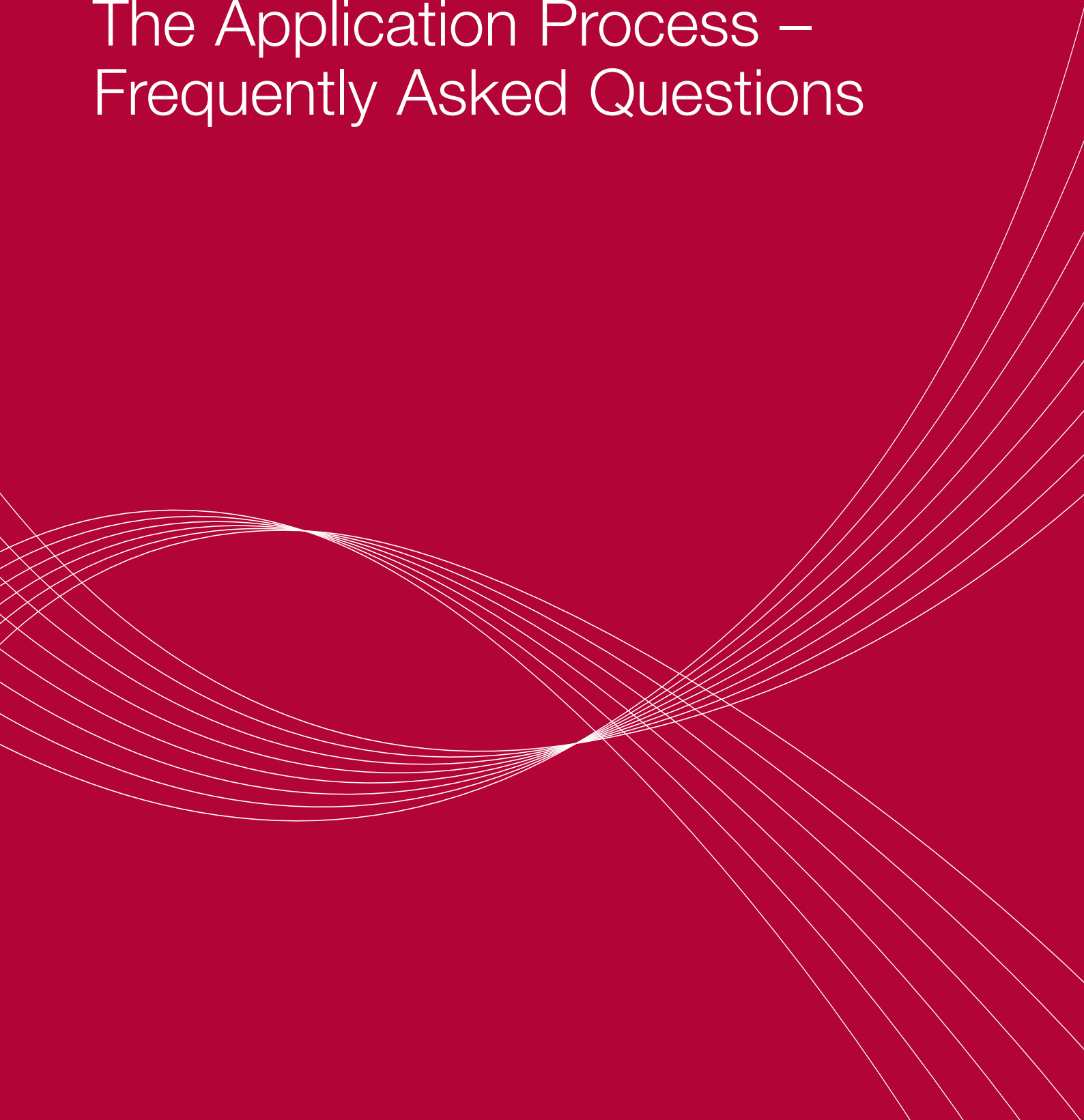




qatar

FINANCIAL CENTRE
REGULATORY AUTHORITY

The Application Process – Frequently Asked Questions



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The Application Process – Frequently Asked Questions

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 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 should be read in conjunction with the Guide to the Application Process, 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 to read the full text of the QFC Law, Regulations and Rules that apply in the Qatar Financial Centre (“QFC”).

Terms that appear in italics throughout this document are defined in the Interpretation and Application Rulebook which is available through the Regulatory Authority website at www.qfcra.com.

Chapter 1

Non-Regulated Firms

What are the Non-Regulated Activities?

These are described in the *QFC Law* and set out again in the *Financial Services Regulations* as:

- the business of ship broking and shipping agents;
- the business of provision of classification services and investment grading and other grading services;
- 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;
- the business of providing professional services including but not limited to audit, accounting, tax, consulting and legal services;
- business activities of holding companies, and the provision, formation, operation and administration of trusts and similar arrangements of all kinds; and
- the business of provision, formation, operation and administration of companies.

Who Can Apply for a Licence and How?

Any *Body Corporate* or *Partnership* can apply for a *Licence* from the *QFC Authority* to carry on non-regulated activities in or from the QFC.

What Application Form Should I Complete for a Licence?

Applicants seeking a *Licence* from the *QFC Authority* to carry on non-regulated activities must complete and submit to the Regulatory Authority Form Q01, "Application for Authorisation to Conduct Non-Regulated Activities".

Where Can I Get Copies of the Application Forms?

Application forms are available from the *QFC Authority* Business Development Department, or from the Regulatory Authority Authorisation Division. Application forms are also available on the Regulatory Authority website www.qfcra.com.

How Long Does it Take to Process an Application?

The Regulatory Authority aims to process applications within three months of receiving all relevant information; however, a straightforward application to conduct non-regulated activities may take much less time.

The actual time it takes to process an application will depend largely on the nature, scale and complexity of the business, of the *Applicants*, as well as the timely submission of information by *Applicants* and any responses to requests for further information or clarification. The application process is interactive, and may involve correspondence, meetings, reports from third parties, and on-site reviews or inspections.

Can an Authorised Firm also Carry on Non-Regulated Activities?

Yes, generally an *Authorised Firm* can also be *Licensed* to carry on non-regulated activities.

What Ongoing Requirements Apply to Firms Licensed to Carry on Non-Regulated Activities?

The ongoing requirements are less prescriptive than for *Authorised Firms* and are largely contained in the *QFC Authority Regulations* and *Rules*.

In addition, all firms operating in the QFC may be subject to other *Regulations* such as the *Data Protection Regulations*, *Companies Regulations*, *Limited Liability Partnership Regulations*, *AML Regulations* and *Employment Regulations*. Copies of all applicable *QFC Regulations* are available on the Regulatory Authority website www.qfcra.com.

How Much Does it Cost to Apply and be Licensed?

There is an application fee of \$5,000 and an ongoing annual fee of \$5,000 (pro-rated in the initial year of being granted a *Licence*). All fees are stated in US dollars.

Are There Specific Capital Requirements?

There are no specific Capital Requirements although a firm must be able to meet its liabilities as they fall due.

Where is the QFC Located?

The QFC is a financial and business centre located in Doha, the location of which is set by the Council of Ministers.

The QFC has no physical boundaries. It is an onshore jurisdiction established in the State of Qatar, which operates alongside of, but separate from, the civil and commercial laws of the *State*.

To be located in the QFC, and therefore subject to the *QFC's Regulations* and *Rules*, a person must be *Licensed* by the *QFC Authority* and carrying on *Permitted Activities* from a QFC designated location.

Can I Operate from the QFC Without Establishing a New Entity?

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 a 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 *QFC Authority*. 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.

Will the QFC Only Accept Applications from “Foreign Entities” (Incorporated Outside The Jurisdiction of the State of Qatar)?

There is no prohibition on an *Entity* incorporated in the State of Qatar applying for a *Licence* or *Authorisation* within the QFC.

Does a Licence Enable a Firm to Carry on Non-Regulated Activities Outside The QFC?

The *Licence* permits a firm to carry on activities in or from the QFC.

If a *Licensed* firm wishes to establish an additional office outside of the QFC, it must comply with the relevant legislation in the area where it proposes to establish, and comply with any restrictions or requirements that other jurisdictions may impose.

For more information on this subject *Applicants* should read the Policy Statement No.1 ‘QFC Firm’s Doing Business in the State’, which is available on the Regulatory Authority website www.qfcra.com.

What Laws Apply in the QFC?

In accordance with the QFC Law, the criminal laws and sanctions of the State of Qatar shall apply in the QFC. However, the conduct of any business in the QFC in accordance with an *Authorisation* or a *Licence* issued under the QFC Law and in compliance with the QFC *Regulations* shall not constitute an offence or be a breach of any criminal or other law applicable in the *State*.

Further, the civil (as opposed to criminal) laws, rules and regulations of the *State* shall apply in the QFC save to the extent that the QFC *Regulations* exclude or conflict with or are inconsistent with them.

For more information on this subject *Applicants* should read the Policy Statement No.1 ‘QFC Firm’s Doing Business in the State’, which is available on the Regulatory Authority website www.qfcra.com.

What QFC Regulations Have Been Enacted?

Details of all applicable QFC *Regulations* are available on our website www.qfcra.com.

As a QFC Licensed Entity Will I Require any Other Licence, Permit or Registration to Carry on Business In or From the QFC?

Generally, to the extent that a QFC *Licensed* firm carries on business in or from the QFC, the approval, *Authorisation*, *Licensing*, supervision or *Regulation* of that business will fall outside the jurisdiction of the other institutions of the State of Qatar, including but not limited to:

- The Ministry of Economy and Commerce;
- The Qatar Central Bank;
- The Qatar Commercial Registry;
- The Qatar Chamber of Commerce and Industry; and
- The Municipality of Doha.

Applicants should refer to Article 11 of the QFC Law for more information on this subject, which is available on the Regulatory Authority website www.qfcra.com.

Are Details of Licensed Firms Made Public?

Yes, details of all *Licensed Firms* are made public on the QFC Authority website www.qfc.com.qa.

Chapter 2

Authorised Firms

Who Can Apply to Become an Authorised Firm?

In order to apply for *Authorisation* a firm must be a *Body Corporate* or *Partnership*, which intends to carry on *Regulated Activities* in or from the QFC.

Applicants can be formed:

- inside the QFC by incorporating either under the *Companies Regulations* or the *Limited Liability Partnership Regulations*; or
- outside the QFC, but using a branch office in the QFC that is registered with the QFC Companies Registration Office.

Should my Firm Talk to the QFC Authority or Regulatory Authority Before Submitting an Application Form?

Applicants should discuss their proposal with the *QFC Authority* Business Development Department, in the first instance.

The Regulatory Authority Authorisation Division should be approached to discuss regulatory matters, once the *QFC Authority* has confirmed to the *Applicant* that its proposed business model accords with the *QFC Authority's* strategic objectives and has provided advice and assistance on general issues such as accommodation and visa processing requirements.

Contact the *QFC Authority* on +974-4945-508 or the Regulatory Authority on +974-495-6888.

Which Application Form Should I Complete for Authorisation?

Applicants seeking *Authorisation* by the Regulatory Authority to carry on *Regulated Activities* must complete and submit to the Regulatory Authority Application form Q02, "Application for Authorisation to Conduct Regulated Activities".

Where Can I Get Copies of the Application Form Q02?

The Application form Q02 is available from the *QFC Authority* Business Development Department, or from the Regulatory Authority Authorisation Division. The Application forms are also available to download on the Regulatory Authority website at www.qfcra.com.

How Long Does it Take to Process an Application?

The Regulatory Authority aims to process applications within three months of receiving all relevant information.

However, this depends largely on the nature, scale and complexity of the business, of the *Applicants*, as well as the timely submission of information by *Applicants* and any responses to requests for further information or clarification. The application process is interactive, and may involve correspondence, meetings, reports from third parties, and on-site reviews or inspections.

How Much are the Application Fees?

The application fee will vary according to the *Regulated Activities* to be carried on, and the number of employees who will hold *Approved Individual* status.

The application fee will range from \$10,000 to \$40,000 depending on the *Regulated Activities* a firm intends to conduct. The application fee for each *Approved Individual* is \$500. All fees are stated in US dollars.

Details of the application fees are set out in the General Rulebook, which is available on the Regulatory Authority website www.qfcra.com. The *QFC Authority* or Regulatory Authority can also provide information about fees in the QFC.

What are the Fees if an Applicant Wants to Carry out More than One Activity in the QFC?

Under current Regulatory Authority policy, if an applicant wishes to engage in one or more of the enumerated *Regulatory Activities*, the fee which would apply is the highest of the applicable fees stated in the Fees Table in Appendix 4 of the General Rulebook.

It should be noted that the fees are not cumulative and the *Applicant* must pay the highest of the corresponding fees relative to the *Applicant's* proposed *Regulated Activities*.

How Much are the Annual Fees?

For the first year, the initial annual fee will be pro-rated to the end of the year. Subsequent year annual fees will be based on the activities outlined in an *Authorised Firm's* Scope of Authorisation and the number of *Approved Individuals* within a firm registered as at the 30 September of the previous year.

These fees are described in more detail in the General Rulebook, which is available on the Regulatory Authority website at www.qfcra.com.

Can I Withdraw an Application Form?

An *Applicant* can withdraw an application at any time before the application is granted or refused, by writing to the Regulatory Authority Authorisation Division.

The written notification should be signed by someone with the appropriate authority. The application fee is not refundable so the *Applicant* should be sure that it wants to apply before doing so.

Any applications for *Approved Individual* status may similarly be withdrawn.

Does an Authorised Firm's Authority allow it to Operate Outside of the QFC?

The *Authorisation* authorises a firm to carry on activities in or from the QFC.

If an *Authorised Firm* wishes to establish an additional office outside the QFC, it must comply with the relevant legislation in the area where it proposes to establish, and comply with any restrictions or requirements that other jurisdictions may impose.

For more information of this subject *Applicants* should read the Policy Statement No.1 'QFC Firms Doing Business in the State', which is available on the Regulatory Authority website www.qfcra.com.

What Does Carrying on Activities "In or From" the QFC Mean?

Carrying on activities in or from the QFC refers to activities carried out in the QFC between two *QFC Licensed* entities or between a *QFC Licensed* entity and another party located outside of the QFC, either in the State of Qatar or outside of the *State*.

Can an Authorised Firm Operate from Within the QFC but Have Clients Outside?

Yes, an *Authorised Firm's Clients* may be based locally, regionally and internationally.

Are any Regulated Activities Prohibited?

At the present time, there are no legislative prohibitions placed on the type of *Regulated Activities* a person may conduct in or from the QFC. This means that a firm may be *Authorised* to conduct onshore and offshore activities subject to the firm obtaining relevant approvals both within the QFC and, if applicable, in the offshore jurisdiction.

Are There any Restrictions on Deposit Taking in Qatari Riyals by an Authorised Firm?

Activities permitted to be carried on in or from the QFC are detailed in schedule 3 of the QFC Law. In terms of *Regulated Activities* the scope of these activities are wide and include most (if not all) services typically associated with the carrying on of commercial, private and investment banking.

There are no banking specific prohibitions such as any restriction on deposit taking or dealing in any specific currencies (including the Qatari Riyal). However, whilst the drafting of the QFC Law is broad relative to the scope of *Permitted Activities*, as a matter of policy made by the QFC Authority, *Banking Business (Deposit Taking and Providing Credit Facilities)* with or for *Retail Customers* resident in Qatar is currently prohibited.

Chapter 2

Authorised Firms

contd.

Are There Restrictions on the Type Of Client an Authorised Firm May Have?

At the present time, there are no legislative restrictions placed on the type of Client an *Authorised Firm* may provide its services to, however, certain activities may be outside the *QFC Authority's* strategic focus.

Applicants should discuss their proposal with the *QFC Authority* Business Development Department, in the first instance.

What are the Rules for Authorised Firms and Where Can I Find Them?

The rules for *Authorised Firm* are grouped into a number of Regulatory Authority *Rulebooks* according to their subject matter, e.g. Prudential, Conduct of Business, Anti Money Laundering, etc. The following *Rulebooks* have been published to date:

- General Rulebook (GENE)
- Principles Rulebook (PRIN)
- Controls Rulebook (CTRL)
- Individuals Rulebook (INDI)
- Anti Money Laundering Rulebook (AMLR)
- Conduct of Business Rulebook (COND)
- Assets Rulebook (ASET)
- Islamic Finance Rulebook (ISFI)
- Prudential — Investment, Insurance Mediation & Banking Business Rulebook (PIIB)
- Interpretation and Application Rulebook (INAP)

Other *Rulebooks* will be published following a period of public consultation. Copies of the *Rulebooks* and Consultation Papers are available on the Regulatory Authority website www.qfcra.com.

How Many of the Regulatory Rulebooks Apply to my Firm?

This will depend on the nature of the *Regulated Activities* to be provided and the capacity in which the firm acts. For this reason, it is essential that the *Applicant* is familiar with the Regulatory Authority *Rulebooks* before submitting an application for *Authorisation*.

What are the Conduct Of Business Rules and do they Apply to my Firm?

Part 1 of the Conduct of Business Rulebook details certain “behavioural” rules such as the management of conflicts of interest, and requirements in respect of marketing and the making of financial promotions. These rules apply to all *Authorised Firms*.

Part 2 applies to investment firms and (life) insurance intermediaries.

Part 3 applies to insurers and (non-life) insurance intermediaries.

What Is the Purpose of the Fitness and Propriety Criteria for Authorised Firms and What are They?

The *Financial Services Regulations* provides the Regulatory Authority with the power to make rules setting out the criteria which an *Applicant* must satisfy before *Authorisation* can be granted. The *Financial Services Regulations* states that such criteria shall include the *Fitness and Propriety* of an *Applicant*.

The purpose of the *Fitness and Propriety* criteria is to set out the minimum criteria that an *Applicant* must meet for it to become and to remain *Authorised*. The *Fitness and Propriety* criteria summarises some of the areas that the Regulatory Authority will consider during the assessment of an *Applicant for Authorisation*. It draws together the parts of the Regulatory Authority *Rulebooks* that are relevant to the *Applicant*, and it is used to determine whether the *Applicant* is ready, willing and able to comply with all of the appropriate Regulatory Authority requirements.

In relation to an *Authorised Firm*, the *Fitness and Propriety* criteria are described in Article 29(2)-(5) of the *Financial Services Regulations* and chapter 2 of the General Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

What Financial Requirements Apply to Authorised Firms?

Most firms, including insurance brokers and managers, must comply with the Prudential – Investment, Insurance Mediation & Banking Business Rulebook.

The exception is insurers, who must comply with the Prudential – Insurance Rulebook.

What are the Initial Capital Requirements for Authorised Firms?

The initial minimum requirements will differ according to the type of business a firm provides. For example:

Banks	\$10 million
Islamic Financial Institutions*	\$10 million
Principal trading firms	\$2 million
Agency brokers	\$500,000
Certain fund managers	\$500,000
Arrangers or advisers	\$250,000
Reinsurers	\$20 million
Insurers (direct)	\$10 million
Captive insurers	
(Class 1)	\$150,000
(Class 2)	\$1 million
(Class 3)	\$10 million

*where the entire business is conducted in accordance with Shari'a and the firm operates a *Profit Sharing Investment Account*.

However, the actual ongoing capital requirements will depend on the nature and scale of a firm's business, and the consequent variable risks faced by the firm in areas such as credit risk, market risk and (for *Islamic Financial Institutions*) displaced commercial risk.

The *Rules* become increasingly complex as the *Authorised Firm's* activities become more complex, so it is essential that the *Authorised Firm* has the appropriate expertise and understanding to apply the relevant rules to its business. All figures are stated in US Dollars.

How do the Prudential Rules Relate to Branch Offices?

The prudential rules apply to the entity wherever it is based. If an *Authorised Firm* carries on *Regulated Activities* in the QFC through a branch office, in appropriate circumstances the Regulatory Authority may waive the operation of certain rules or specified parts of certain rules.

In this respect, the Regulatory Authority may seek to rely on a firm's home state regulator when it comes to prudential supervision, provided it is satisfied that the rules are broadly equivalent to those of the Regulatory Authority, and that appropriate arrangements exist or are expected to exist within the relevant home state regulator.

Where this is not possible in the short term, it may be more practical to form a subsidiary entity, although the Regulatory Authority may nevertheless need to take into account any group supervision arrangements that may exist. *Applicants* should discuss with the Regulatory Authority at an early stage through which entity they are proposing to apply.

Some of the prudential rules may also apply directly to the branch office and may involve submission of certain reporting statements relevant to the branch office itself.

Are There Rules Relating to the Holding of Client Money and Insurance Money?

There are detailed rules concerning *Client Money* and *Insurance Money* and when it must be segregated by *Authorised Firms*. The rules generally apply to all the firms who are not banks or insurers (money held by a bank, for example, may meet the definition of *Deposit* which is subject to different requirements). There are specific requirements for insurance brokers and managers.

The detailed rules on *Client Money* and *Insurance Money* are contained in chapter 2 and chapter 7 of the Assets Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

It should also be noted that firms whose *Authorisation* authorises it to carry on only arranging and advising activities must not hold *Client Money* or *Insurance Money*. These restrictions are set out in the section 2.5 of the General Rulebook.

Chapter 2

Authorised Firms

contd.

Is the Senior Management of an Authorised Firm Subject to Particular Requirements?

Authorised Firms are expected to exercise high standards of governance and controls. All firms must have clear reporting lines and controls in place in order to ensure that the business is managed in an effective manner and that senior management take clear responsibility for the firm's activities. These standards are outlined in the Controls Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

In addition, certain senior managers (as well as certain directors, partners and other mandatory positions) will be required to be approved by the Regulatory Authority where their activities fall into the definition of a *Controlled Function*, defined in the Individuals Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

What is Expected in Terms of Systems and Controls?

Authorised Firms must have effective procedures and controls to manage its business to a high standard and to comply with all of the Regulatory Authority *Rules*, including but not limited to: conduct of business, anti money laundering, compliance monitoring and risk management. These requirements are relevant to all firms regardless of whether they are reliant on complex IT systems or have simpler, manually based systems.

The extent of an *Authorised Firm's* systems and controls will depend on the nature, scale and complexity of its business.

What are the Ongoing Supervision and Reporting Requirements?

Once a firm is *Authorised*, it must comply with all applicable *Rules*. The Regulatory Authority will review and test compliance on an ongoing basis.

Authorised Firms must also submit various financial reporting forms and other reports or notifications as well as approval or notification requirements in respect of proposed new *Controllers*. A summary of the reporting and notification requirements is provided in the General Rulebook.

Is the Granting of Authorisation Made Public?

Yes, the Regulatory Authority is a transparent regulator and is required under Article 18 of the *Financial Services Regulations* to make public certain registers and other information.

The Regulatory Authority makes public its register of *Authorised Firms*, which is a database of all firms *Authorised* to carry on *Regulated Activities*. It details the name of the *Authorised Firm*, the *Regulated Activities* it is *Authorised* to conduct, any conditions or restrictions applying to the *Authorised Firm* and a breakdown of the *Specified Products* in respect of which it may conduct *Regulated Activities*.

The public registers are available on the Regulatory Authority website www.qfcra.com.

Chapter 3

Approved Individuals

Can an Individual be Authorised to Provide Regulated Activities in His Own Right?

The QFC regime does not provide for the concept of a sole trader. An individual cannot be *Authorised* in his own right to provide *Regulated Activities*, but may provide these services as an *Approved Individual* of an *Authorised Firm*.

Who Needs to be an Approved Individual?

Individuals who intend to perform one or more defined *Controlled Functions* within an *Authorised Firm* must be approved by the Regulatory Authority.

Controlled Functions include roles such as the *Executive* and *Non-Executive Governance Function*, *Senior Management Function* and the *Risk Management Function*. There are also required functions for which an *Authorised Firm* must always have *Approved Individuals*, these are:

- *Senior Executive Function*;
- *Compliance Oversight Function*;
- *Finance Function*; and
- *Money Laundering Reporting Function*.

Certain other functions will also require the individual who performs them to be approved. These include, for example, individuals who carry out the *Customer Facing Functions* of:

- *Dealing in Investments*;
- *Managing Investments*;
- *Advising on Investments*; and
- *Arranging Deals in Investments*.

Controlled Functions are defined in the *Individuals Rulebook*, which is available on the Regulatory Authority website www.qfcra.com.

Which Application Form Should be Completed?

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 on the Regulatory Authority website www.qfcra.com.

The *Applicant* must sign any such application effectively endorsing that the application is accurate and complete and that the *Applicant* has conducted its own assessment and is satisfied that the individual is fit and proper.

What are the Residency Requirements for Approved Individuals?

Generally, the *Money Laundering Reporting Function* must be carried out by an individual ordinarily resident in the State of Qatar.

For *Limited Liability Companies* and *Partnerships* incorporated in the QFC, the *Senior Executive Function* must also be carried out by an individual who is ordinarily resident in the *State*. For branches, the individual must spend an appropriate amount of his time in the *State* having regard to responsibilities that the *Senior Executive Function* entails.

Can one Individual Carry out More Than one Controlled Function?

An individual may carry on more than one *Controlled Function* for an *Authorised Firm* provided that the *Authorised Firm* and the Regulatory Authority are satisfied that the performance of such *Controlled Functions* does not give rise to any internal or external conflicts of interest and is appropriate having regard to the nature, scale and complexity of the business carried on by that *Authorised Firm*.

Chapter 3

Approved Individuals

contd.

Can One Individual Carry out a Controlled Function for More than one Authorised Firm?

Generally, an individual may carry on *Controlled Functions* for more than one *Authorised Firm* provided that the Authorised Firm and the Regulatory Authority are satisfied that no conflict of interest will arise from the performance of that individual's duties. The rules relating to multiple appointments are set out in chapter 6 of the Individuals Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

What are the Fitness and Propriety Criteria for Approved Individuals?

Before lodging an application an *Authorised Firm* must make reasonable enquiries as to an individual's *Fitness and Propriety* to carry out a *Controlled Function*.

In considering an application for *Approved Individual* status, the Regulatory Authority will also make an assessment of that individual's *Fitness and Propriety*, having regard to that individual's:

- honesty, Integrity and reputation;
- competence and capability; and
- financial soundness.

An individual's *Fitness and Propriety* will be assessed in accordance with section 4.1 of the Individual Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

Each application will be assessed on a case by case basis, and the criteria will be considered in light of the circumstances proposed in respect of each firm.

Are There Required Levels of Experience and Qualifications?

Specific functions require an understanding of specific rules – for example, the *Compliance Oversight Function* or the *Finance Function*. *Applicants* are expected to demonstrate their competence for these roles as they apply to the *Authorised Firms* activities.

Other functions require specific experience and qualifications, particularly for individuals carrying out the *Customer Facing Functions* involved in *Dealing in Investments*, *Managing Investments*, *Arranging Deals in Investments* and *Advising on Investments*. The requirements are specified in the Individuals Rulebook, which is available on the Regulatory Authority website www.qfcra.com.

Additionally, *Authorised Firms* must consider the individual to be able to competently apply his experience and knowledge, and must document its assessment of the individual accordingly.

The Regulatory Authority is considering whether to introduce a qualifications regime in due course involving training and qualifications.

Will Temporary Staff Carrying out Customer Facing Functions Require Approval?

Generally, an *Authorised Firm* may permit an individual who is an *Employee* of the *Authorised Firm* or the *Authorised Firm's Group* to carry out a *Customer Facing Function* during one or more occasional visits to the *QFC*, without requiring such an individual to have *Approved Individual* status, provided:

- such visits do not exceed 45 days in any consecutive 12 months;
- the individual is appropriately supervised by the *Authorised Firm*;
- the individual is approved, authorised, licensed or otherwise registered by an *Overseas Regulator* to undertake an equivalent role for the *Authorised Firm* or *Group*;
- the individual has been assessed by the *Authorised Firm* as fit and proper having the relevant skills and experience commensurate with the role to be performed; and
- prior notification is given to the Regulatory Authority.

Are There Ongoing Requirements for Approved Individuals?

Approval must be gained from the Regulatory Authority in order to carry out additional *Controlled Functions*, before they are conducted.

Similarly, an individual who ceases to perform a *Controlled Function* must formally withdraw from the role by completing the appropriate form and submitting it to the Regulatory Authority.

Individuals must remain fit and proper at all times. The Regulatory Authority must be notified of any changes to an individual's circumstances where the rules require it, or where the Regulatory Authority would otherwise reasonably expect to be informed. If in doubt, report it.

Are Details of Approved Individuals Made Public?

Yes, the Regulatory Authority is a transparent regulator and is required under Article 18 of the *Financial Services Regulations* to make public certain registers and other information.

The Regulatory Authority makes public its register of *Approved Individuals*, which details all individuals approved by the Regulatory Authority to carry out a *Controlled Function* at an *Authorised Firm*. The register details which *Controlled Functions* an individual is permitted to carry out in relation to each *Authorised Firm*.

The public registers are available on the Regulatory Authority website.

Contact Information

For further information please visit the Regulatory Authority website at www.qfcra.com or contact the Regulatory Authority directly at:

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FINANCIAL CENTRE
REGULATORY AUTHORITY