory Authority to conduct *Regulated Activities* must complete and submit to the Regulatory Authority Form Q02, “Application for Authorisation to Conduct Regulated Activities”, which is available to download from the Regulatory Authority website [www.qfcra.com](http://www.qfcra.com).

This form will require *Applicants* to provide, amongst other things:

- general information about the firm;
- a description of the proposed business;
- details of the firm’s compliance arrangements;
- information on the firm’s IT systems;
- financial information about the firm; and
- details regarding AML systems and business continuity plans.

The information is required in order to assist the Regulatory Authority in identifying the *Regulated Activities* for which *Authorisation* is being sought, to understand how those activities will be carried on, and to assess the suitability of the *Applicant* to be granted *Authorisation* to conduct those *Regulated Activities*. The *Applicant* will need to satisfy the Regulatory Authority that it has sufficient financial resources, adequate systems, suitable compliance arrangements, and effective internal controls around the *Regulated Activities* to be conducted.

As noted earlier in order to be granted *Authorisation* by the Regulatory Authority to conduct *Regulated Activities*, the *Applicant* must also apply to the CRO in order to establish a legal presence within the QFC. The information provided by the *Applicant* in either of Appendices II, III or IV of Form Q02 will be used by the CRO to establish the *Applicant* either as an LLC, an LLP, or a branch office. The *Applicant* does not need to apply separately to the CRO.

Further, an *Applicant* seeking *Authorisation* does not need to apply separately for a QFCA Licence to operate in the QFC – the information contained in Form Q02 will allow licensing to be dealt with as an adjunct to the *Authorisation* process.

In summary, the completion of Form Q02, “Application for Authorisation to Conduct Regulated Activities” covers the following:

- Application to the CRO to establish a legal presence in the QFC;
- Licensing of the *Applicant* by the QFCA to operate in the QFC; and
- *Authorisation* by the Regulatory Authority of the *Applicant* to conduct *Regulated Activities*.

# Chapter 4

## Pre-Application Meetings

If the *Applicant* has applied to an *Overseas Regulator* for similar status within the last 12 months, the *Applicant* should contact the Regulatory Authority because it may be possible for the Regulatory Authority to use information already prepared by the *Applicant* in assessing the application for *Authorisation*.

### Applying for Approval of Approved Individuals of an Authorised Firm

*Applicants* seeking *Authorisation* will be required to appoint individuals to perform certain key functions on its behalf (termed “*Controlled Functions*”). Individuals carrying out *Controlled Functions* on behalf of the *Applicant* must be approved by the Regulatory Authority as *Approved Individuals*. The *Controlled Functions* are defined in the Individuals Rulebook (“*INDI*”), which is available through the Regulatory Authority website at [www.qfcra.com](http://www.qfcra.com).

*Applicants* applying for *Authorisation* must ensure that individuals who will act as their *Approved Individuals*, complete and submit to the Regulatory Authority Form Q03, “Application for Approved Individuals”, which is available to download from the Regulatory Authority website [www.qfcra.com](http://www.qfcra.com).

This form will require individuals to provide information in relation to their:

- contact details;
- employment history;
- qualifications; and
- past financial and disciplinary history.

### Applying to Register a Company which Conducts neither Non-Regulated nor Regulated Activities in or from the QFC

At present, it is not permitted to establish an entity in the QFC unless that entity intends to conduct either *Non-Regulated* or *Regulated Activities* in or from the QFC.

The QFCA would expect to hold a pre-application meeting to discuss the *Applicant's* proposed *Non-Regulated Activities* business and answer any questions that the *Applicant* might have in relation to the *Licensing* process. Similarly, the Regulatory Authority would expect to hold a pre-application meeting to discuss an *Applicant's* proposed *Regulated Activities* business and answer any questions in respect of the *Authorisation* process.

*Applicants* with questions on how to complete Forms Q01, Q02 or Q03 should refer to The Application Process – Frequently Asked Questions which can be found on our website [www.qfcra.com](http://www.qfcra.com).

Alternatively firms may contact the Regulatory Authority Authorisation Division on +974 495 6888.

# Chapter 5

## Completing the Application Forms

The Application Forms (Forms Q01, Q02 and Q03) must be completed based on the *Applicant's* knowledge of its proposed business and the *Applicant* must provide as full and complete information as is reasonably possible. If certain information is unavailable or the *Applicant* is unsure of any matter, this must be clearly stated in the *Applicant's* response to the relevant section. The *Applicant* is reminded that it is a contravention of the FSR to knowingly or recklessly provide information which is false, misleading or deceptive; or to conceal information where the concealment of such information is likely to mislead or deceive the recipient of the completed application. The success of an application could be affected if the Regulatory Authority's find that the *Applicant* has deliberately withheld information or provided false or incomplete facts.

The *Applicant* may appoint a professional adviser to act on its behalf in any correspondence or discussions with the Regulatory Authority regarding the application. Please note that the *Applicant* will be deemed to have been a party to any correspondence or ongoing dialogue between the appointed advisers and the Regulatory Authority.

By signing the relevant Application Form, the *Director/Partner* of the *Applicant* takes full responsibility for the content of the form, notwithstanding any assistance in the preparation of the form which may have been provided by a professional adviser such as an accountant, lawyer or regulatory adviser.

Questions must be answered fully and in English. Abbreviations should not be used. All financial information must be provided in US\$. A statement of the original currency and the exchange rate applied for conversion must also be provided where appropriate.

Each section of the Application Form must be completed by individuals with appropriate knowledge and expertise. For example, the Systems Questionnaire within Form Q02 should be completed by an individual with knowledge of the *Applicant's* systems, such as an IT professional.

# Chapter 6

## Application Fees

### Non-Regulated Activities

*Applicants* seeking a *License* to conduct *Non-Regulated Activities* in or from the QFC are required to pay an application fee of \$5,000. This is a flat fee payable without reference to the *Applicant's* proposed business activities. *Applicants* must include payment of \$5,000 with their application. No separate application fee will be payable for making an application to the CRO. An annual fee of \$5,000 will be payable to the QFCA upon the granting of a *License* (in the initial year the fee is pro-rated to the number of whole months remaining in the calendar year), and on 1 January of every subsequent calendar year for so long as the *Applicant* remains *Licensed*.

### Regulated Activities

In summary, the application fees in respect of *Authorisation* to conduct one or more *Regulated Activities* is set out in the General Rulebook ("GENE") which is available through the Regulatory Authority's website at [www.qfcra.com](http://www.qfcra.com). *Applicants* seeking *Authorisation* to conduct one or more *Regulated Activities* specified in the left hand column of the Fees Table must pay the highest of the corresponding application fees specified in the right hand column of the Fees Table. *Applicants* must include payment of the appropriate fee with their application.

It should be noted that the fees are not cumulative and the *Applicant* must pay only the highest of the corresponding fees relative to the *Applicant's* proposed *Regulated Activities*, e.g. if the application is in respect of *Deposit Taking, Dealing in Investments* and *Advising on Investments*, the application fee will be \$40,000.

## Fees Table

Deposit Taking	40,000
Providing Credit Facilities	
Carrying out a Contract of Insurance	
Effecting a Contract of Insurance	
Dealing in Investments (as principal)	25,000
Dealing in Investments (as agent)	10,000
Providing Custody Services	
Managing Investments	
Advising on Investments	
Arranging Deals in Investments	
Arranging Credit Facilities	
Arranging the Provision of Custody Services	
Operating a Collective Investment Fund	

*Applicants* seeking *Approved Individual* status for individuals performing *Controlled Functions* are required to pay an application fee of \$500 for each such individual.

These fees relate only to the *Applicant's* initial application. No separate application fee will be payable for the applications made to the CRO or the QFCA. An annual fee will be payable to the Regulatory Authority upon the granting of *Authorisation* (in the initial year the fee is pro-rated to the number of whole months remaining in the calendar year), and on 1 January of every subsequent calendar year for so long as the *Applicant* remains *Authorised*. The annual fee will include a \$500 fee for each *Approved Individual* registered as at the 30 September of the previous year.

*Applicant's* may be required to pay a supplementary fee in circumstances where the Regulatory Authority expects to incur substantial additional costs in dealing with an application or conducting ongoing supervision.

Any fees paid, whether for an application for a QFCA *Licence, Authorisation* by the Regulatory Authority, or in respect of an *Approved Individual*, are non-refundable, regardless of whether the application is successful or not.

## Chapter 7 Submitting the Application

A hard copy of the completed Application Form, which has been signed by the *Applicant's Directors*, should be delivered to:

**The Regulatory Authority**  
**PO Box 22989**  
**Doha**  
**Qatar**

*Applicants* should retain a copy of the completed Application Form for their own records.

The *Applicant* is also requested to submit an electronic version of the completed Application Form, i.e. on a CD or by email, when submitting the hard copy version.

Payment of the required application fee must be included with the completed Application Form.

## Chapter 8 Application Processing Times

*Applicants* should receive acknowledgement of their completed applications within 5 business days of receipt of the completed forms by the Regulatory Authority.

The Regulatory Authority aims to process all applications for both *Licensed* and *Authorised Firms* within 3 months of receipt, provided the application received is complete. Failure to supply information to the Regulatory Authority or the QFCA in a timely manner may increase the time needed to review an application.

Should an *Applicant* submit an incomplete application and subsequently fail to provide any missing information, or fail to provide any other information requested, the Regulatory Authority or the QFCA reserves the right to deem the application withdrawn.

1. **Discuss the *Applicant's* business proposals with the QFCA and the Regulatory Authority** and read this 'Guide to the Application Process' before starting the application.
2. **Check that the proposed activities fall within the definition of *Regulated Activities* or *Non-Regulated Activities*.** Check whether there are any applicable exemptions or restrictions which may have an impact on the Applicant's activities or its application.
3. **Check that the *Applicant* is submitting the correct application form** and has clearly indicated the *Regulated Activities* and/or *Non-Regulated Activities* to be carried on.
4. **Be comprehensive.** Provide as much information as possible about the *Applicant's* business strategy and rationale in the Regulatory Business Plan. The more information provided about the Applicant, its business, its employees, operations and processes when submitting the application, the faster the application can be processed.
5. **Be prepared** – delays in providing information when requested will impact on the time it takes to process the application.
6. **Ensure procedures and controls are relevant.** Ensure the Application Form and all supporting documentation is of high quality and contains the information requested. Office procedures and manuals should be relevant to the activities to be carried out in the QFC.
7. **Ask questions.** The *Applicant* should check with the Regulatory Authority if it is unsure of what information is required or whether information is relevant.
8. **Review the application,** even when consultants or legal advisers are used. The *Applicant* is the one who knows its business best and it is responsible for any information contained in the Application Form.
9. **Nominate a contact person** within the *Applicant* with responsibility for managing the application process and to assist the Regulatory Authority with any enquiries.
10. **Submit the signed Application Form and pay the application fee at the same time.** Unsigned or unpaid applications are considered materially incomplete and may be returned.

For further information please visit the Regulatory Authority website at [www.qfcra.com](http://www.qfcra.com) or contact the Regulatory Authority directly at:

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**PO Box 22989**  
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