



QFC Regulatory Authority announces rules to enhance its regulatory framework

Doha, Qatar, 17 January 2013: The QFC Regulatory Authority has today released rules covering 3 areas of regulation: Corporate Governance, Anti-Money Laundering and Combating the Financing of Terrorism (“AML/CFT”) and Islamic finance windows. These final rules follow the conclusion of an industry consultation process, which started in September 2012. The rules support the Regulatory Authority’s commitment to keep its rules aligned with international regulatory standards for insurance and banking supervision respectively.

I. Governance and Controlled Functions Rules 2012

The new rules seek to strengthen regulation covering governance and risk management by requiring the governing body of a QFC authorised firm to approve and establish a:

- formal governance framework;
- risk management and internal controls framework; and
- remuneration policy.

In addition the new rules include a new controlled function for internal audit for QFC insurers, QFC banks (i.e. PIIB Category 1) and QFC Islamic banks (i.e. PIIB Category 5) and a new requirement for QFC banks and QFC Islamic banks to have a risk management function.

The Regulatory Authority plans to host town hall meetings with firms prior to the commencement of the rules to ensure that the new requirements are well understood.

The rules commence on 1 July 2013.

II. AML/CFT regime amendments

The rule changes reinforce and refine the current AML/CFT framework by promoting compliance with the recently revised FATF international standards and by taking account of experience to date with the implementation of the 2010 rules. The new requirements are focused on 3 areas:

- minor and technical amendments to the rules arising as a result of revisions to FATF standards and recommendations;
- amendments applicable to all firms in regard to the residency requirement for Money Laundering Reporting Officers; and
- a revised regime for General Insurance business firms contained in a new standalone rulebook.

The rules commence on 1 February 2013.



III. *Islamic Finance Windows in the QFC - Islamic Finance Amendments Rules 2012*

The rule amendments close the operation of all Islamic windows by conventional firms with the exception of takaful insurance business conducted under the Insurance Business Rules 2006 ("PINS"). The impact of this rule change will be minimal given the low level of activity conducted through Islamic windows.

The rules commence on 1 February 2013.

The rule amendments can be found on the QFC Regulatory Authority website or at the following links:

- Governance and Controlled Functions Rules 2012: [click here](#).
- Governance and Controlled Functions (Consequential and Miscellaneous) Amendments Rules 2012: [click here](#).
- Anti-Money Laundering and Combating Terrorist Financing (General Insurance) Consequential and Miscellaneous Amendments Rules 2012: [click here](#).
- Anti-Money Laundering and Combating Terrorist Financing (General Insurance) Rules 2012: [click here](#).
- Islamic Finance Amendments Rules 2012: [click here](#).

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About the QFC Regulatory Authority

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