



## **QFC REGULATORY AUTHORITY SEEKS COMMENT ON PROPOSALS FOR PROTECTION OF RETAIL CUSTOMERS**

**DOHA, 14 MARCH 2007**

The Qatar Financial Centre Regulatory Authority (the Regulatory Authority) today released a consultation paper and accompanying draft rules relating to the conduct of retail business in or from the QFC and the protection of retail customers. The rules have a particular emphasis on insurance business, although the proposed regime is intended to be the framework for any retail regulated activities conducted by firms authorised to do so by the Regulatory Authority.

The draft rules provide for a comprehensive but flexible regime for authorised firms conducting retail business, ranging from making financial advertisements through to the post-contractual obligations a firm has to retail customers. The proposals complement the existing regulatory framework for the protection of all clients, including retail customers, of QFC authorised firms.

The proposals spell out how the Regulatory Authority expects authorised firms to conduct themselves in respect of retail customers. Under the proposed regime, retail customers will have the following expectations:

- to be treated fairly;
- to receive advertising material for financial services or products that is appropriate for retail customers and is not mis-leading;
- to receive adequate information from firms on the firms themselves, the services they will provide and the products they offer to enable a retail customer to make an informed choice;
- to have an appropriate “cooling-off” period for investment decisions;
- (in the case of insurance products) to have all reasonable claims on policies honoured; and
- to have complaints addressed in a timely manner.

Commenting on the draft proposals, Mr. Phillip Thorpe, Chairman and CEO of the Regulatory Authority, noted:

“This is a major step for the QFC and Qatar. The proposals will ensure customers of QFC firms, especially retail customers, are protected by a regulatory regime that reflects international best practice. We have designed this regime to be flexible, with an emphasis on outcomes rather than formal processes, and we have sought to achieve a balance between principles and, where necessary, rules to underpin these principles. From the viewpoint of the retail consumer, we wish to have a regime that provides appropriate

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protections while at the same taking into account the general principle that customers of authorised firms should take responsibility for their own decisions.”

Further information on what the proposals means for retail consumers are set out in the attachment to this release.

The QFC Regulatory Authority will receive comments on the draft proposals until 18 April 2007. The Consultation Paper, draft rules and details for the submission of comments can be found at the QFC Regulatory Authority website at:

[http://www.qfcra.com/publication/Consultation\\_Papers.php](http://www.qfcra.com/publication/Consultation_Papers.php)

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## Notes to the editor

### **About the QFC Regulatory Authority**

The QFC Regulatory Authority is an independent regulatory body established by Article 8 of the QFC Law. It regulates firms that conduct financial services in or from the QFC. It has a broad range of regulatory powers to authorise, supervise and, when necessary, discipline firms and individuals. The QFC Regulatory Authority regulates firms using principle-based legislation of international standard, modelled closely on that used in London and other major financial centres. Further details are available on the website, [www.qfcra.com](http://www.qfcra.com)

### **About the Qatar Financial Centre**

The Qatar Financial Centre (QFC) is a financial and business centre established by the Government of Qatar and located in Doha. It has been designed to attract international financial services institutions and major multi-national corporations and to encourage participation in the growing market for financial services in Qatar and elsewhere in the region. The QFC operates to international standards and provides a first class legal and business infrastructure for those doing business within the QFC. The QFC was created by QFC Law No.(7) of Qatar and has been open for business since 1 May 2005.

### **About the QFC Authority**

The QFC Authority is the commercial, administrative and legislative body responsible for driving the commercial strategy of the QFC and for developing relationships with the global corporate community and other key institutions both within and outside of Qatar. More information on the QFC Authority is available at [www.qfc.com.qa](http://www.qfc.com.qa)

### **About Qatar**

In 2005 a nationwide referendum overwhelmingly approved a new constitution providing for Qatar's first legislative election and an independent judiciary. Qatar is currently a member of the UN Security Council. It has one of the world's fastest growing economies, is on course to be the world's leading exporter of liquefied natural gas and has an active programme of infrastructure investment and economic diversification.



## **ATTACHMENT 1**

Retail customers will have the following expectations under the proposed regime:

- to be treated fairly;
- to receive advertising material for financial services or products that is appropriate for retail customers and is not mis-leading;
- to receive adequate information from firms on the firms themselves, the services they will provide and the products they offer to enable a retail customer to make an informed choice;
- to have an appropriate “cooling-off” period for investment decisions;
- (in the case of insurance products) to have all reasonable claims on policies honoured; and
- to have complaints addressed in a timely manner.

However those expectations, and the obligations of authorised firms, do not mean, for example, that a retail customer:

- will not lose money on the investment;
- is guaranteed to make money on the investment;
- is protected from fraud in relation to the investment; or
- no longer needs to make investment decisions based on an assessment of his or her own position.