



QFC Regulatory Authority issues proposals to strengthen the QFC regulatory regime

Doha, Qatar, 24 September, 2012: The QFC Regulatory Authority has today released two consultation papers whose proposals strengthen the Regulatory Authority's regime.

I. Consultation Paper 2012/01: *Proposed Governance and Controlled Function Rules 2012*

The proposed rule changes aim to strengthen the current Controls Rulebook by promoting compliance with the recently revised principles established by the International Association of Insurance Supervisors and the Basel Committee on Banking Supervision which set international standards for insurance and banking supervision respectively.

The draft rules require 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 draft rules propose 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. Other detailed proposals are outlined in the consultation paper and draft rules.

These proposals are relevant to authorised firms and approved individuals as well as prospective firms who will have individuals seeking approval.

The consultation period for responses is open until 12 November 2012.

II. Consultation Paper 2012/02: *Proposed Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") regime amendments*

The proposed 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. There are three areas in which rule amendments are proposed:

- 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.

These proposals are relevant to all authorised and licensed firms as well as prospective firms.

The consultation period for responses is open until 5 November 2012.

These initiatives support the Regulatory Authority's commitment to meet high international regulatory standards and the continued development of the QFC as a leading financial and business centre.

The consultation papers and details for the submission of comments can be found on the QFC Regulatory Authority website, or:

[click here](#) for the Proposed Governance and Controlled Function Rules 2012,

[click here](#) for Proposed Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") regime amendments.

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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.