

QATAR FINANCIAL CENTRE REGULATORY AUTHORITY
READY TO RECEIVE LICENSE APPLICATIONS

On May 1 2005 Law No.7 of 2005 of the State of Qatar, the law Establishing the Qatar Financial Centre (QFC) came into effect, and allowed for the commencement of operations of the QFC Regulatory Authority.

The QFC legal and regulatory regime has been designed from the outset to deliver high quality regulation and certainty in operation, and to generate confidence in QFC licensees and users alike. The Regulatory Authority is being constructed on the same principles; recruiting highly experienced financial service regulators from around the world who can bring a breadth of knowledge and a track record of integrity that will reinforce the QFC proposition and assist in the development of Qatar's financial sector.

Work is well advanced in turning the regulatory concept into practice: from May 1 a range of materials will be available to potential applicants and interested parties. The Regulatory Authority website (www.qfcra.com) is now up and running and allows interested parties to view major elements of the Authority's Rulebook, and drafts of some of the key QFC Laws. More of the Rulebook and more laws will be available during the coming months.

Phillip Thorpe, the Chairman and Chief Executive of the Regulatory Authority joined members of the Qatar Government in welcoming the launch of the QFC:

"Today marks the beginning of an exciting opportunity for financial services in Qatar and the region. With the launch of the QFC, Qatar has reinforced its intention of providing an open yet robust financial environment that will prove attractive to institutions and investors alike. I have been particularly impressed by the Governments clear commitment to the highest standards of transparency and its requirement for the adoption of global best practices.

"As is now often observed, independent and principled regulation is essential to the success of modern financial markets. Financial institutions of integrity will no longer tolerate regulatory environments that expose them to reputational risk. This reality has been well recognized by Qatar in its planning for the QFC, and the QFC Law fully delivers on these principles."

The Regulatory Authority has now begun to recruit staff and establish its processes, and expects to build its operational capacity throughout the summer. Potential applicants can contact the Regulatory Authority via its website or by contacting the Authority directly at its Doha offices.

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FINANCIAL CENTRE

REGULATORY AUTHORITY

Notes to Editors:

1. The QFC Law was signed by the Emir of the State of Qatar on 9 March 2005 and becomes effective on 1 May 2005. The QFC Law provides for the basic construction of the QFC and establishes the QFC Authority, the QFC Regulatory Authority and the Appeals Body (which may hear appeals against decisions of the Regulatory Authority).
2. The Regulatory Authority has been established as an independent statutory body responsible for the regulation of banking, insurance, and a wide range of other financial services activities in and from the QFC. The Regulatory Authority Chairman and its Board are appointed by and answerable to the State's Council of Ministers and the legislation under which it operates is approved and overseen by the Council.
3. A complete set of civil and commercial laws (termed Regulations) is being prepared for the QFC covering all areas material to businesses establishing in the QFC. This will include Companies Regulations, Limited Liability Partnership Regulations, Insolvency Regulations, Contracts Regulations, and regulations covering securities, dispute resolution, arbitration etc. The majority of these Regulations will be completed during May and June of 2005, with further development of the Regulations occurring as businesses require them.
4. Materials have already been prepared that will provide an explanation of the QFC regime, including A Guide to the Application Process, An Introduction to the QFC Regulatory Authority, and the core Application Forms for institutions and individuals interested in applying to the QFC. These are available in hard copy form from the Regulatory Authority and can be viewed on the Authority's website.
5. The Regulatory Authority operates a supervisory regime based on rules and guidance issued by it. Major elements of the Rulebook are now complete and available on the Authority's website. Further industry specific chapters are under development and will be made available shortly.
6. The Regulatory Authority is structured in a conventional fashion; it comprises four divisions that align with the Authority's main functional processes. These are **Policy** (which involves following financial sector development and ensuring that Rules and Guidance are up to date and meet the QFC's needs), **Authorisation** (which deals with the authorisation of firms, and the approval of individuals who will be engaged in certain functions within those firms), **Supervision** (which has the task on monitoring firms and individuals once authorised to ensure ongoing compliance with the laws, regulations and rules) and **Enforcement** (which investigates alleged cases of regulations and rules being breached, and undertakes enforcement action where breaches are found to have occurred).
7. Phillip Thorpe, the Chairman and Chief Executive of the Regulatory Authority took up his post in early March 2005. He has extensive experience as a senior financial services regulator in a range of major jurisdictions. Further details regarding Mr Thorpe can be found on the Regulatory Authority website.