



QFC Regulatory Authority issues proposals to strengthen the QFC Banking, Investment Management and Advisory regime

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Doha, Qatar, 21 September 2014: The QFC Regulatory Authority has released two consultation papers containing proposals that will strengthen and streamline the QFC Regulatory Authority's prudential framework for banking, investment management and advisory activities undertaken by authorised firms in the Qatar Financial Centre (QFC).

The papers call for public comment on draft Rules that are designed to clearly differentiate between the sectors of banking business, and investment and advisory business.

It is proposed that the current Investment and Banking Business Rules 2005 will be repealed and replaced by the draft Banking Business Prudential Rules 2014, and Investment Management and Advisory Rules 2014.

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

The consultation period is open until 2 November 2014. The consultation papers and draft Rules are available on the website of the QFC Regulatory Authority at www.qfcra.com.

Banking Business Prudential Rules 2014

The proposed Banking Business Prudential Rules 2014 update and expand the prudential framework for banking business firms and are designed to align with the principles established by the 2012 revised Basel Core Principles for effective Banking Supervision and Basel Accord (I, II, 2.5 and III) frameworks. The Basel framework as set out by the Basel Committee on Banking Supervision, is aimed at promoting a more resilient global banking system.

The proposals will apply to authorised firms that accept deposits, provide credit, deal in investments as principal, or undertake Islamic financial management.

The proposed rules focus on the following:

- a. risk management and Internal Capital Adequacy Assessment Process;
- b. capital adequacy and capital requirements;
- c. credit risk;
- d. market risk;
- e. interest rate risk in the banking book;
- f. liquidity risk;
- g. group risk;
- h. prudential reporting; and
- i. Islamic financial management firms.

Investment Management and Advisory Rules 2014

The proposed Investment Management and Advisory Rules 2014 are designed to simplify and tailor the rules that apply to firms undertaking investment management and advisory business.



The proposed rules focus on the following:

- a. regulatory capital;
- b. risk management and internal risk and solvency self-assessment process;
- c. professional indemnity insurance;
- d. client money and asset protection; and
- e. Islamic investment management and advisory firms.

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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 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.