



STRATEGIC PLAN  
FOR FINANCIAL SECTOR REGULATION





His Highness  
**SHEIKH TAMIM BIN HAMAD AL THANI**  
Emir of the State of Qatar



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*The State shall guarantee freedom of economic enterprise on the basis of social justice and balanced cooperation between private and public activity in order to achieve socio-economic development, increase in production, achieve public welfare, raise the standards of living, and provide job opportunities in accordance with the provision of the law.*

## FOREWORD





**The aim of Qatar National Vision 2030 (QNV 2030) is to transform the State of Qatar into an advanced country by the year 2030 and it foresees a vibrant and prosperous Qatar, sustaining its development and providing a high standard of living for all its people.**

QNV 2030 rests on four pillars which are Human, Social, Economic, and Environmental Development. The financial sector has an important role to play in realising the goals of QNV 2030. In this regard, the State has set a series of targets, to be achieved in five year periods, known as the Qatar National Development Strategies (QNDS). QNDS 2011 – 2016 has identified programs and projects for implementation as part of QNV 2030.

The Qatar Central Bank (QCB), working closely with the Qatar Financial Centre Regulatory Authority (QFCRA) and the Qatar Financial Markets Authority (QFMA), has been developing the Strategic Plan that is to be implemented from 2013 – 2016, thus allowing the State of Qatar's regulatory authorities to be in line with both QNDS 2011 – 2016 and QNV 2030. The Strategic Plan is also consistent with the requirements of two recently enacted laws impacting the financial sector regulatory framework of the State: Law number (13) of 2012 - Law of the Qatar Central Bank and the Regulation of Financial Institutions, and Law number (8) of 2012 on the Qatar Financial Market Authority. Enactment of these laws is in pursuance of the objective of building a resilient financial sector for the State of Qatar that operates to the highest international standards of regulation and supervision. The Strategic Plan for Qatar's regulatory authorities is the comprehensive and wide-ranging culmination of the hard work of the three regulatory authorities as well as extensive analysis, consultations, benchmarking and is also based on best practices in financial regulation.

The lessons learnt from the financial crisis of 2008 – 2009 have proven to be a catalyst for international standards bodies, as well as organisations such as the IMF, to review their entire approach to regulation. We in the State of Qatar were cognisant of this when preparing the Strategic Plan, which includes increasing the involvement of Qatar's regulatory agencies in the work of international standard setters in this period of change.

Under the wise leadership of H.H. The Emir, Sheikh Tamim Bin Hamad Al Thani, Qatar's economy has continued to exhibit strong growth. This has resulted in the banking sector expanding year on year, thus a priority for the coming years is to strengthen the regulatory framework for banks and capital markets.

The most important asset of any organisation is its people. Qatar strives to become a knowledge-based economy and the development of human capital is one of the four pillars of the Qatar National Vision 2030. The leadership of the three regulatory authorities is fully committed to developing the quality of the financial regulation professionals in the State, and special attention has been given to this vital area in the Strategic Plan.

Going forward, the three regulatory authorities will continue to work closely together; therefore effective co-operation between the three agencies is essential. To this end, the College of Supervisors, which includes senior managers from the QCB, QFCRA, and the QFMA, was recently set up to harmonise regulations and enhance co-operation. The Strategic Plan also examines ways to further boost the collaboration between the three regulatory authorities.

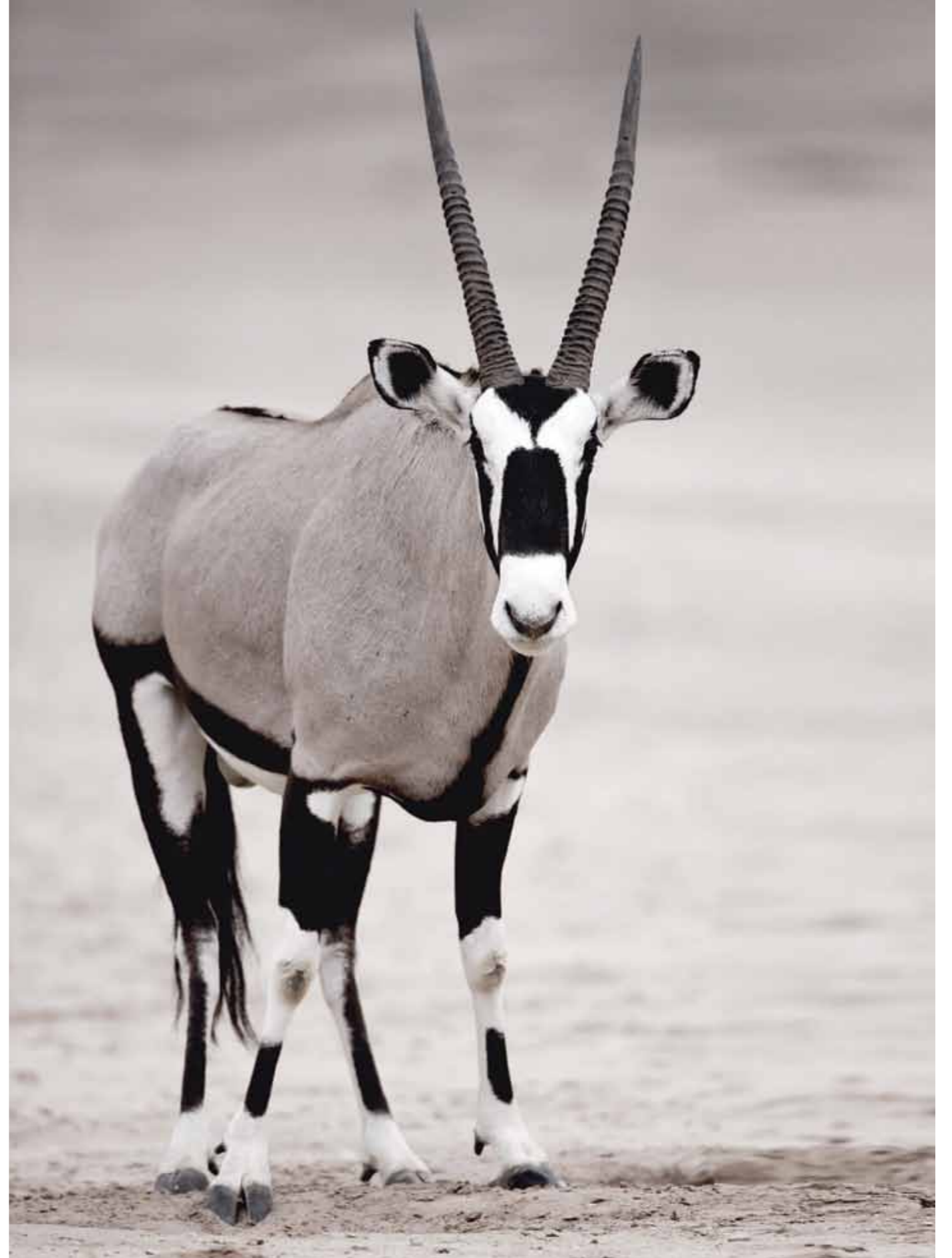
Ultimately, we must remain true to our values. In this era of unprecedented change and economic growth, the opportunities in the State of Qatar are limitless but we must be careful and prudent when charting our path over the coming years.

The Qatar Central Bank would like to extend sincere thanks and express gratitude to H.H. The Emir Sheikh Tamim Bin Hamad Al Thani, and to H.E. The Prime Minister and Interior Minister Sheikh Abdullah Bin Nasser Bin Khalifa Al Thani for their continued support. The Qatar Central Bank would also like to thank government entities, banks and other financial institutions operating in Qatar.

Thank you for taking the time to read the Strategic Plan.

**Abdulla Bin Saoud Al Thani**  
Governor of Qatar Central Bank

EXECUTIVE  
SUMMARY





The Strategic Plan has been prepared within the context of the overall objectives of the Qatar National Vision 2030 and the Qatar National Development Strategy Plan 2011–2016. It is underpinned by two recent revisions to the legal structure of the financial sector regulatory framework of the State: Law No. (13) of 2012 on the Qatar Central Bank and the Regulation of Financial Institutions, and Law No. (8) of 2012 (the QFMA law) on the Qatar Financial Market Authority.

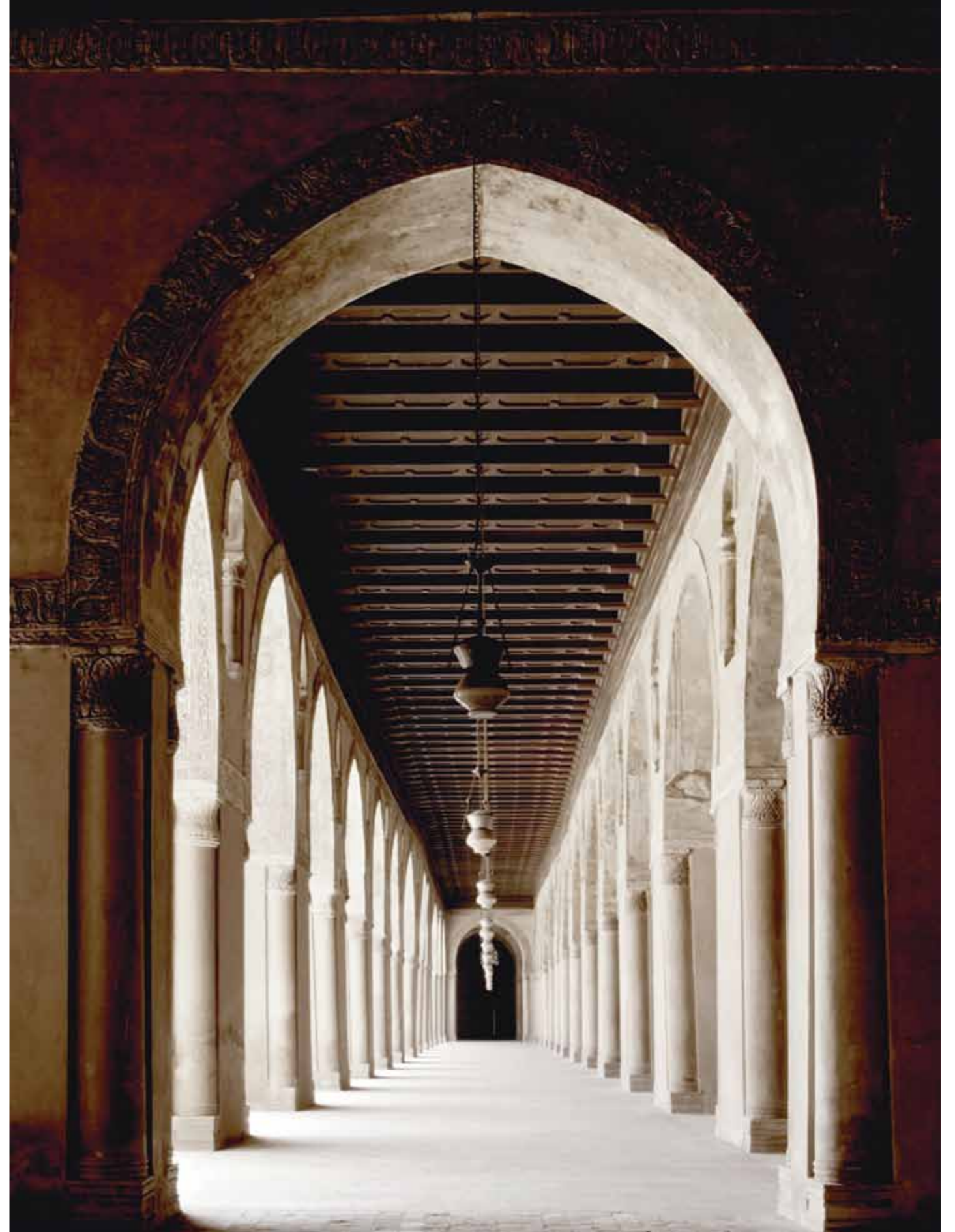
**THE STRATEGIC PLAN CONTAINS SIX CRITICAL GOALS:**

1. Enhancing regulation by developing a consistent risk-based micro-prudential framework in line with global regulatory developments and by improving disclosure practices.
2. Expanding macro-prudential oversight by building a macro-prudential framework in line with international best practice.
3. Strengthening financial market infrastructure through enhancements to the payments and settlements system and initiatives to develop the debt market.
4. Enhancing consumer and investor protection by developing standards and codes of conduct, protecting credit information and raising public awareness and education.
5. Promoting regulatory cooperation among the three regulatory authorities and strengthening local and international cooperation.
6. Building human capital through training and professional development initiatives in the three regulatory authorities and in the financial sector more broadly.

In establishing these goals, the regulatory authorities are committed to developing a financial regulatory infrastructure that meets international standards and best practice. Achievement of the goals will be supported by specific strategies and work plans within each of the regulatory authorities in line with their respective statutory objectives.

*The Qatar Central Bank, the Qatar Financial Markets Authority and the Qatar Financial Centre Regulatory Authority have jointly developed the first Strategic Plan for the State financial sector regulatory authorities. The Strategic Plan provides the mission, vision, values and objectives that will underpin a coordinated approach to strengthening the financial sector and fostering stable and robust economic growth.*

CHALLENGES  
AND OPPORTUNITIES



Qatar is enjoying a period of outstanding economic prosperity. It is benefiting from political stability, rapidly rising living standards, and significant infrastructure investment. At the same time, the country continues to implement important initiatives that will secure its continued growth and its role in the international community.

**THE GLOBAL AND REGIONAL CONSIDERATIONS**

Through both the Qatar National Vision 2030 and the Qatar National Development Strategy 2011-2016, Qatar has identified ambitious objectives in support of the four pillars of the National Vision – human development, social development, economic development and environmental development.

The global regulatory framework has undergone significant changes in recent years. The global financial crisis prompted major amendments in the international standards established by the international financial standard setters: the Basel Committee on Banking Supervision (BCBS), the International Association of Insurance Supervisors (IAIS) and the International Organization of Securities Commissions (IOSCO).

The reforms have been aimed at strengthening, among other things, standards for capital adequacy, liquidity management and governance. Key emphasis has been placed on developing a risk-based approach to regulating financial institutions, financial markets and financial infrastructure. Regulatory authorities have also given increased emphasis to regulatory cooperation and information-sharing; and sought to identify systemically important financial institutions and develop orderly resolution mechanisms.

**DIVERSIFYING THE QATARI ECONOMY**

In order for Qatar to build sustained economic prosperity, it is important to build a competitive and diversified economy that is less dependent on the hydrocarbon sector. To achieve this objective, Qatar has identified a number of reforms that will be initiated as part of its National Development Strategy 2011-2016. The changes are designed to bring together decisions of national significance within an integrated and coordinated framework.

This includes the objective of rationalising the functions and roles of Government ministries and agencies in a manner that improves

**BROADER DEVELOPMENTS IN THE FINANCIAL SECTOR**

accountability, planning and service delivery. The QCB, QFMA and QFCRA are committed to supporting this strategy by implementing a more effective and sound regulatory framework that builds strength and resiliency in the financial sector.

More broadly, a strong financial sector is critical to supporting the Government's efforts to create jobs and encourage investment in a diversified economy so that the coming generations will be less vulnerable to the boom and bust of energy price cycles. The entrepreneurship and innovation required to achieve this objective should not be underestimated and will necessitate the development of initiatives in a number of areas.

The regulatory system in Qatar has witnessed noticeable development and expansion in the past decade. The QFMA was established in 2005 as an independent regulatory authority for firms that are authorised to conduct financial services activities in or from the State of Qatar and it is empowered to exercise regulatory oversight and enforcement over the capital markets.

The QFC was also established in 2005 to promote investment in the financial sector by international firms and domestic investors. This initiative was accompanied by the development of a regulatory system by the QFCRA that meets international best practice.

The QCB was established in 1993 and inherited the responsibilities of the Qatar Monetary Agency. Since then, it has become the primary regulator of banks and financial institutions inside the State.

The QCB established the Qatar Credit Bureau in 2011 to collect and maintain credit information, and share it with banks and financial institutions in order to assist them in undertaking credit evaluations and credit worthiness assessments.

RECENT CHANGES  
TO THE QCB LAW  
AND QFMA LAW

In a step towards establishing closer cooperation and harmonisation between the regulatory authorities, His Excellency Sheikh Abdulla Bin Saoud Al Thani, the Governor of the QCB, was named as Chairman of the QFCRA Board and the QFMA Board in 2012.

In order to strengthen and enhance the regulatory framework in Qatar, two key laws were repealed and replaced in 2012: QCB Law No. 33 of 2006 and QFMA Law No. 33 of 2005 were repealed and replaced by QCB Law No. (13) of 2012 and QFMA Law No. (8) of 2012, respectively. Following enactment of the new laws, the QCB, QFMA and QFCRA have been working together in a coordinated and mutually supportive manner to harmonise Qatar's financial sector policies and financial infrastructure in line with international standards and best practice.

The new QCB Law established the QCB as the competent supreme authority, in the context of the Qatar National Vision 2030, with responsibility for the design and implementation of policies relating to the regulation, control and supervision of financial services and financial markets in Qatar. The QCB Law also introduced specific provisions addressing the licensing and supervision of insurance businesses, consumer protection and customer confidentiality, protection of credit information, regulation of Islamic financial institutions, merger and acquisition of financial institutions, settlement of disputes, and sanctions for persons who conduct financial services activities without the required licences.

The new QFMA law gives the QFMA wider responsibilities and obligations to supervise and monitor the capital markets in the State of Qatar. These responsibilities and obligations are based on four pillars:

- (1) protection of investors
- (2) fair and efficient financial markets,
- (3) transparency, professionalism and efficiency as well as awareness and markets integrity, and
- (4) prohibitions on misleading information and deceptive conduct affecting financial products and services

FINANCIAL  
STABILITY  
FRAMEWORK

The QCB Law gives an expanded focus to the macro-prudential framework in Qatar by establishing the Financial Stability and Risk Control Committee (FSRCC). The FSRCC is chaired by H.E. the Governor of the QCB and its membership includes H.E. the Deputy Governor (Vice-Chairman) and the Chief Executive Officers of the QFMA and the QFCRA.

In line with Article 116 of the QCB Law, the FSRCC is responsible for: (i) identifying and assessing risks to the financial sector and markets and recommending solutions to manage and mitigate such risks; (ii) coordinating the work of the financial regulatory authorities in the State; and (iii) proposing policies related to regulation, control and supervision of financial services businesses and markets.

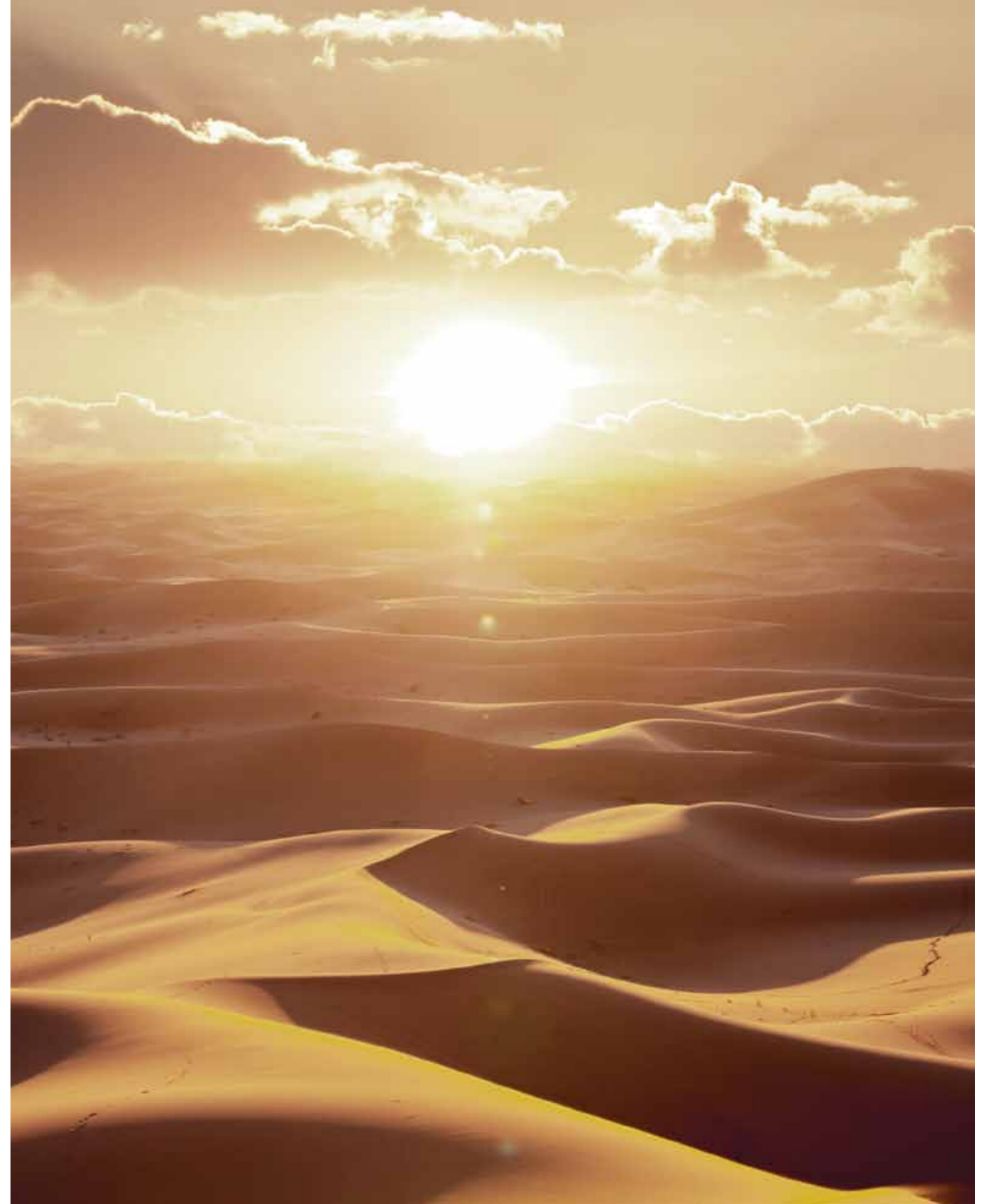
The work of the FSRCC will serve to strengthen financial stability and minimise overlap between the regulatory authorities. This will involve the regulatory authorities aligning policies and procedures in a manner that is consistent with their legislative mandates and international best practice, as well as addressing regulatory gaps in financial sector regulation.

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Guided by Qatar's National Vision 2030 and the clear objectives for financial regulation set out in their legislative frameworks, the QCB, QFMA and QFCRA have developed a common vision for enhancing financial sector regulation in Qatar. They have identified a number of key goals that are critical to building greater resiliency and efficiency in Qatar's financial institutions and financial markets. Over the coming years, the organisations will develop a work plan and devote resources to achieve these objectives.

The core objectives and action points are set out in in the Appendix.

MISSION,  
VISION AND VALUES



Implementing the Strategic Plan will require a common approach, philosophy and uniform vision. Additionally, the regulatory authorities are committed to upholding a common set of values that underscore their obligations to each other and to the community they serve.

## VISION

In undertaking the objectives of the Strategic Plan, the regulatory authorities give particular emphasis to these fundamental elements:

- **Leadership** - positioning Qatar as a leader in the region on financial sector regulation
- **Sustainable economic development** - fostering growth, stability and efficiency in the financial sector consistent with Qatar National Vision 2030
- **Consumer and investor protection** - providing strong protection to consumers of financial services and to investors in the capital markets
- **Organisational excellence** - maintaining high standards of professionalism, innovation and knowledge within the regulatory authorities

## VALUES

The regulatory authorities have established a shared set of values. These values help to establish the culture that supports achievement of the mission, and provide a framework within which decisions and actions are taken. The values are:

- **Excellence** - striving to be innovative and forward-looking
- **Integrity** - applying the highest ethical standards
- **Fairness** - being impartial and independent in exercising authority
- **Accountability** - making clear and consistent decisions and implementing actions in a timely manner
- **Teamwork** - working cooperatively and collaboratively with stakeholders
- **Respect** - recognising the culture, customs and values of Qatar and the international diversity of its residents

## MISSION

*To deliver a robust and efficient financial regulatory framework that supports economic prosperity and financial stability and is aligned with international best practice.*

**KEY  
OBJECTIVES**



## STRATEGIC GOAL 1: ENHANCING REGULATION

In response to the global financial crisis, there has been a fundamental review of global regulatory and supervisory standards and most countries have been strengthening regulation and supervision of financial institutions and capital markets. Similarly, the QCB, QFMA and QFCRA aim to strengthen further the regulatory framework in Qatar. It is imperative to enhance the risk-based approach to regulation as well as to maintain stability and reduce related risks. There will also be increased focus on policies that improve transparency and disclosure practices in the financial services sector.

In addition, the new QCB Law gives the QCB the mandate for regulating insurance companies outside of the QFC, and the QCB will implement insurance regulations also that are in line with international best practice. The regulatory framework for Islamic finance will be strengthened to encourage the development of this important sector.

As each regulatory authority strengthens its regulations, they will do so in a manner that ensures consistency of application and common purpose. They will focus on the following areas:

### (a) Strengthening risk-based regulation

Micro-prudential regulation focuses on the stability of individual components of the financial system and the ability of each individual institution to respond to unexpected risks. The aim will be to provide more effective regulation that includes strengthening the risk-based supervisory framework for banking, insurance and capital markets. Regulations will be aligned with international standards. The global financial crisis underscored the risk of focusing too heavily on regulation, at the expense of supervision. Supervision will need to be more demanding, risk-based and also aligned with international best practice.

### Banking

A risk-based approach to supervision involves linking the level of oversight of a bank to its risks. Risk assessments will be conducted on a regular basis and will follow a systematic approach. In order to strengthen financial sector regulation and supervision, the regulatory framework for banks will be aligned with the Basel Core Principles, Basel III standards and international financial reporting standards (IFRS).

Building an effective framework for assessing and regulating systemically important domestic banks is also of prime importance. Moreover, the scope of oversight and regulation will take account of shadow banking entities that can pose inherent risks to the financial system.

Lastly, risk-based supervision will be further strengthened by the design of risk scores to characterise the risk profile of banks for effective monitoring. Accordingly, supervisory action will be linked to these scores for the mitigation of such risks.

### Insurance

The regulation of the State insurance sector in the next few years will be influenced by two developments. Firstly, the responsibility for insurance regulation (given to the QCB under the new QCB Law) will require the implementation of new regulations and a new supervisory framework. This work will also involve the development of a new department in the QCB to supervise insurers and insurance service providers.

Secondly, the regulatory framework for insurance in Qatar will be aligned with the recently revised IAIS Insurance Core Principles. The revised principles give increased emphasis to governance, prudential standards and group supervision. The QFCRA remains responsible for the licensing and supervision of insurance

firms operating in and from the QFC. The QCB and the QFCRA will coordinate closely to ensure that there is consistency between their respective regimes, in line with international best practice.

### Capital markets

Modern economies are highly dependent on capital being allocated efficiently. In turn, regulations governing financial markets should be framed in a way that provides transparency to participants, reliability of financial information and efficient design and delivery of services. In recent years, there has been a renewed focus on developing a risk-based approach to the regulation and supervision of markets.

The QFMA will take steps to identify the risks of non-compliance, to refocus rules toward dealing with the threats to the stability and fairness of markets and to adopt a holistic approach towards market regulation. More generally, the QFMA will ensure that its regulations support the development of deep and liquid markets for equities, debt and related financial instruments.

### (b) Promoting Islamic financial institutions and markets

Islamic financial institutions and Islamic financial markets have expanded significantly over the past decade. A broader range of Shari'a compliant products has become available, and now covers almost the entire product range provided by conventional financial institutions and markets. In turn, customers of Islamic financial services have grown dramatically and include governments, corporations and individuals. In the case of Qatar, Islamic banks have expanded in both their volume of activity and customer base. Moreover, Qatar has emerged as a leader in the issuance of Sukuk instruments, which will pave the way for further development of Islamic debt and equity markets.

Islamic banks operate under two regulatory regimes: the QCB and the QFCRA. Some Islamic banks are listed on the Qatar Exchange and are therefore also subject to QFMA regulations. In order to foster the continued development of Islamic finance, the three regulatory authorities will develop a common approach to legal issues and harmonise regulatory and supervisory practices.

### (c) Improving governance and transparency

Good corporate governance underpins the integrity and transparency of the financial sector, both for financial institutions and other organisations that access capital markets. In addition, firms perform better in an environment of accurate and timely information availability and dissemination. It is essential therefore that financial institutions are governed in a manner that ensures protection of the stakeholders in the financial sector.

### Corporate governance

Corporate governance standards continue to be strengthened across the region in line with the higher international standards that have been placed on Boards of Directors and senior management in response to greater demands for accountability and integrity.

Each of the regulatory authorities has initiated improved standards for corporate governance based on the global standards and requirements of international organisations such as the OECD, BIS, IAIS and IOSCO. The regulatory authorities will review their governance frameworks and take steps to ensure further harmonisation of corporate governance practice in line with international best practice.



**Strengthening transparency**

The regulations governing disclosure will cover all activities that have significant impact on securities markets. Issuers of debt and equity should provide sufficient information to investors in order for them to make informed and timely decisions. In order to support these objectives, financial regulators should have clear and comprehensive rules and procedures guiding market disclosure practices, transparency and the quality of information. Any public disclosure must be made in a clear, accessible and usable manner.

In order to better align the interests of investors and regulated entities, compensation structures should be publicly available as well as any performance payments that are linked to the durability and long-term viability of profits. Misaligned incentives can encourage regulated entities to take advantage of information asymmetries and put their interests ahead of their clients. This can result in mispriced risk or inappropriate product selection.

Appropriate steps will be taken by the regulatory authorities to ensure that standards are aligned with international best practice, that a robust compliance culture is promoted at firms, and that any market activity which is detrimental to investor confidence is detected and addressed.

**Reinforcing disclosure practices**

Financial markets are often characterised by asymmetric information which hinders efficient market outcomes. In order to alleviate the problems arising out of asymmetric information flows, greater transparency and disclosure standards are essential.

This will be facilitated by the establishment of rigorous standards governing disclosure practices, particularly with regard to valuations and risks. In this regard, the QFMA will undertake more active enforcement of rules regarding product disclosure and risks. Moreover, the current practice for disclosing information on companies obtained by external auditors will be reviewed.

**STRATEGIC GOAL 2: EXPANDING MACRO-PRUDENTIAL OVERSIGHT**

The global financial crisis exposed the flaws of regulatory systems where too much emphasis is placed on regulating individual financial institutions without sufficient attention being paid to analysis of the financial system as a whole. This experience has demonstrated the need for a robust macro-prudential framework that mitigates systemic risk.

The new QCB law has accordingly created the Financial Stability and Risk Control Committee (FSRCC) with a key objective of studying emerging and potential risks within the financial sector as a whole and setting out policy proposals to mitigate such risks.

The Strategic Plan aims to support macro-prudential oversight and regulation through the following initiatives:

**(a) Financial Stability and Risk Control Committee (FSRCC)**

The role and responsibilities of the FSRCC are set out in the new QCB Law and will be further developed as necessary. The FSRCC has been established with representation from the senior executives from each regulatory authority and a Secretariat will be constituted to support its work. The Secretariat will collate all relevant information, manage the agenda and highlight issues for discussion, while maintaining a record of all proceedings. The Secretariat will also communicate any recommendations of the FSRCC to the relevant regulatory authority for action and implementation.

**(b) Identifying and monitoring the sources of systemic risk**

Every country faces its own unique set of financial risks. Qatar aims to build a macro-prudential framework that identifies key risks relating to the cyclical trends and structural developments in its financial system, and recognises the challenges of Qatar's resource-based economy. Robust macro-prudential policy initiatives will complement the micro-prudential policy already in place.

As financial system risks typically have a cumulative and cascading impact, the regulatory authorities will develop a mutually agreed risk assessment framework that is clear, consistent and captures non-linearity in the risk profile of the financial system. This will include a timely and effective reporting structure, where information will be coordinated through the FSRCC. The FSRCC will use information from a wide range of sources when analysing systemic risk, including quantitative indicators as well as assessments of individual banks.

**(c) Developing macro-prudential policy instruments**

Open economies are vulnerable to financial shocks, which originate abroad. In such circumstances, macro-prudential policy needs to play a proactive role in order to mitigate the adverse impact of external shocks on the banking system, such as that undertaken by the QCB in recent years.

From an overall regulatory perspective, it will therefore be crucial to identify the main policy tools that may be used by the FSRCC to mitigate risks posed to financial institutions, market structures and consumer and investor behaviour. As the FSRCC includes the heads of the regulatory authorities, this will enable a coordinated approach to be developed to ensure that sources of potential risk to the financial system can be effectively and comprehensively addressed.

**(d) Undertaking research and analysis**

As financial instruments and financial institutions become increasingly complex and sophisticated, greater analysis of trends and research studies on market behavior is necessary for effective and informed investment decision-making.

The regulatory authorities will take steps to: (i) promote research that identifies important trends and emerging issues and risks associated with these trends, (ii) initiate periodic industry-wide compliance audits, self-assessments and surveys to assist the regulatory authorities and market participants in understanding industry-wide compliance issues, (iii) encourage publication of annual reports on key findings, identifying those areas that will be the focus of regulatory attention, and (iv) provide timely information regarding the background of licensed entities and individuals to support informed decision-making by investors.

**(e) Promoting the role of the Qatar Credit Bureau**

From a macro-prudential perspective, it is important to monitor credit for the financial system as a whole. This requires the Qatar Credit Bureau to use evaluation processes that provide credit data that is internationally comparable. This will also have the benefit of achieving greater transparency and more competition between banks. Additionally, the Qatar Credit Bureau will promote its role in regulating the sharing of credit information while protecting customer confidentiality.

*The new QCB law has accordingly created the Financial Stability and Risk Control Committee (FSRCC) with a key objective of studying emerging and potential risks within the financial sector.*

### STRATEGIC GOAL 3: STRENGTHENING MARKET INFRASTRUCTURE

Qatar's financial sector will benefit from broadening and enhancing the financial market infrastructure. An important area of focus will be the payments and settlements system. A robust financial sector requires reliable and efficient systems and processes for payments, central securities depositories, securities clearance, central counterparties, trade repositories and settlement finality.

Another area of focus will be the development of deep and liquid debt markets. A well-developed debt market is an important prerequisite for overall financial sector development. It will enable businesses in Qatar to diversify funding sources and move away from relying exclusively on hydrocarbon revenues. In addition, it allows investor access to a wider range of assets with different risk profiles and maturities.

#### (a) Enhancing payment system resilience

The QCB, the QFMA and the QFCRA will take steps to reinforce the resilience and efficiency of the payments and settlements system in line with international standards. One important benchmark for Qatar will be the new international standards for the financial market infrastructures (the 24 Principles) that the Committee of Payments and Settlements Systems (CPSS) and International Organization of Securities Commissions (IOSCO) published in 2012. The World Bank has also issued specific guidance regarding different aspects of payment systems such as international remittances and government payment systems.

#### Strengthening the payments and settlements system

The QCB, QFMA, QFCRA and other stakeholders will work together in a coordinated and mutually supportive way to develop a resilient and efficient payments and settlements system. The international standards for financial market infrastructures call for objective, risk-

based, and publicly disclosed criteria for participation, which permit fair and open access. Developing a sound market infrastructure framework that embodies a safe regulatory environment, good governance and effective supervision with clear goals and objectives will also help the QCB to strengthen financial stability, implement monetary policy, manage liquidity and minimise systemic risk in financial institutions and markets in the State.

#### Expanding participation in the payments and settlements system

QFC banks are not yet direct participants in the payments and settlements system. Closer integration of QFC banks in the payments and settlements system will underpin the development of Qatar's financial sector and minimise liquidity risk.

#### (b) Developing the debt market

The development of an active debt market in Qatar will have far-reaching benefits in deepening the financial infrastructure in Qatar. It will help to attract institutional investors to the State, and provide an important incentive for local investors to better manage their asset allocation process and therefore retain capital in the country. A well-developed debt market will also allow companies to diversify their sources of funding and reduce the cost of borrowing.

#### Government debt market

A deep and liquid government securities market facilitates monetary policy transmission, finances infrastructure projects and promotes financial market development. In the absence of any fiscal imperative for a government to mobilise resources, regular issuance of government debt is nonetheless necessary to support the development of the debt market. The lengthening of the maturity profile of debt issuance

will also encourage the emergence of a risk-free yield curve across the term structure. In turn, the risk-free benchmark rate helps in the pricing of other financial instruments.

Moreover, government debt instruments provide additional tools to the QCB for liquidity management while enabling banks to comply with the regulatory requirements under the Basel III Liquidity Coverage Ratio. Regular issuance of debt instruments can be facilitated by public release of an advance primary market auction calendar while announcement of auction results would enhance market transparency.

With a view to establishing an effective debt management strategy, an independent debt office, the Office for Management of Credit Policies and Debt, has been set up in Qatar. The debt office is vested with the functions of: (i) framing strategies for financing of debt at least cost; (ii) analysing cash flows for effective debt servicing; (iii) adhering to the standards of creditors, investors, and credit rating agencies; (iv) managing interest rate, currency, and liquidity risks; and (v) improving the overall debt structure and credit ratings of Qatar.

#### The corporate debt market

One of the primary goals of developing Qatar's financial markets is to encourage Qatari companies to raise funds from domestic sources and reduce their reliance on foreign funding. An important initiative in this context will be to establish general guidelines and policies to encourage corporate debt instruments issuance by Qatari companies.

Concurrently, the development of a commercial paper market and money market mutual funds will also be encouraged in order to help companies mobilise short-term resources. In this regard, regulatory initiatives have

been taken to facilitate their outcome, for example the QFMA has issued rules for the Offering & Listing of Sukuk and Bonds.

Qatar is in the process of establishing domestic credit rating agencies and is developing a regulatory framework of rules and regulations for their licensing and oversight.

#### Broadening investor participation

In order to have a vibrant debt market, it is essential to have a diversified investor base in terms of time horizons, risk preferences, and trading motives. In this regard, there is a need to widen the participant base in the secondary market by including long-term institutional investors.

Institutional investors generally encompass pension funds, insurance companies and collective investment schemes (mutual/investment funds). These investors are among the major holders of fixed income instruments, with pension funds and insurance companies (the life insurance segment) a particularly important source of demand for longer-term securities.

In order to facilitate the growth of the institutional investment sector, the following steps will be taken: (i) supporting a review of the asset management framework and strategy for the public pension fund; (ii) facilitating the growth of the life insurance sector; and (iii) ensuring that the marketing, operation, regulation and supervision of collective investment schemes reflect international best practices.

Moreover, foreign investors can also play an important role in developing and deepening domestic capital markets – for example, non-Qatari sovereign wealth funds could become important players in the secondary market for Qatari debt instruments.

**(c) Implementing a deposit protection regime**

Deposit insurance is one component of a financial system safety net that promotes financial stability. Deposit insurance has been implemented in many countries to protect (either fully or in part) bank depositors from losses that can be caused by a bank's inability to meet its obligations.

Going forward, steps will be taken to implement a depositor protection scheme in Qatar as required by the QCB Law. International experience suggests that best practice deposit insurance promotes transparency, enhances consumer and investor awareness and provides equal opportunities for all participants. At a later stage, consideration will be given to developing a risk-based premium mechanism.

Finally, an Islamic deposit insurance framework based on Shari'a principles (Takaful) may be required as a consequence of the increasing scale of operations of the Islamic banking sector.

**(d) Financing small and medium-sized enterprises (SMEs)**

The Qatar National Vision 2030 supports economic diversification by reducing the reliance on hydrocarbon resources and developing the non-hydrocarbon sector as the engine of future growth. Supporting entrepreneurial initiatives through small and medium enterprises (SMEs) is essential, as they are key drivers of growth in the non-hydrocarbon sector. For this purpose, an important prerequisite is to identify and agree upon a uniform definition of SMEs across financial institutions. This would help to reduce barriers for SMEs who wish to access credit from banks and mobilise resources from the venture capital market.

The regulatory authorities will also contribute to the development of the SME sector through support for the initiatives of the Qatar Development Bank and other government departments in promoting policies that provide access or incentives to funding for SMEs.

**STRATEGIC GOAL 4: PROTECTING CONSUMERS AND INVESTORS**

A primary objective of the regulatory authorities is to ensure that consumers and investors are suitably protected. Appropriate protection of consumers and investors is a vital element of a well-functioning market economy, and the regulatory authorities agree that every consumer and investor must be treated fairly, especially those who are most vulnerable.

The regulatory authorities will ensure that financial services firms put in place processes that help them to better understand the needs of their customers, as well as adequate systems to resolve disputes constructively and in a timely manner. Consumer and investor protection will be enhanced through the introduction of a deposit insurance mechanism. Consumers and investors will also be protected from unauthorised and unlicensed financial service providers through strict enforcement of the law. Confidentiality of customer information also needs to be maintained and the rules of information-sharing will be clearly spelt out.

**(a) Developing standards of conduct**

A market economy can only function efficiently if legal contracts are binding and enforceable. By ensuring this outcome, authorities can reinforce confidence in the market mechanism among potential customers. An important step in this regard is to prepare regulations for financial institutions relating to consumer and investor protection.

Consistent internal policies will be established in the QCB, the QFMA and the QFCRA for (i) addressing consumer and investor complaints and (ii) devising procedures for mediation of complaints. At the same time, consumer and investor awareness will be increased through education initiatives and publication of consumer and investor information on the website of the regulatory authorities. In addition,

consumer and investor complaints divisions in the three regulatory authorities will be reinforced and empowered to coordinate and harmonise the handling of consumer disputes and complaints. Complaints must be addressed in a timely and efficient manner without imposing unreasonable costs. Protection of consumers and investors, especially those who are most vulnerable, must be an important component of governance policies of financial service providers.

**(b) Addressing regulatory gaps in Qatar**

Unlicensed financial service providers pose a risk to investors and consumers. Addressing the regulatory gaps that allow unlicensed entities to operate is a key focus of the regulatory authorities. The regulatory perimeter for financial services and providers operating in Qatar will be clearly defined, and the regulatory authorities will specify those financial services that licensed institutions are permitted to conduct. Vigorous enforcement of the law will be undertaken in order to deter unauthorised and unlicensed financial service providers in Qatar.

**(c) Protecting credit information**

Maintaining the confidentiality of customer information is critical to underpinning confidence in the financial system. Existing rules will be strengthened by protecting customer information in line with the requirements of the new QCB Law and specifying the circumstances under which confidential information can be disclosed. Moreover, there is a need to develop regulations relating to (i) licensing criteria for credit information services; (ii) conduct of business, reporting requirements, confidentiality and data protection; (iii) exchange of credit information among financial institutions and with the three regulatory authorities.

**(d) Raising public awareness**

A sound understanding of financial products by consumers and investors is an important element of an efficient market economy. Raising the level of public awareness, education and public discourse on issues relating to finance and the economy in Qatar is a key priority. The regulatory authorities have agreed to develop programs that raise public interest and awareness on topics such as (i) financial products, investment discipline/culture and financial planning; (ii) business conduct, product and service innovation; (iii) prudential standards of financial institutions; and (iv) managing conflicts of interest and corporate governance issues. The regulatory authorities will also focus on increasing financial literacy through education outreach initiatives and publishing consumer and investor information on their websites.

Over time, programs such as this will assist consumers and investors to make informed investment decisions and conduct sound financial transactions.

*A primary objective of the regulatory authorities is to ensure that consumers and investors are suitably protected.*

## STRATEGIC GOAL 5: PROMOTING REGULATORY COOPERATION

There is a clear recognition of the importance of close and effective cooperation between regulatory authorities that operate within the same country. The regulatory authorities in Qatar recognise the importance of working together and are committed to strengthening the form and substance of their cooperation. Indeed, at the level of governance, the three regulators are aligned by the Governor's role as Chairman of each authority.

The Gulf Cooperation Council (GCC), which was founded in 1981, provides the framework within which its members can work more closely together with a view to the objective of financial and economic cooperation. Enhanced cooperation between GCC countries on issues related to financial sector regulation can lead to greater competitiveness and to making the region more attractive to foreign investors.

Greater involvement with international bodies – for example the QFMA succeeding at securing IOSCO membership - will further support the development of a sound regulatory framework in Qatar.

### (a) Building greater cooperation

In August 2012 the QCB, QFMA, and QFCRA signed a tri-partite Memorandum of Understanding (MOU) that supports enhanced cooperation and information exchange. The inauguration of the FSRCC framework noted earlier will further strengthen cooperation in strategy development.

Furthermore, the establishment of a Supervisory College comprising the senior executives of the QCB, QFMA and QFCRA will efficiently enhance cooperation and harmonisation. The College of Supervisors meets on a regular basis to address areas of common regulatory concern and to date has been focused on

sharing information in respect of: (i) their respective approaches to supervision, (ii) aggregate data on financial services activities under their respective jurisdictions, and (iii) financial firms that operate across the three regulatory jurisdictions.

### (b) Aligning with international standards and harmonising regulations

The regulatory authorities have identified a number of areas where the regulations and rules of each organisation can be harmonised with each other in addition to being aligned with international standards. These initiatives will create an environment that avoids duplication of regulatory oversight and eliminates regulatory arbitrage.

One example of developing a harmonised regulatory framework in Qatar is in the area of insurance regulation, where the QCB and QFCRA will ensure that their regulations are consistent with each other and with international best practice.

Another example of the regulatory authorities working closely together is in the National Anti-Money Laundering and Terrorism Financing Committee which was established according to the State AML/CFT Law No. (4) of 2010 on Anti-Money Laundering and Combating the Financing of Terrorism. This committee has undertaken significant work in keeping Qatar aligned with international best practice. The Committee will continue to focus on the overall resilience of, and on identifying appropriate enhancements to, the anti-money laundering and countering the financing of terrorism regime in the State (AML/CFT).

The QFCRA and the QFMA will also continue to collaborate on various issues related to capital markets such as enhancing their respective regulatory framework to permit greater participation of QFC firms in the capital markets.

### (c) Comprehensive approach to enforcement

An effective regulatory regime takes appropriate enforcement action when there are breaches of rules or regulations. The regulatory authorities are committed to maintaining the highest standards of behaviour for individuals and companies working in the financial sector in Qatar, and will move quickly and appropriately to address any conduct that may cause damage to the sector and the reputation of Qatar.

The framework of policies and procedures that support and reinforce the culture of compliance is equally important to maintaining high standards of business conduct. Enforcement policies must be fair and transparent. This is best achieved when the regulatory authorities act with determination and decisiveness and are proportionate in addressing areas of non-compliance. Keeping the public informed of enforcement actions can serve to deter future transgressions and to provide public confidence in the financial sector.

A final but important consideration for the authorities will be to not only enhance efforts to work closely with one another, but also to work more closely with international regulators and other national regulators to ensure the effective exchanges of information and adherence to the highest international standards.

### (d) Strengthening cooperation within the GCC

In the pursuit of cooperation within the GCC, several committees have been established to develop dialogue and cooperation in the areas of banking and capital market developments. The three regulatory authorities in Qatar will actively coordinate and promote Qatar's involvement in the regulatory activities of the GCC and provide support to the GCC Secretariat in harmonising banking and capital markets supervision in the region.

### (e) Increased involvement with the Basel Committee, IAIS and IOSCO

Qatar aspires to play an active leadership role in the support of international initiatives that develop international best practice and harmonise national standards. It has actively sought to support the work of the three international financial standard-setters – the Basel Committee, IAIS and IOSCO. Each of these organisations undertakes an active program of outreach and Qatar has undertaken corresponding initiatives to host regional outreach meetings and attend meetings in the region.

Underpinning a broad network of strong bilateral relations with regulators in the GCC, strengthened contacts will be developed outside of the region on topics of mutual interest. International bodies have recently provided greater guidance on the role of home and host supervisors of cross-border banking groups. This initiative encourages the formation of cross-border supervisory colleges that share information and cooperate in order to effectively supervise financial institutions that operate as a group.

## STRATEGIC GOAL 6: BUILDING HUMAN CAPITAL

The ability of any organisation to achieve its objectives and implement change rests on the skills, experience and dedication of its employees. The financial services industry will play a key role in the Qatar National Vision 2030 by helping to diversify the economy, support economic development, and strengthen financial stability. These critical contributions are dependent upon highly skilled employees working both within the financial services regulators and in the broader industry.

Appropriate focus and resources will be allocated for training and development in the regulatory authorities, and a particular focus will be given to educating, training, developing and supporting Qatari nationals.

The Strategic Plan aims to support the building of human capital through the following initiatives:

### (a) Developing policies to attract, retain and develop people

To support the implementation of regulatory best practice and to drive regulatory reform, it is critical that the QCB, QFCRA, and QFMA continue to attract, develop and retain the best talent.

The Strategic Plan focuses on implementing a shared competency framework for human resources; including a common approach to recruitment, development, and career planning. Using this common framework, development resources can be more efficiently used to harmonise training and develop common regulatory competencies across the regulatory authorities, and facilitate secondments and mobility between regulators as a further development tool.

A well-articulated career plan also helps develop a talent pipeline of engaged employees and provides clarity about possible regulatory careers. Engaging talent at an early age and providing visibility of careers in regulation contributes to developing a sustainable employment model offering rewarding careers, particularly for Qatari nationals.

The Human Resources strategy also focuses on embedding international best practice in employment practices at the regulators. These practices provide a highly professional and efficient operating model as a source of competitive advantage. Additionally, benchmarking remuneration in the financial services industry provides for an informed and strategic compensation strategy to ensure that appropriate talent can be attracted and retained.

### (b) Developing and nurturing talent

The regulatory authorities are committed to enhancing professionalism in the financial services industry and providing tools and assistance for the development of financial services skills in Qatar. Standards of professionalism and technical skill can be clearly communicated by the regulatory authorities through training and competency regimes which incentivise achievement and clearly confirm standards. These guidelines, based upon international best practice, provide firms and their employees with a framework to elevate the level of talent in the industry, help them succeed and better meet their customers' needs. In considering this type of framework, it is also important

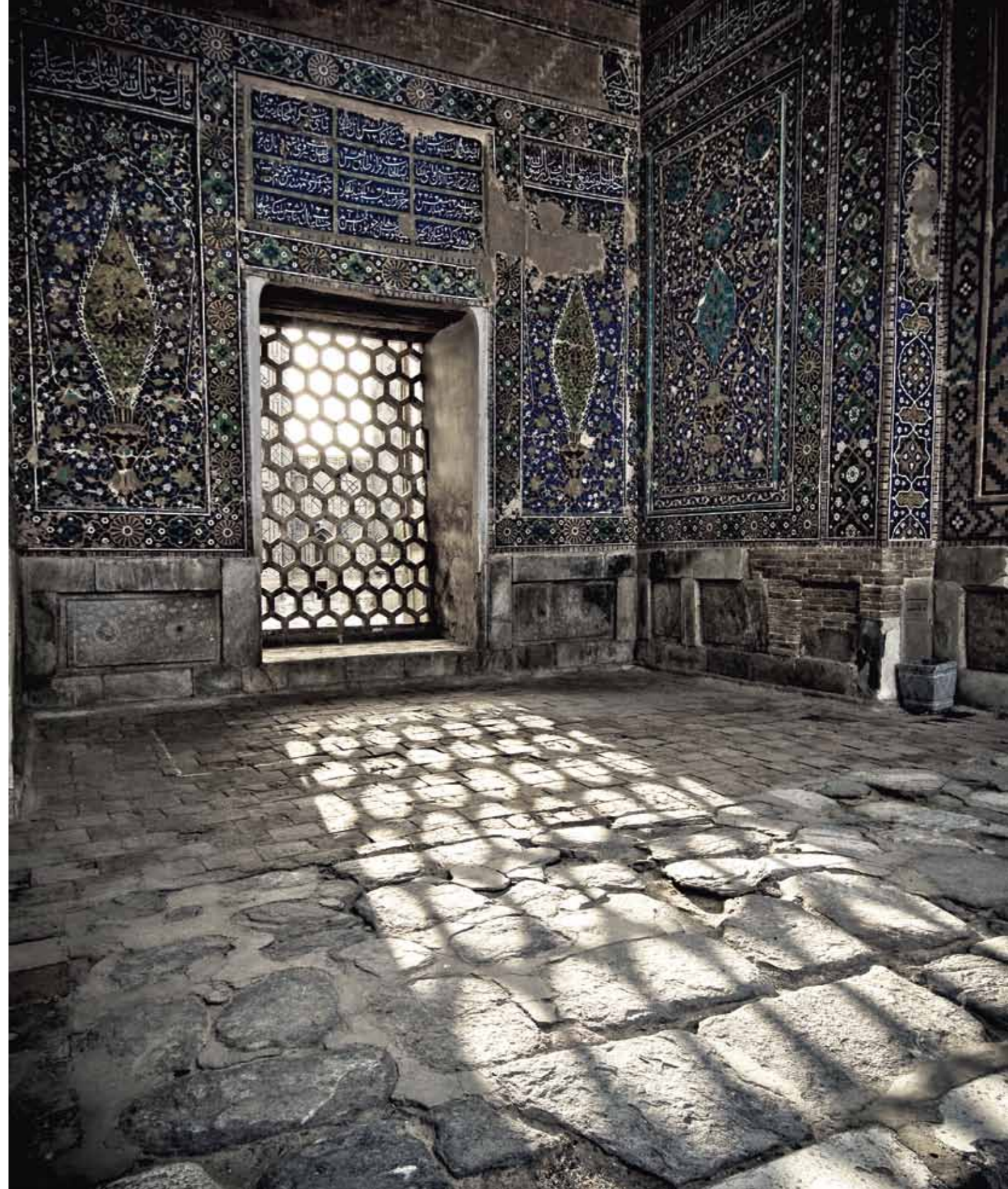
to ensure that suitable training and development resources are available in the State. Adopting a long-term perspective, the Strategic Plan seeks to identify ways to meet the future financial services training needs of the State through a Financial Services Training Centre.

### (c) Strengthening policies to increase Qatarisation

The sustainability of the regulators and their ability to add long lasting value to the State is founded in providing value-added learning and employment opportunities for Qatari nationals. The Human Resources strategy also focuses on high quality nationalisation through escalation of the nationalisation agenda and open dialogue with key stakeholders, in order to address common objectives and opportunities. A collaborative approach enables the regulators to share development resources and opportunities through secondment, job rotation, and sponsored study.

*The financial services industry will play a key role in the Qatar National Vision 2030 by helping to diversify the economy, support economic development, and strengthen financial stability.*

APPENDIX: CORE OBJECTIVES  
AND ACTION POINTS



STRATEGIC GOAL 1: ENHANCING REGULATION

CORE OBJECTIVES	ACTION POINTS
a) Strengthen the risk-based supervisory framework for banks	<ul style="list-style-type: none"> <li>Align the regulatory framework for banks with the Basel Core Principles and Basel III standards</li> <li>Build an effective framework for assessing and regulating systemically important domestic banks</li> <li>Ensure oversight and regulation takes account of risks arising from shadow banking</li> <li>Enhance risk-based regulation by designing risk scores and link supervisory action to these scores</li> <li>Ensure that prudential reporting standards are aligned with Basel requirements and IFRS</li> </ul>
b) Develop the regulatory framework for insurance companies operating under the QCB	<ul style="list-style-type: none"> <li>Create an effective mechanism for the transition of licensing of insurance firms to the QCB</li> <li>Establish QCB insurance regulations that are in line with international standards</li> <li>Develop an effective and harmonised authorisation and supervision framework for insurance firms</li> </ul>
c) Enhance the risk-based approach to the regulation of capital markets	<ul style="list-style-type: none"> <li>Strengthen the processes used to identify and address risks of non-compliance by market participants</li> <li>Refocus existing rules and policies to a risk-based approach</li> <li>Address compliance issues on an industry-wide basis</li> <li>Promote the diversification of financial products and services in Qatar</li> </ul>
d) Strengthen the regulatory framework for Islamic finance	<ul style="list-style-type: none"> <li>Enhance the licensing criteria for Islamic financial institutions in line with Shari'a standards</li> <li>Strengthen corporate governance standards, the role of the Shari'a Board, and conduct of business requirements for Islamic financial institutions</li> <li>Enhance prudential standards and reporting on capital adequacy, solvency and liquidity</li> <li>Develop the framework for liquidation of Islamic institutions</li> </ul>
e) Unify corporate governance standards for banks and financial institutions	<ul style="list-style-type: none"> <li>Harmonise and update governance guidelines of the QCB, QFCRA &amp; QFMA.                             <ul style="list-style-type: none"> <li>Expand the coverage of corporate governance standards to all financial institutions</li> <li>Adopt a detailed corporate governance framework by building on the approach used by the QCB</li> </ul> </li> </ul>
f) Reinforce disclosure practices in financial institutions and issuers	<ul style="list-style-type: none"> <li>Enhance enforcement of rules regarding product disclosure and risks</li> <li>Establish increased standards governing disclosure practices, particularly with regards to valuations and risks</li> <li>Review the practices for disclosing information on companies obtained by the external auditors</li> </ul>

STRATEGIC GOAL 2: EXPANDING MACRO-PRUDENTIAL OVERSIGHT

CORE OBJECTIVES	ACTION POINTS
a) Provide strong focus to the work of the new Financial Stability and Risk Control Committee	<ul style="list-style-type: none"> <li>Develop an organisational framework in the regulatory authorities to support the work of the Financial Stability and Risk Control Committee (FSRCC)</li> <li>Establish the terms of reference, role and responsibilities of the FSRCC as set out in the new QCB Law</li> </ul>
b) Strengthen the framework for identifying and monitoring the sources of systemic risks	<ul style="list-style-type: none"> <li>Build a Qatar-specific macro-prudential framework that identifies the key risks relating to cyclical trends and structural developments</li> <li>Develop an agreed framework for assessing systemic risks that is clear, consistent and captures non-linearity</li> <li>Design a timely and effective reporting structure to the FSRCC</li> </ul>
c) Build consensus on the macroprudential policy instruments that can mitigate systemic risks	<ul style="list-style-type: none"> <li>Identify the main policy tools that may be used by the FSRCC to mitigate risks in financial institutions, market structures and consumer and investor behavior</li> <li>Develop processes that facilitate the rapid use of existing instruments or new instruments, as required, in addressing systemic risks</li> </ul>
d) Conduct studies, collect information and statistics on financial markets and publish relevant reports	<ul style="list-style-type: none"> <li>Undertake research to identify important trends, emerging issues and associated risks</li> <li>Initiate periodic industry-wide compliance audits, self-assessments and surveys to assist regulatory authorities and market participants to understand industry-wide compliance issues</li> <li>Commence the production of annual reports on key findings, identifying those areas that will be the focus of regulatory attention</li> <li>Provide public and timely information regarding the background of licensed entities and individuals to support informed decision-making by investors.</li> </ul>
e) Promoting the role of the Qatar Credit Bureau	<ul style="list-style-type: none"> <li>Enhance credit evaluation process of the Qatar Credit Bureau</li> <li>Review existing operations and procedures of the Qatar Credit Bureau in alignment with the new QCB Law</li> </ul>

STRATEGIC GOAL 3: STRENGTHENING MARKET INFRASTRUCTURE

CORE OBJECTIVES	ACTION POINTS
a) Strengthen resiliency, safety and efficiency in the payments, clearing and settlements system in alignment with the CPSS and IOSCO Principles for Financial Market Infrastructure	<ul style="list-style-type: none"> <li>Conduct a self-assessment of the current national payments system against international standards and best practices for large value payments systems</li> <li>Develop a strategy to strengthen efficiency and innovation in the retail payment system</li> <li>Assess Qatar's compliance with World Bank and CPSS principles for the handling of international remittances</li> <li>Undertake an assessment of the clearing, settlements and trade repository functions currently in place in Qatar against the standards set by the Basel Committee on Payment and Settlement Systems and the aspirations of Qatar in developing a world class financial infrastructure.</li> <li>The QCB, the QFMA and the Qatar Exchange will work together to implement a strengthened centralized securities depository</li> </ul>
b) Develop guidelines governing participation by QFC banks in the payments, clearing and settlement systems and custody	<ul style="list-style-type: none"> <li>Design prudent operating requirements for QFC entrants</li> <li>Expand the existing tripartite MOU to include oversight of all aspects of the payments and settlements system</li> <li>The QCB and QFCRA shall take the following steps:                             <ul style="list-style-type: none"> <li>Assess the current state of QFC banks' operational readiness and identify gaps</li> <li>Outline access standards and operating requirements for QFC entrants</li> <li>Draft a Clearing Account and Payments Systems Access Agreement for QFC Banks</li> </ul> </li> <li>The QFCRA and QFMA will coordinate in the same manner to accomplish the above mentioned Core Objective.</li> </ul>
c) Develop the government debt market	<ul style="list-style-type: none"> <li>Support the Ministry of Finance in establishing a debt management strategy</li> <li>Develop greater transparency by establishing an issuance calendar at the beginning of each year</li> <li>Provide transparency on auction outcomes and participation</li> <li>Build out the government yield curve through the regular issuance of longer dated government bonds</li> </ul>
d) Develop the corporate debt market	<ul style="list-style-type: none"> <li>Establish policies to facilitate corporate debt instruments issuance by Qatari companies</li> <li>Develop policies that encourage the development of a commercial paper market and money market funds</li> <li>Promote the growth of domestic credit rating agencies by developing a regulatory framework for their licensing and oversight</li> </ul>

CORE OBJECTIVES	ACTION POINTS
e) Design policies that broaden investor participation in the primary and secondary markets	<ul style="list-style-type: none"> <li>Establish mechanisms for fair and transparent price discovery</li> <li>Streamline the registration process and broaden the range of primary offering methods</li> <li>Widen the participant base in the secondary market by including long-term institutional investors (insurance companies, pension and mutual funds)</li> </ul>
f) Design and implement a deposit protection regime in Qatar	<ul style="list-style-type: none"> <li>Develop regulations, supervisory approach and rulebook for the deposit protection regime established by the new QCB Law that is aligned with international best practice</li> <li>Envisage the development of a risk-based mechanism for setting premiums for use at a later stage</li> <li>Promote transparency, consumer awareness and equal opportunities for participants in the deposit insurance scheme</li> <li>Develop Islamic deposit insurance (Takaful) framework according to Shari'a principles</li> </ul>
g) Develop policies that promote the financing of small and medium-sized business	<ul style="list-style-type: none"> <li>Agree on a uniform definition of SMEs across financial institutions</li> <li>Reduce barriers to bank lending and access to the venture capital market for SMEs</li> <li>Support the Qatar Development Bank in developing an action plan for promoting the growth of the SME sector</li> </ul>



STRATEGIC GOAL 4: PROTECTING CONSUMERS AND INVESTORS

CORE OBJECTIVES	ACTION POINTS
a) Develop requirements and standards in relation to consumer protection and dispute resolution mechanisms	<ul style="list-style-type: none"> <li>Prepare regulations for financial institutions relating to consumer protection</li> <li>Establish consistent internal policies in the QCB, QFMA and QFCRA for customer complaints and escalation procedures for mediation of complaints</li> <li>Establish consumer education initiatives and publication of consumer information</li> <li>Build a harmonised consumer dispute resolution mechanism for the financial sector in Qatar</li> </ul>
b) Address the regulatory gaps that allow unlicensed providers of financial services to operate in Qatar	<ul style="list-style-type: none"> <li>Establish the regulatory perimeter for financial services in Qatar outlining those financial services which can only be provided by financial institutions licensed in Qatar</li> <li>Undertake more vigorous enforcement against unauthorised financial services providers in Qatar</li> </ul>
c) Ensure the effectiveness of bank secrecy law and the protection of credit information	<ul style="list-style-type: none"> <li>Strengthen the rules protecting client information and specify the circumstances when such information held by financial institutions can be disclosed</li> <li>Develop appropriate systems and controls to protect client information</li> <li>Develop regulations relating to:                             <ul style="list-style-type: none"> <li>Licensing criteria for credit information services</li> <li>Conduct of business, reporting requirements and duties of confidentiality and data protection</li> <li>Exchange of credit information between financial institutions and between the QCB and financial institutions</li> </ul> </li> </ul>
d) Take steps to raise public awareness and interest in securities markets	<ul style="list-style-type: none"> <li>Develop programs that raise public interest, education and awareness in securities markets on topics such as:                             <ul style="list-style-type: none"> <li>The Qatari and global financial system and their interconnectedness</li> <li>Capital requirements and prudential standards of investment dealers</li> <li>Financial products, investment discipline/culture and financial planning</li> <li>Business conduct, product and service innovation, risk management and compliance culture</li> </ul> </li> <li>Managing conflicts of interest and corporate governance issues.</li> </ul>

STRATEGIC GOAL 5: PROMOTING REGULATORY COOPERATION

CORE OBJECTIVES	ACTION POINTS
a) Build greater cooperation and information exchange between the three regulatory authorities	<ul style="list-style-type: none"> <li>Strengthen cooperation between the QCB, the QFMA and the QFCRA in addressing areas of overlap and gaps in the regulatory framework</li> <li>Enhance and expand regulatory cooperation through the activities of the College of Supervisors</li> <li>Establish mechanisms for regular discussion and information sharing among the three regulatory authorities in areas of mutual interest</li> <li>Develop minimum standards for information</li> </ul>
b) Align the regulations of the three regulatory authorities in line with international standards	<ul style="list-style-type: none"> <li>Develop a set of uniform indicators that financial institutions report to their respective regulator</li> <li>Harmonise regulations in each of the regulatory authorities benchmarked to international best practice</li> <li>Ensure that the regulations with regard to AML/CFT comply with the requirements of the new QCB Law and continue to meet FATF standards</li> </ul>
c) Build a consistent and comprehensive approach to enforcement among the three regulatory authorities	<ul style="list-style-type: none"> <li>Develop a consistent and transparent enforcement policy among the three regulatory authorities</li> <li>Establish a taskforce among the regulatory authorities to exchange information and cooperate on enforcement issues</li> </ul>
d) Strengthen cooperation within the Gulf Cooperation Council countries (GCC) on topics related to banking, insurance and capital markets	<ul style="list-style-type: none"> <li>The QCB, the QFMA and the QFCRA will coordinate and promote Qatar's involvement in the regulatory activities of the GCC</li> <li>Support efforts by the GCC Secretariat to harmonise banking and capital market supervision and control instructions in the region</li> </ul>
e) Increase the involvement of Qatar's regulatory authorities in the work of the Basel Committee, the IAIS and IOSCO	<ul style="list-style-type: none"> <li>The QCB, the QFMA and the QFCRA will cooperate to identify the key areas of involvement with the BIS, the IAIS and IOSCO, as well as the activities of the Financial Stability Board</li> <li>The regulatory authorities will ensure that a coordinated response is provided to various international bodies</li> <li>The regulatory authorities will coordinate their support of the Islamic Financial Stability Board, AAOIFI and other Islamic financial organisations</li> </ul>

# APPENDIX: CORE OBJECTIVES AND ACTION POINTS

## STRATEGIC GOAL 6: BUILDING HUMAN CAPITAL

CORE OBJECTIVES	ACTION POINTS
a) Develop policies within the regulatory authorities to attract, retain and develop human resources	<ul style="list-style-type: none"><li>• Establish a competency framework for the jobs in each of the three regulatory authorities</li><li>• Link critical HR processes to the competency framework (recruitment, performance management, and rewards)</li><li>• Create, document, and communicate career paths</li><li>• Harmonise training and development programs, sharing and collaborating on annual training plans</li><li>• Create a shared training programme to start building a common set of core skills</li><li>• Benchmark compensation at the regulatory authorities to the market to ensure competitive (separate) compensation systems</li></ul>
b) Develop and nurture talent in financial markets	<ul style="list-style-type: none"><li>• Create a training and competency regime outlining the minimum skills and knowledge requirements for employees in specific roles</li><li>• Establish policy guidelines and incentives for firms to invest in staff training and development (targets, requirements, minimum standards)</li><li>• Support the development of a centralised training institute to meet the future training needs of the regulators and firms</li></ul>
c) Strengthen policies to increase Qatarisation in the financial sector	<ul style="list-style-type: none"><li>• Create an industry group (composed of regulators and supervised firms) to identify training needs, coordinate the training activities of the firms, and promote Qatarisation</li><li>• Create a secondment programme across the regulators to develop Qatari nationals and identify job opportunities</li><li>• Provide input to the Ministry of Labour about how Qatarisation in the financial services sector can be improved and enhanced</li><li>• Develop a focused financial services talent development programme for Qatari nationals, i.e. a post-graduate programme offered through the training institute</li></ul>

*The most important asset of any organisation is its people. Qatar strives to become a knowledge-based economy – the development of human capital is one of the four pillars of the Qatar National Vision 2030.*