هيئة تنظيم مركز قطر للمال

QATAR FINANCIAL CENTRE
REGULATORY AUTHORITY

Annual Report

2023

22

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بسم الله الرحمن الرحيم

"In the Name of Allah Most Gracious Most Merciful."

His Highness Sheikh Tamim bin Hamad Al-Thani
Amir of the State of Qatar

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Introduction

The Qatar Financial Centre (QFC) is an onshore financial and business centre established by the State of Qatar in 2005 to attract international banking, insurance business, and other financial services to grow and develop the financial services sector in Qatar and the region.

The QFC offers domestic and international firms the opportunity to establish a broad range of banking, investment management, and insurance businesses under a legal and regulatory regime aligned with international best practice. The Qatar Financial Centre Regulatory Authority (QFCRA) is the independent regulator of the QFC, which authorises and regulates firms and individuals conducting financial services in or from the QFC, as established by the Qatar Financial Centre Law No. 7 of 2005 (QFC Law).

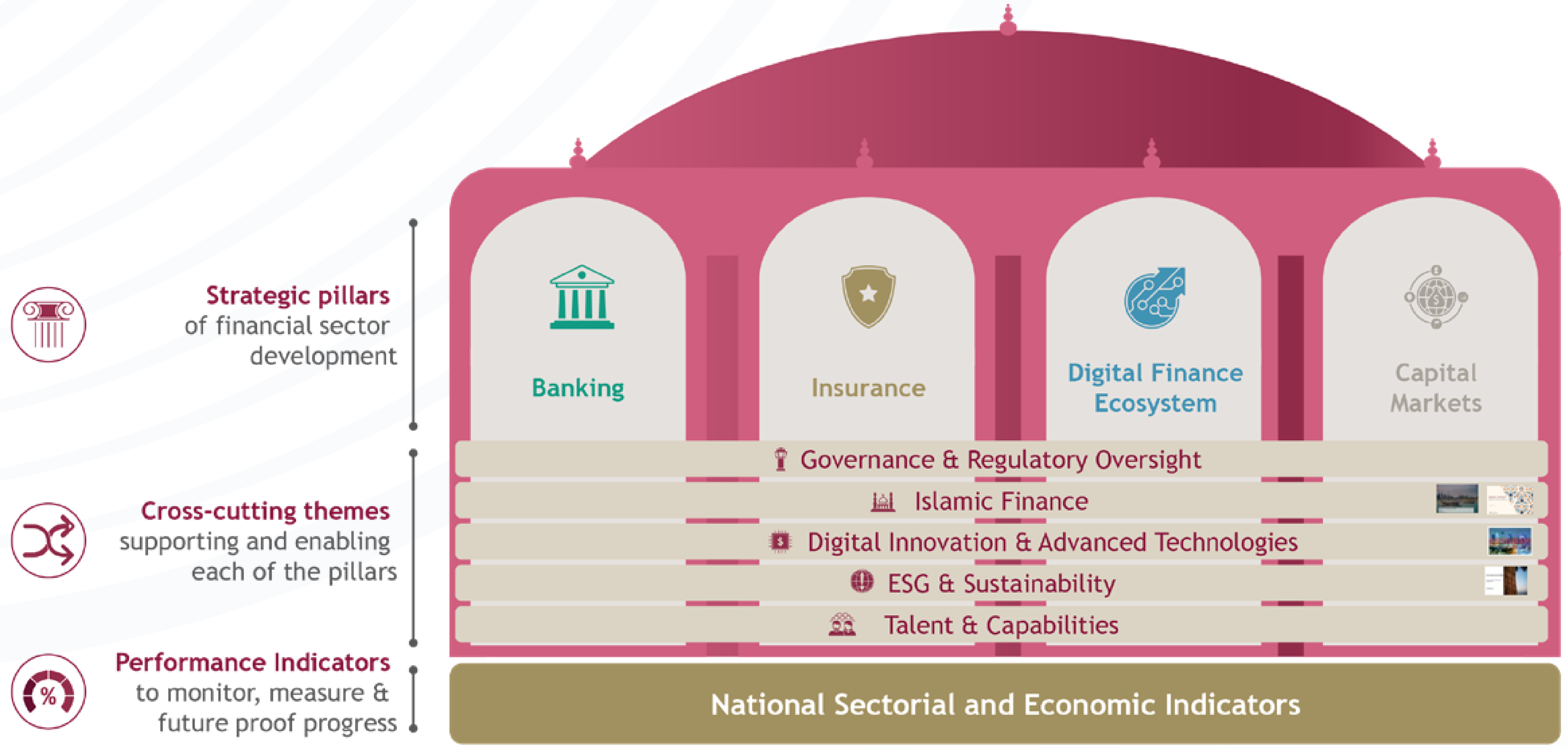
The QFCRA is a corporate body owned and funded by the State of Qatar and reporting to Qatar's Council of Ministers, which appoints its board. Pursuant to the law establishing the QFCRA, the QFCRA has financial and administrative autonomy from the State. It has an independent budget and the laws of the State regarding the general budget of the State and its ministries do not apply to the QFCRA. The QFCRA has built a principles-based regulatory regime, embracing transparency and accountability.

Third Financial Sector Strategic Plan

Issued by the Qatar Central Bank in 2023, the Third Financial Sector Strategic Plan aims to create a financial and capital market that leads the region in innovation, efficiency and investor protection and positions Qatar to unlock its full economic potential in line with the Qatar National Vision 2030.

The Strategy is founded on four pillars and supported by five cross-cutting themes to ensure the foundations for successful implementation and delivery.

The strategy is founded on four pillars and supported by five cross-cutting themes



Financial institutions have to align strategies and business plans with the strategy and report progress in a standardized way

The Financial Stability and Risk Control Committee

The Financial Stability and Risk Control Committee (FSRCC) was created under Law No. 13 of 2012, Article 116. The committee was formed to enhance co-operation and information exchange among Qatar's three regulators: the Qatar Central Bank, the Qatar Financial Markets Authority and the QFCRA. The committee is chaired by His Excellency the Governor of the Qatar Central Bank. Its membership includes the Chief Executive Officers of the Qatar Financial Markets Authority and the QFCRA.

The committee's operational objectives are to provide an early warning system, to identify, monitor and analyse risks and vulnerabilities in the financial system as a whole, to propose possible remedies, and to enact these remedies to ensure a safe, sound and solid financial system. Aligned with the goals and objectives of the Third Financial Sector Strategic Plan and the Qatar National Vision 2030, the work of the committee focuses on the analysis of potential risks resulting from services, works, activities and financial markets, and the issuance of relevant solutions and proposals; the coordination between regulatory, supervisory and oversight authorities in the State, with the goal of strengthening the co-operation and the exchange of information among them to result in a consistent regulatory and supervisory environment; and the creation of policies relating to organisation, control and supervision, including licensing, anti-money laundering, and other policies pertaining to services, works, activities and financial markets.

A Commitment to International Standards and Co-operation

The QFCRA works closely with several public entities and professional organisations on the joint efforts of strengthening Qatar's regulatory framework and building a legacy of regulation for the State. Qatar plays an active leadership role in the support of initiatives that develop national standards and international best practices for the financial sector. Since its establishment in 2005, the QFCRA has pursued compliance with the principles and standards of the international financial standard-setters, among them the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the International Organization of Securities Commissions, the Financial Action Task Force, and the Islamic Financial Services Board. Many of the initiatives of the QFCRA have been undertaken to align its regulatory efforts with the standards and principles of these international organisations.

International Organisations

- Basel Consultive Group (BCG)
- Group of International Finance Centre Supervisors (GIFCS)
- International Association of Insurance Supervisors (IAIS)
- International Organization of Securities Commissions (IOSCO)
- Islamic Financial Services Board (IFSB)
- Financial Action Task Force (FATF)
- Global Financial Innovation Network (GFIN)

The QFCRA works closely with the following Ministries and local entities

- Ministry of Interior
- Ministry of Justice
- Ministry of Commerce and Industry
- Ministry of Labour
- National Anti-Money Laundering and Terrorism Financing Committee (NAMLC)
- Qatar Financial Information Unit (QFIU)
- Qatar State Security Bureau (SSB)
- Qatar Public Prosecution
- General Authority of Customs
- National Cyber Security Agency
- Qatar Financial Centre Authority
- Qatar Stock Exchange
- Edaa
- Qatar Development Bank
- Qatar Computing Research Institute
- College of Public Policy (Hamad Bin Khalifa University)
- College of Law (Hamad Bin Khalifa University)

Memoranda of Understanding

Since its inception in 2005, the QFCRA has entered into two multilateral agreements, 46 bilateral memoranda of understanding and 24 alternative investment fund managers memoranda of understanding with a broad range of international jurisdictions and international bodies, all as a means of furthering co-operation, sharing information and advancing a commitment to the highest financial regulation standards.

Chairman's Statement

I am pleased to present the QFCRA's Annual Report for 2023, highlighting our efforts to support Qatar's economic diversification, foster innovation and digitalisation in the financial services sector, and protect the interests of consumers and investors.

In 2023, the financial services sector in Qatar experienced significant growth and transformation and its ambition and roadmap for the future is outlined in the Third Financial Sector Strategic Plan, which was launched in November. Together with the Qatar Central Bank and Qatar Financial Markets Authority, the QFCRA has been instrumental in developing and implementing this ambitious strategy, which aims to create a leading financial and capital market in the region, characterised by innovation, efficiency, and investor protection, aligning with the National Vision 2030.

I am pleased to report that the QFCRA has undertaken extensive policy and legislative work in 2023, demonstrating our commitment to adopting global best practices and facilitating market development. The issuance of the Professional Investors Fund Rules and amendments to the Banking Business Prudential Rules, along with the public consultations on our rules for the derivatives exchange and central clearing counterparty and the digital assets framework have strengthened our regulatory framework, expanded the range of products and services offered by our firms, and supported the development of Qatar's financial and capital markets.

A key focus for the QFCRA in 2023 has been nationalisation and building a future-ready workforce. I am proud to note the significant progress we have made in this area, not only among our overall staff but particularly within our leadership. The QFCRA's progress reflects the benefits of the training and development opportunities provided by the QFCRA and our ability to attract Qatari national talent to the financial services sector.

The achievements of the QFCRA in 2023 would not have been possible without the cooperation and coordination among Qatar's financial regulators, who have worked together on key initiatives under the Third Financial Sector Strategic Plan, particularly in capital market development and fintech. I extend my gratitude for the constructive and collaborative spirit that has characterised our joint efforts, and I look forward to the continued progress and results of our projects as we move towards 2030 and the goals of the National Vision 2030.

On behalf of the QFCRA's Board of Directors, we express our deepest gratitude to our wise leadership for their unwavering support and guidance. The QFCRA also thanks all ministries and government entities for their continued support and cooperation over the past year.

His Excellency Sheikh Bandar bin Mohammed bin Saoud Al-Thani
Governor of the Qatar Central Bank
Chairman of the QFCRA

CEO's Statement

I am pleased to announce that 2023 has been a year of exceptional innovation, transformation, and resilience for the Qatar Financial Centre Regulatory Authority (QFCRA). This progress underscores our commitment to fostering a dynamic, stable, and forward-looking financial sector.

Our regulatory policy efforts have consistently aligned with evolving international standards and best practices in banking, insurance, asset management, and AML/CFT. In 2023, we introduced initiatives that opened new opportunities for Qatar's financial markets, including the development of the Derivatives Markets and Exchanges Rules (DMEX) and proposals for a Digital Assets Framework. These initiatives aim to create a conducive environment for capital markets and fintech development, thereby enhancing the diversification and competitiveness of Qatar's economy.

I am also pleased to report that our successful migration to a cloud-based infrastructure in 2022 has significantly enhanced our digital capabilities, operational efficiency, and resilience in 2023. This year, we continued our 'Supervision 2030' vision, integrating AI-augmented tools into our supervisory processes to aid in risk mitigation and decision-making. The development of tailor-made tools utilising Machine Learning for reporting and supervising our firms underscores our commitment to fostering an innovative environment.

We have also maintained our focus on talent management and the development of future leaders in financial regulation. In 2023, we increased the representation of Qatari staff in core business areas, including supervision, policy, and legal.

We are looking forward to launching more nationalisation initiatives in 2024 to further enhance the skills and competencies of our Qatari talent.

I am also pleased to note that the QFCRA participated in the establishment of the Financial Sector Strategy Office -Ro'ya, which was created in 2023 to manage the deliverables under the Third Financial Sector Strategy. The strategy outlines the vision and objectives for developing Qatar's financial sector leading up to 2030. The Financial Sector Strategy Office -Ro'ya, is a multi-stakeholder initiative that works closely with the Qatar Central Bank, Qatar Financial Markets Authority, Qatar Stock Exchange, Edaa, Qatar Development Bank, QFCRA and other key stakeholders to ensure effective implementation and coordination of the strategy, as well as to monitor and report on progress and outcomes.

On behalf of all the staff at the QFCRA, I wish to express my sincere gratitude to our Chairman, H.E. Sheikh Bandar Bin Mohammed Bin Saoud Al-Thani and our Board of Directors for their strong support, leadership and vision. I am also very grateful for the continuing support of our partners at the Qatar Central Bank and the Qatar Financial Markets Authority for their commitment to cooperation and the valuable contributions they have made to financial regulation in the State of Qatar during 2023.

Michael G. Ryan
Chief Executive Officer

Governance

The QFCRA operates under a governance framework designed to ensure transparency, integrity, independence, accountability and fairness. It is committed to demonstrating best practice and leadership in this area. The Governance Resolution of the Board of the QFCRA sets out the policy of the Board on various governance matters, reflecting the intention that the business of the QFCRA is conducted in accordance with its regulatory objectives, applicable laws and principles of sound governance.

Role of the Board

The role of the Board is to lead the QFCRA in line with the QFC Law and its amendments and other applicable legislation. The Board sets the strategic direction for the QFCRA; oversees the executive management's discharge of the day-to-day business of the QFCRA; sets policies to manage risks to the QFCRA's operations and the achievement of its regulatory objectives; and seeks regular assurance that the system of internal controls is effective in managing risks.

Governance Structure

Governance Framework

Governance composition

Board composition

The Board has significant expertise in the regulation of financial services. The Board reports annually to the Council of Ministers on the discharge by the Board of the QFCRA's functions; the extent to which, in its opinion, the QFCRA objectives have been met; and other matters required by law.

Board meetings

The Board met four times in 2023.

Board activity

The Board reviewed and approved a number of new rules and rule amendments in 2023, considered various regulatory policies and enforcement matters, and reviewed a number of standing items. The rule and policy amendments decided by the Board in 2023 were the Derivatives Markets and Exchanges Rules 2023, Insurance Business Amendment Rules 2023, Miscellaneous Amendments Rules 2023, General (Decision Notices) Amendment Rules 2023 and the Banking Business Prudential Amendment Rules 2023.

Committees of the Board

The Board is empowered to establish committees to undertake and advise on certain areas of responsibility. The Governance Resolution of the Board provides for the establishment of an Audit and Risk Committee as well as a Nominations and Remuneration Committee and sets out the nature and membership of these committees. The committees review matters under their Terms of Reference and make recommendations and provide reports to the Board.

Nominations and Remuneration Committee

Jean-François Lepetit serves as Chairman of the Nominations and Remuneration Committee (NRC) and Dr Jeffrey Carmichael as a member of the NRC.
The principal areas of focus for the NRC include considering and delivering recommendations to the Board regarding remuneration policy. The NRC also considers strategic human resources matters such as progress on the recruitment and training of Qatari employees.
At each meeting in 2023, the NRC received a general update on human resource matters including nationalisation efforts, organisational development, headcount, turnover, contract renewals of senior management, succession planning, promotions, internships and secondments.
All matters of significant discussion were reported to the Board, which also received the minutes of all NRC meetings.

Audit and Risk Committee

Dr Jeffrey Carmichael serves as Chairman of the Audit and Risk Committee (ARC) and Daniel L. Glaser as a member of the ARC.

The principal focus of the ARC is to monitor and oversee:

- the effectiveness of the QFCRA's policies, procedures and internal controls including those for financial reporting;
- compliance with legal and other requirements;
- the performance of the internal audit function and the external audit firm appointed by the QFCRA;
- the effectiveness of the internal controls framework; and
- business continuity and disaster recovery plans.

The ARC met in 2023, supplemented by exchanges of information between meetings. The Chief Financial Officer and Chief Operating Officer, the Head of Internal Audit, the Director and Deputy Director of Information Technology, and other executives attended ARC meetings by invitation. The ARC reviewed updates on the status of the QFCRA's risk register that forms part of the Enterprise Risk Management Framework. The ARC was also kept informed of developments in relation to the QFCRA's business continuity and disaster recovery plans.

The ARC approved the yearly internal audit programme and followed its implementation through regular communication with the Head of Internal Audit. In 2023, the ARC met with the external auditors of the QFCRA and oversaw the completion of the external audit concerning the QFCRA's financial statements.

All matters of significant discussion were reported to the Board, which also received the minutes of all ARC meetings.

It is the ARC's view that the QFCRA continues to apply appropriate policies and controls to its various business areas and operations. The internal audit function and internal controls framework are working as intended, assuring that improvement opportunities are identified and addressed.

Board of Directors

His Excellency Sheikh Bandar bin Mohammed bin Saoud Al-Thani

Governor of the Qatar Central Bank
Chairman of the QFCRA

Dr Tamy Ahmed Ali Al Boutamy Al Binali

Board member

Mr Hamad Ahmad Al-Mulla

Board member

Mr Daniel L. Glaser

Board member

Mr Jean-François Lepetit

Board member

Dr Jeffrey Carmichael

Board member

Mr Michael G. Ryan

Board member

Mr Mohammed Saif Al-Sowaidi

Board member (appointed July 2024, replacing Mr Jean-François Lepetit)

Executive Team

Mr Michael G. Ryan
Chief Executive Officer

Mr Eisa Ahmed Abdulla
Deputy Chief Executive Officer

Mrs Fatma Abdulrahman Al Meer
Chief Financial Officer and Chief Operating Officer

Mr Ewald Müller
Managing Director, Supervision and Authorisation

Mrs Farah Abdulrahman Al Muftah
Managing Director, Policy, Legal and Enforcement

Mrs Prue Morris
Managing Director, Strategy and Risk

Supervision and Authorisation

Supervision and Authorisation by the numbers

65
Financial institutions* supervised
*Banks, investment managers, insurance intermediaries, insurance companies, representative offices and firms

03
Financial institutions* authorised
*Representative office, fund manager and investment advisory firm

05
Thematic reviews carried out

250
Senior Management Meetings conducted

37
Risk Assessment Visits conducted

437
Approved individuals*
Total by year end

02
Large Language Model projects initiated

05
Supervisory colleges participated in

The QFCRA's Supervision and Authorisation division consists of the Authorisation, Financial Analysis and Innovation (FAI), Bank and Insurance Supervision (BIS), Investment Manager, Advisor and Securities Supervision (IMAS), and Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Supervision departments.

Authorisation

The Authorisation department is responsible for assessing and approving applications from firms and individuals seeking authorisation from the QFCRA to conduct regulated activities in or from the QFC. The department also acts as the interface between applicants and the Companies Registration Office of the QFCA regarding their licensing or incorporation in the QFC.

In 2023, the department met with prospective applicants, reviewed their submitted regulatory business plans, and involved the Supervision departments to ensure appropriate issues management after authorisation. During the year, 1 fund manager, 1 investment advisory firm, and 1 representative office were authorised.

The number of individuals approved to perform controlled functions at authorised firms decreased by 3 to 437 by year-end.

2023 statistics

Licenced Firms	2023
Regulated	65
Non-regulated	1670
Total	**1734**

Approved Individuals	2023
Total	**437**

SupTech and Innovation

The launch of OpenAI's ChatGPT in November 2022 and the chatbot's upgrade to the GPT-4 model in March 2023 meant a step change in the applicability of Artificial Intelligence (AI) in processes across industries. Due to the high semantic precision of the underpinning Large Language Models (LLMs), many previously specialised applications of Natural Language Processing (NLP) and Natural Language Understanding (NLU) could now be replaced by a single model. But while such models can retrieve and reproduce information from their training data, solutions requiring high quality responses and up-to-date information will still need to be grounded to a datastore that is specific to the use-case.

Over the course of the year, QFCRA's Financial Analysis and Innovation Department (FAI) explored the potential of LLMs for supervision with two prototype solutions.

The first FAI application is a solution for AML compliance analysis. The tool was preloaded with AML regulations and laws on the one hand and individual supervised institutions' relevant policies and procedures on the other. The LLM was prompted to answer a set of questions from a compliance perspective and return an analysis with references to pages and paragraphs from the source documents. The experience is promising – suggesting that, when used appropriately, such a tool can speed up such analysis significantly without sacrificing supervisory quality.

The emergence of powerful LLMs also opened new avenues for the Supervisory Master Data Management (MDM) system that was being built over the course of the year.

Not only can the resulting supervisory Knowledge Graph (KG) be used to ground a system with a natural language user interface, the LLMs can be used to extract structured information from the text and populate the KG in a more automated manner than was previously possible. Work on both solutions continued at the end of the year, and are expected to be ready to support day-to-day supervision starting in 2024. Outside of the two LLM-related projects, FAI continued working with the supervisory teams to improve overall data processing and automating production of management information. The department also increased its efforts in engaging supervisors in conversations about data to identify opportunities and to upskill teams in data tools and theory.

Bank and Insurance Supervision

The Bank and Insurance Supervision (BIS) team is responsible for prudential supervision of 24 banks and insurance companies, most of which are established as branches or subsidiaries of international institutions and rely on their parent companies for operational support. There are also domestically-owned institutions regulated by the QFCRA.

Risk and vulnerabilities to the global banking system

Similar to the economic outlook in 2022, the financial sector continued to face ongoing vulnerabilities and challenges that demanded heightened attention from the QFCRA supervision teams:

i. Increased geopolitical tensions exacerbated the challenges for the financial sector, affecting investor confidence and capital markets. Uncertainties surrounding geopolitical developments amplified market fluctuations, further posing challenges to authorised firms' risk management strategies.

ii. The rapid increase in interest rates and heightened volatility in banks' funding costs.

iii. Asset quality and credit risks: economic uncertainties and disruptions arising from high inflation and reduced debt-servicing capacity of obligors contributed to concerns about non-performing loans and credit risks.

iv. Disruptive Technology and Cybersecurity Risks: The rapid pace of technological innovation continued to reshape the banking landscape, presenting both opportunities and risks. Banks faced increasing cybersecurity threats and the need to adapt their operations to digital transformation while ensuring robust risk management practices.

v. Climate-related Financial Risks: Environmental risks gained prominence within the banking sector, with growing recognition of the financial implications of climate change. Banks faced pressures to assess and disclose climate-related risks in their portfolios, addressing concerns about exposure to environmentally sensitive assets.

In 2023, the QFCRA- supervised institutions effectively navigated these challenges. Their strong fundamentals, including robust capital positions, ample liquidity buffers, and low levels of non-performing loans (NPLs), have enabled them to navigate challenges such as the COVID-19 pandemic, supply chain disruptions, geopolitics, and recent bank failures in the US and Switzerland.

Overall, while the banking sector demonstrated resilience in navigating various challenges, vulnerabilities persisted, necessitating vigilance in risk management practices, regulatory compliance, and technological adaptation. Strengthening resilience and addressing systemic risks within the banking sector remained imperative for ensuring financial stability and sustainable economic growth.

Supervisory priorities for 2023

The QFCRA's supervisory priorities are determined through a thorough assessment of risks and vulnerabilities facing authorised firms. These priorities are driven by the global economic landscape and reflect the outcomes of supervisory reviews and interventions. As a risk-based regulator, the process aims to efficiently allocate supervisory resources to address risks to our regulatory objectives. The QFCRA continuously monitors these priorities and adjusts them as necessary in response to changes in the risk landscape.

i. Strengthening governance and risk management frameworks to deal with immediate financial and geopolitical shocks.

   a. The rapid increase in interest rates and heightened volatility in bank funding costs.

   b. Deterioration in asset quality due to high inflation and reduced debt servicing capacity of borrowers.

   c. Asset concentration, particularly in commercial real estate, and higher risk premiums leading to further volatility in real estate prices.

The recent failures of several banks in US and Europe underscore the importance of robust governance, risk management, and control frameworks to navigate a volatile risk environment effectively.

The following thematic reviews were conducted by QFC:

i. Cyber security and third-party risk management
Digital transformation and the associated IT security and cyber risks remained a significant risk. The Supervision team continues to work with the financial services industry to enhance management of these risks. Regular updates on emerging trends and vulnerabilities are shared with authorised firms.

ii. Climate-related financial risks
Climate and environmental risks gained prominence within the banking sector, with growing recognition of the financial implications of climate change.

iii. International Financial Reporting Standard 17 (IFRS 17) for Insurers
The QFCRA has been working on the implementation of IFRS 17 standard for the authorised firms. In this regard, a townhall meeting was held in October 2023 wherein the new IFRS 17 prudential returns and reporting requirements were discussed with all the stakeholders, including authorised firms, QCB, and the external auditors. The QFCRA subsequently issued the new IFRS 17 prudential returns along with the instructions to complete these returns to authorised firms and has required them to submit the 2023 annual prudential returns based on the new returns. In addition, authorised insurers are required to continue submitting prudential returns based on IFRS 4. This parallel run is expected to continue until the end of 2024.

Risk Assessment Visits (RAVs)

Arising from the focus areas mentioned, the BIS supervisory programme focused on the following areas:

- Assessment of firms' compliance with the regulatory expectation contained in the Governance and Controlled Functions Rules 2020 (CTRL) and Customer and Investor Protection Rules 2019 (CIPR)
- Targeted reviews focusing on the resilience and asset quality of portfolios sensitive to macro-financial shocks
- Targeted reviews on Asset and Liability Management (ALM) and Interest Rate Risk in the Banking Book (IRRBB) risk management frameworks
- Assessment of soundness and resilience of funding and liquidity plans

BIS conducted 5 RAVs at banks and insurers in 2023. Overall, the results of the RAVs conducted were satisfactory and in line with previous years.

Thematic reviews

The QFCRA is committed to the implementation of best practices in relation to standards of governance across all authorised firms and considers that remuneration and incentive standards that align with best international practice helps strengthen the prudent and sound management of financial institutions within the QFC. BIS is conducting a thematic review on remuneration across authorised firms to further understand and assess compliance with best practices, with a particular focus on the governance of remuneration practices.

Supervisory Colleges

BIS participated in one supervisory college for an insurer. Four supervisory colleges were attended by IMAS team members, 2 for Investment Managers and 2 for Advisors.

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Investment Manager, Advisor and Securities Supervision (IMAS)

In 2023, IMAS supervised 13 investment managers, 6 insurance intermediaries, 11 advisory firms, 3 representative offices and 2 registered funds.

Reporting frequency varied between monthly and quarterly, and representative offices had an annual submission requirement. Return reviews were conducted within a month of receiving submissions, and offsite supervision was supported by regular engagement with senior management.

Risk Assessment Visits (RAVs)

During the year, IMAS conducted 5 RAVs and 44 senior manager meetings to monitor advisors, intermediaries, and investment managers in the QFC. The reviews focused on the conduct of business, business models, customer classification, compliance, and conduct risk. The overall results were satisfactory, with fewer adverse findings compared to the previous year.

Investment management products

IMAS implemented a system to supervise investment products sold or managed by QFC firms, with portfolio management activities primarily conducted from the QFC for funds located in different jurisdictions.

In Q4 2022, IMAS began aligning the reporting period of product returns with monthly prudential returns, with pilot testing completed in February 2023. In August 2023, Excel reporting was discontinued and the first iteration of XBRL reporting for product returns was deployed.

IMAS conducted a survey among QFCRA-authorised firms, using a set of voluntary disclosures for listed companies by the Qatar Stock Exchange, which is a member of the GCC Exchanges Committee. The metrics comprised several standards that are aligned with the United Nations Sustainable Development Goals (UN SDGs) and addressed topics including greenhouse gas emissions, energy usage, water usage, gender pay, employee turnover, gender diversity, and ethics. IMAS supplemented this through the addition of other core UN SDGs in areas such as human capital and corporate governance.
IMAS continues to liaise closely with regional partnerships which promote sustainability reporting in the Gulf Cooperation Council states and neighbouring countries. Capacity- building initiatives are anticipated as the QFCRA moves towards mandatory and voluntary disclosure sets by the sector.

Qatar Derivatives Exchange (QDX) and Qatar Central Clearing Counterparty (QCCP)

IMAS is preparing for the changes required to its authorisation, supervision and reporting requirements in anticipation of the launch of the QDX and QCCP. In this regard, supervisory dashboards are being developed for the QDX and QCCP and a specialist resource has been engaged.

International training and conferences

In 2023 and with the purpose of engaging with international standard-setting organisations, IMAS team members attended the following training and seminars:

- IOSCO Risk-based Supervision program for Securities Regulators
- IOSCO – International Swaps and Derivatives Association (ISDA) Derivatives Training
- 25th IOSCO Seminar Training Program
- Cambridge Digital Assets for Regulators (CDAR)

Anti-Money Laundering/Combating the Financing of Terrorism Supervision

AML/CFT Regulatory Framework

The QFCRA's AML/CFT framework is based on Law No. (20) of 2019 on Combatting Money Laundering and Terrorism Financing (AML/CFT Law) and the Implementing Regulations, and Law No. (27) of 2019 Promulgating the Law on Combating Terrorism (CT Law). These laws are supplemented by detailed requirements under the Anti-Money Laundering and Combatting the Financing of Terrorism Rules 2019 (AML/CFTR) for financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs), and the Anti-Money Laundering and Combating the Financing of Terrorism (General Insurance) Rules 2019 (AMLG) for general insurance firms. These rules align with the Financial Action Task Force (FATF) global recommendations and standards.

In 2023, the QFCRA's AML/CFT team continued its implementation of the 2021-2024 AML/CFT Strategic Plan and Supervisory Strategy. In this connection, the team supervised 98 firms (65 FIs and 33 DNFBPs), following a risk-based approach considering a firm's activities, customers, products, and risk profile.

FATF Mutual Evaluation

FATF discussed the State of Qatar's Mutual Evaluation (ME) during its Plenary in February 2023 and published its report in May 2023, following the on-site review conducted in June 2022.

FATF stated: "Qatar has made substantive improvements to its system to combat money laundering and terrorism financing and its technical compliance with FATF requirements is very strong. However, Qatar needs to make some major improvements, in its criminal justice response to terrorist financing".

Qatar's overall results for effectiveness were positive, noting Qatar demonstrated they were 'Substantially Effective' in 4 key areas, Moderately Effective in 6 areas and Low in 1 area.

IO.1 - Risk, policy and co-ordination	IO.2 International co-operation	IO.3 - Supervision	IO.4 - Preventive measures	IO.5 - Legal persons and arrangements	IO.6 - Financial intelligence
Substantial	Moderate	Substantial	Moderate	Moderate	Moderate
IO.7 - ML investigation & prosecution	**IO.8 - Confiscation**	**IO.9 - TF investigation & prosecution**	**IO.10 - TF preventive measures & financial sanctions**	**IO.11 - PF financial sanctions**	
Moderate	Substantial	Low	Substantial	Moderate	

Qatar's Technical Compliance results were one of the highest globally, noting Qatar received 32 Compliant ratings and 8 Largely Compliant ratings.

R.1 - assessing risk & applying risk-based approach	**R.2** - national co-operation and co-ordination	**R.3** - money laundering offence	**R.4** - confiscation & provisional measures	**R.5** - terrorist financing offence	**R.6** - targeted financial sanctions – terrorism & terrorist financing
LC	**C**	**C**	**C**	**C**	**LC**
R.7- targeted financial sanctions - proliferation	**R.8** -non-profit organisations	**R.9** – financial institution secrecy laws	**R.10** – Customer due diligence	**R.11** – Record keeping	**R.12** – Politically exposed persons
LC	**LC**	**C**	**C**	**C**	**C**
R.13 – Correspondent banking	**R.14** – Money or value transfer services	**R.15** –New technologies	**R.16** –Wire transfers	**R.17** – Reliance on third parties	**R.18** – Internal controls and foreign branches and subsidiaries
C	**C**	**LC**	**LC**	**C**	**C**
R.19 – Higher-risk countries	**R.20** – Reporting of suspicious transactions	**R.21** – Tipping-off and confidentiality	**R.22** - DNFBPs: Customer due diligence	**R.23** – DNFBPs: Other measures	**R.24** – Transparency & BO of legal persons
C	**C**	**C**	**C**	**C**	**LC**
R.25 - Transparency & BO of legal arrangements	**R.26** – Regulation and supervision of financial institutions	**R.27** – Powers of supervision	**R.28** – Regulation and supervision of DNFBPs	**R.29** – Financial intelligence units	**R.30** – Responsibilities of law enforcement and investigative authorities
LC	**C**	**C**	**C**	**C**	**C**
R.31 – Powers of law enforcement and investigative authorities	**R.32** – Cash couriers	**R.33** – Statistics	**R.34** – Guidance and feedback	**R.35** – Sanctions	**R.36** – International instruments
C	**C**	**C**	**C**	**C**	**C**
R.37 – Mutual legal assistance	**R.38** – Mutual legal assistance: freezing and confiscation	**R.39** – Extradition	**R.40** – Other forms of international co-operation		
C	**C**	**C**	**C**		

FATF acknowledged the QFCRA demonstrated a well-established capacity to conduct risk-based AML/CFT supervision and noted QFCRA Financial Institutions and DNFBPs had a good understanding of the nature of their obligations regarding Customer Due Diligence, Beneficial Ownership and record-keeping. In addition, the QFCRA had a well-defined model for information sharing and delivery of instruction to FIs and DNFBPs. It was further noted by FATF, that QFCRA Financial Institutions and DNFBPs have a good understanding of the ML/TF risks in the National Risk Assessment and Sectoral Risk Assessment and their AML/CFT obligations.

National Risk Assessment (NRA) and Sectoral Risk Assessment (SRA)

The National Anti-Money Laundering and Terrorism Financing Committee (NAMLC) formed a working group during 2023 to review and update Qatar's NRA. The QFCRA participates in this working group and continues to monitor any outputs from the NRA in line with our Sectoral Risk Assessment (SRA).

Thematic reviews

The AML/CFT team carried out 3 thematic reviews in 2023:

1. Q25 Annual AML/CFT Return and Q26 NAMLC Data Collection Form project;
2. Annual MLRO Report project; and
3. Independent Review Report (IRR) project.

These reviews assessed the quality of returns, updated the AML/CFT risk ratings, identified compliance reporting issues by the Money Laundering Reporting Officer (MLRO) and Independent Reviewers, and assisted in the formulation of action plans to address the aforementioned.

2023 highlights

The AML/CFT team issued revised guidance for the Independent Review Report and provided outreach sessions for Independent Reviewers. Additionally, the team commenced a project to harmonise the AML/CFT reporting obligation. In this connection the Q25 Annual AML/CFT Return and Q26 NAMLC Data Collection Form were merged into a single Q27 AML/CFT Return. Guidance and outreach sessions were conducted with all firms to explain the revised procedures for the 2023 return.

AML/CFT Reviews of regulated firms in 2023

The AML/CFT 2023 Risk Assessment Visits schedule was completed, with results reported below. The AML/CFT reviews included 27 onsite reviews, of which two were focused reviews and 25 targeted onsite reviews, 100 consultation reviews and 250 desk-based reviews.

AML/CFT reviews in 2023

AML/CFT reviews of QFC firms - 1 January to 31 December 2023

Type of Examination	Full Onsite Reviews	Consultation Reviews	Targeted Onsite Reviews	Desk-based Reviews	Total
Banks	1[1]	11	1	37	50
Insurers and Intermediaries	1	28	5	44	78
Investment Managers	0	7	1	41	49
Advisory Firms	0	9	2	39	50
Representative Offices	0	1	0	5	6
DNFBPs	0	44	16	84	144
Total	**2**	**100**	**25**	**250**	**377**

Risk Assessment Visits (RAVs)

27 RAVs were conducted during 2023 for both FIs and DNFBPs, resulting in the issuance of 4 Risk Mitigation Programmes (RMPs) and 19 feedback/action letters and 2 clean reports.

	FIs	DNFBPs
RMP issued	2	2
RMP items issued	6	9
RMP Items closed	6 (2022 RMP)	3 (2023 RMP) 13 (2022 RMP)
Feedback letters issued	9	10
Action items	30	39
Clean Reports	1	1

One new matter in connection with a DNFBP was referred to Enforcement in 2023, noting the AML/CFT team continued to support Enforcement with ongoing enforcement matters and previous referrals.

[1] One joint RAV with Supervision

Data on our firms

Click to view data on our firms

Data on our firms

Policy, Legal and Enforcement

Policy, Legal and Enforcement by the numbers

05
Rules enacted

04
Consultation papers published

50
Information requests processed

07
Investegations commenced

03
International meetings and conferences attended

61
CDRS-related inquiries addressed

08
Whistleblowing-related inquiries addressed

In 2023, the Policy, Legal and Enforcement Division focused on delivering the QFCRA's policy work programme, strengthening its relationships with peer regulators and international standard-setting bodies, and raising public awareness of the importance of investor education and protection. In addition, the Policy, Legal and Enforcement Division commenced work on a range of Action Items under the Third Financial Sector Strategy.

Policy and Legislative Counsel

A key focus of work for the Policy and Legislative Counsel departments in 2023 was to bring into force the derivatives market regulatory rules framework, update the insurance business prudential rules, introduce significant updates to the banking business prudential rules and provide for rules to allow for the outsourcing of certain controlled functions to a suitably qualified third party. The departments also developed and published for consultation proposed new rules on a digital assets legal and regulatory framework and significant updates to the Islamic banking prudential rules.

Derivatives market regulatory framework

Following an extensive three-month public consultation in 2022 on proposals to introduce a Derivatives Markets and Exchange Regulatory Rules Framework in the QFC, in April 2023, the QFCRA issued the Derivatives Markets and Exchanges Rules 2023 (DMEX).

The launch of DMEX puts in place the regulatory framework to allow for the establishment of a derivatives exchange and a Central Clearing Counterparty (CCP) to ensure efficient settlement of trades and management of settlement risk. DMEX was developed and benchmarked against best practice regulatory jurisdictions and to align with key regulatory standards including the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions' (IOSCO) Principles for Financial Market Infrastructures (PFMIs); the Qualifying CCP criteria in the Basel Committee on Banking Supervision's Capital requirements for banks exposures to central counterparties and the European Union (EU) framework for non-EU CCPs regulations, as recognised through the European Securities and Markets Authority (ESMA).

Insurance business rules prudential banking framework

Following public consultation in early 2023 on proposals to update the insurance business prudential rules, in August 2023, the QFCRA issued the Insurance Business (Amendment) Rules 2023.

The amendments update the Insurance Business Prudential Rules 2006 (PINS) to more closely align with the Insurance Core Principles issued by the International Association of Insurance Supervisors (IAIS) and to take account of the introduction of International Financial Reporting Standard 17 (IFRS 17) published by the International Accounting Standards Board (IASB).

Banking business prudential rules

The QFCRA published a series of public consultations in June 2021 and December 2021 to amend the Banking Business Prudential Rules (BANK) in respect of credit risk, counterparty credit risk and exposures to central counterparties, and again in September 2022, to amend BANK to take account of regulatory adjustments to capital. Following these extensive consultations and accompanying quantitative impact studies with QFC banks, in December 2023, the Banking Business Prudential (Amendment) Rules 2023, were issued with a commencement date of July 2024.

The significant upgrade to BANK is designed to materially align with the Basel Accords framework as set out in the standards published by the Basel Committee on Banking Supervision (BCBS). In that connection, BANK has been updated in key prudential areas, including changes to the credit risk management framework, the capital charge framework for counterparty credit risk, guidance to categorise problem assets and provisioning, equity investments in investment funds, the large exposures framework and the allocation of instruments to the banking book and trading book.

Outsourcing of certain controlled functions

Following public consultation in 2023 on proposals to allow certain controlled functions in the Governance and Controlled Functions Rules 2020 to be outsourced to a suitably qualified third party, the QFCRA issued the Miscellaneous Amendments Rules 2023 in August 2023.

The rules allow firms with a lower risk footprint to apply to the QFCRA to outsource certain controlled functions including the senior executive, money laundering reporting officer, compliance and finance functions to a suitably qualified third party.

Digital assets regulatory rules framework

In 2023, the QFCRA commenced work with the QFCA to establish a legal and regulatory framework for digital assets, with the initial work in this area being focused on the development of a model in the QFC as a proof of concept to aid in the development of a model for the State.

In September 2023, the QFCRA issued a public consultation on proposals to introduce a Digital Assets Regulatory Rules Framework. The framework sets out a legal and regulatory framework for digital assets through the establishment of a tokenisation framework in the QFC.

The framework is designed to provide legal certainty and a trusted technology environment for digital assets; to provide legal recognition of digital assets and address issues such as ownership of the underlying assets, custody arrangements, the transfer of ownership, trading and exchange of digital assets and smart contracts; to develop a trusted technology infrastructure that embeds the standards necessary to ensure trust and confidence among consumers and support for the framework from high quality service providers; and a framework that delivers certainty and promotes trust and confidence in digital assets, the market, and the service providers.

The QFCRA is aiming to finalise and introduce the framework in 2024.

Islamic banking prudential rules

In December 2023, the QFCRA issued a public consultation on proposals to significantly update the Islamic Banking Business Prudential Rules (IBANK). The proposals are designed to materially align IBANK with the Islamic Financial Services Board (IFSB) prudential standards and certain relevant areas of the BCBS Basel Accord framework. In that connection, the proposals address the IFSB approach for credit risk and BCBS counterparty credit risk as well as new requirements related to the credit risk management framework, the prudential treatment for equity investment in funds, the categorisation of problem assets and provisioning, the classification of items between the banking and trading books and the large exposures framework.

The QFCRA is aiming to finalise and introduce the updated rules in 2024.

International Association of Insurance Supervisors (IAIS)

The QFCRA is a member of the IAIS Operational Resilience Working Group (ORWG). The ORWG’s mandate is to identify factors and developments impacting operational resilience in the insurance sector and supporting IAIS Members through a range of activities and an ongoing work programme. The QFCRA continued its participation in the ORWG during 2023, including the publication of the Issues Paper on Insurance Sector Operational Resilience in August 2023 and developing the ORGW’s future work programme, which will include the development of IAIS operational resilience objectives and a supervisory toolkit.

Partnering with peer regulators and other agencies in Qatar

The QFCRA continues to collaborate with the Qatar Central Bank (QCB) and the Qatar Financial Markets Authority (QFMA) under the auspices of the Financial Stability and Risk Control Committee chaired by His Excellency the Governor of the QCB and Chairman of the QFCRA. In that connection, the QFCRA participates in consultations with the QCB, the QFMA and the QFCA on new and amended legislative proposals.
In addition to the Financial Stability and Risk Control Committee, the QFCRA also collaborates with the QCB, QFMA, the Qatar Stock Exchange, Edaa (formerly the Qatar Central Securities Depository), Qatar Development Bank (QDB), and the QFCA through a Joint Committee established by the QCB. The Joint Committee was established to assess, develop, and implement multiple financial sector regulatory initiatives under the Third Financial Sector Strategic Plan under the broader objectives of the Qatar National Vision 2030.

International Cooperation

International and domestic co-operation and engagement

Since its establishment, the QFCRA has entered into two multilateral agreements, 46 bilateral Memoranda of Understanding, and 24 Alternative Investment Fund Managers Memoranda of Understanding, with a broad range of international jurisdictions.

The Alternative Investment Fund Managers Directive

The QFCRA maintains 24 Memoranda of Understanding (MoU) with securities regulators in the European Union. The MoUs were coordinated by the European Securities and Markets Authority (ESMA) and reflect its review of the QFC's legislative and supervisory framework and its approval of the QFCRA as an MoU counterparty.

The signatories of the MoUs with the QFCRA include the following securities regulators:

Austria	Liechtenstein
Bulgaria	Lithuania
Croatia	Luxembourg
Cyprus	Malta
Denmark	Netherlands
Estonia	Norway
Finland	Poland
France	Portugal
Greece	Romania
Iceland	Slovak Republic
Ireland	Sweden
Latvia	United Kingdom

2023 requests

The QFCRA has the power to assist overseas regulatory authorities with their supervisory and enforcement activities. Additionally, as part of its supervisory and enforcement activities, the QFCRA makes information requests to overseas regulatory authorities.

Outgoing requests	– 46
Incoming requests	– 4

Promoting Financial Literacy

In 2023 and for the fifth time, the QFCRA participated in World Investor Week (WIW), which took place during October.

WIW is a week-long global campaign promoted by the International Organization of Securities Commissions (IOSCO) and supported by leading organisations such as the G20 and the World Bank. The aim of WIW is to raise awareness about the importance of investor education and protection. This year's theme revolved around investor and financial resilience and how it can be achieved.

For 2023's WIW, the QFCRA developed a board game called "QFCRA Financial Education Game" that aimed to deliver the concepts of investor and financial resilience through an interactive format. The QFCRA also supported the WIW campaign by coordinating a number of events:

- Educational presentations at the Qatar Banking Studies and Business Administration Secondary School for Boys, and the Qatar Banking Studies and Business Administration Secondary School for Girls
- A segment on Qatar National Television; and
- Attending Qatar Stock Exchange's bell-ringing ceremony

In addition, the QFCRA coordinated an online internship programme with the American School of Doha that an consisting of an independent research project based on the analysis of jurisdiction reviews covering the political, social, and economic analysis of a selected country. The QFCRA also organised multiple sessions at the American School of Doha as part of its financial education initiative, covering the use of data analysis in supporting the work of regulatory supervisors at the QFCRA, and an overview of the QFC legal framework.

The QFCRA also arranged an internship programme with high-school students from Doha College and Vision International School which included an introduction to the QFC and the core operations of the QFCRA, followed by an independent research project.

Meetings and Conferences

International Organization of Securities Commission (IOSCO) 48th Annual Meeting

The QFCRA participated in the 48th IOSCO Annual Meeting, which took place from 13-15 June in Bangkok, Thailand under the organisation of the Securities and Exchange Commission, Thailand.

The QFCRA participated in the following three committee meetings; Africa/Middle East Regional Committee (AMERC), Growth and Emerging Markets Committee (GEMC), and Multilateral Memorandum of Understanding Monitoring Group (MMoU MG). Additionally, the QFCRA attended the President's Committee, a committee composed of all the Presidents (Chairs) of ordinary and associate IOSCO members and discussed the work and high-level themes concerning securities regulators.

International Organization of Securities Commission (IOSCO Africa and Middle East Regional Committee (AMERC) and Growth and Emerging Markets Committee (GEMC)

The QFCRA participated in the IOSCO AMERC and GEMC committee meetings held in Cairo between 20-23 November, under the organisation of the Financial Regulatory Authority of Egypt.

Enforcement

Enforcement is a necessary component of an effective regulatory regime. It enables the QFCRA to take appropriate enforcement action where breaches of the rules and regulations occur. The QFCRA has the requisite powers to act swiftly, decisively, and in a manner that is consistent with its stated policies and procedures, to achieve an effective and proportionate outcome.

2023 Summary Statistics

- Seven investigations commenced in 2023.
- No enforcement action was taken against any firms or individual in 2023.

QFC Tribunal and Court judgments

The QFCRA was party to four proceedings in the Qatar International Court in 2023:

- Jean-Marc Mantegani v Qatar Financial Centre Regulatory Authority [2023] QIC (RT) 1;
- Patrick Baeriswyl v Qatar Financial Centre Regulatory Authority [2023] QIC (RT) 2;
- Rudolfs Veiss v Qatar Financial Centre Regulatory Authority [2023] QIC (RT) 3; and
- Qatar Financial Centre Regulatory Authority and Qatar Financial Centre Authority v Horizon Crescent Wealth LLC and Mohamed Abdulaziz Mohamed Al Emadi [2023] QIC (RT) CASE NO: CTFIC0019/2023.

Customer Protection

The Customer Dispute Resolution Scheme (CDRS)

How the scheme works

An internal complaints-handling framework is a requirement for authorised firms in the QFC. when customer complaints are not satisfactorily resolved by a firm's internal framework, customers can seek redress through an external independent adjudication process, the CDRS. The CDRS has been in operation since 2014 and has resulted in a number of successful outcomes for customers.

CDRS - Key Statistics for 2023

Stage in CDRS Process	1 Jan – 31 December 2023
Enquiries to CDRS (whether in or outside jurisdiction)	61
Out of scope matters	17
CDRS matters assessed or under assessment	44
CDRS matters referred to adjudicator	2
CDRS matters finalised by adjudicator	1

CDRS Independent Adjudicators

Mr Salman Ahmed Al-Ansari

In June 2022, the QFCRA appointed Mr Al-Ansari as a CDRS Independent Adjudicator. Mr Al-Ansari is ranked as a leading lawyer in corporate and commercial law by Chambers and Partners. He advises clients on all facets of their operations in the Middle East, from corporate formation, structuring, mergers and acquisitions, finance and securities to intellectual property, real estate and construction and dispute resolution. Mr Al-Ansari's in-depth academic experience, along with his knowledge of local laws, allows him to efficiently advise clients on the legal complexities of the Middle East and North Africa (MENA) region. Recently, Mr Al-Ansari advised on one of the largest mergers and disputes in the State of Qatar. Mr Al-Ansari led a team of lawyers to draft and negotiate the Law No. 10 of 2021 regarding the Measures for Hosting the FIFA World Cup Qatar 2022.

He earned his LLB from Qatar University and his LLM from University of Pennsylvania Law School in the United States and his EMBA from HEC Paris.

Mr Al-Ansari has taught several law courses at Qatar University including Principles of Commercial Law.

Professor Robin Callender Smith (until 6 October 2023)

The QFCRA appointed Professor Robin Callender Smith to be a CDRS Independent Adjudicator in September 2013. Professor Callender Smith is a Deputy Chairman for the Regulatory Decisions Committee of the Financial Conduct Authority. He is also Chairman of the Independent Appeals Board of the premium rate telephone regulator in the UK and has recently been appointed as a non-executive lay member of the UK's Chartered Insurance Institute.

Professor Callender Smith has worked as a barrister since 1977 after spending four years as a journalist. He is also an Information Rights Judge and an Immigration Judge. Professor Callender Smith has spent over 30 years as a media lawyer for national newspapers and 10 years in the City of London dealing with significant financial takeovers and mergers as well as issues relating to compliance, corporate governance and professional standards in the financial services sector. Professor Callender Smith is a former elected member of the UK Bar Council and Gray's Inn Barristers' Committee. He is also a Vice President of London Youth, London's largest youth charity.

Whistleblowing (WB) - Key Statistics for 2023

The QFCRA's whistleblowing framework outlines appropriate mechanisms for making confidential reports about alleged wrongdoing by QFC authorised firms or persons connected with these firms.
These anonymous reporting mechanisms provide confidentiality, anonymity, and protection for persons making reports, and help foster a climate whereby employees are more likely to report or seek guidance regarding potential or actual wrongdoing without fear of retaliation by their employer, such as immediate termination, serious health or safety concern.

Stage in WB Process	1 Jan – 31 December 2023
Enquiries to WB (whether in or outside jurisdiction)	8
Out of scope matters	2
WB matters under assessment	0
WB matters closed	6

Strategy and Risk

Strategy and Risk by the numbers

3rd
Financial Sector Strategic Plan commenced

04
Reports submitted to the Audit and Risk Committee

35
Projects led by QFCRA under the Third Financial Sector Strategic Plan

Roles and responsibilities of each department

The Macroprudential Analysis department assesses and analyses key global, regional and domestic macro-economic, financial and political developments and trends, as well as relevant international regulatory and infrastructural developments.

The Enterprise Risk Management (ERM) department oversees the QFCRA's risk governance and risk register and reports to the Audit and Risk Committee on the key risks facing the QFCRA and the risk controls to mitigate the identified risks.

The Financial Sector Strategy Office (Ro'ya) department prepares the QFCRA's input into the joint Strategic Plan for Financial Sector Regulation and represents the QFCRA on the joint strategy committee which also comprises the QCB and QFMA. The department provides project management office support to manage various financial sector regulatory initiatives with additional support provided by three staff members seconded from QFMA, QFCA and Qatar Stock Exchange.

The Internal Audit department develops and implements an independent and objective assurance and advice service to the Board of Directors of the QFCRA and senior management to assist them in their responsibilities to comply with industry leading guidelines and best practice.

2023 highlights

Macroprudential Analysis

In 2023, the Macroprudential Analysis department provided insights on macroeconomic and financial stability to supervisory staff, senior management, and the Board of Directors. Macroprudential surveillance operates alongside microprudential (entity level) surveillance to assist supervisors in their efforts to prevent or mitigate the effects of risks identified.

Macroeconomic analysis and macroprudential surveillance assisted the QFCRA in identifying and assessing the impact of several external factors on the broader domestic economy as well as the financial services sector, delivering value-added quantitative and qualitative information for forward-looking monitoring. The department held regular meetings with its key stakeholders to identify and examine key risks to domestic financial stability and has prepared input for the quarterly Financial Stability Indicators Report for the Financial Stability and Risk Control Committee.

Enterprise Risk Management (ERM)

Throughout the year, the ERM department submitted 4 reports to the Audit and Risk Committee. The department leveraged its real-time interactive risk management dashboards and developed an additional two reports to assist the department in its risk analysis.

In 2023, the ERM department developed a detailed action plan involving internal stakeholders to address and mitigate exogenous risks that may impact the QFCRA. The action plan, which was presented to the CEO's Committee, is designed to proactively address potential external threats that could impact the QFCRA's performance, stability or reputation.

Strategic Plan

In 2023, the QFCRA contributed its expertise to the development of the Third Financial Sector Strategic Plan (3FSS). This involvement included active participation workshops with key stakeholders, including the QCB and QFMA. With the aim of enhancing the financial sector's resilience and alongside the QCB and QFMA, the QFCRA contributed to developing and identifying potential initiatives under the 3FSS.

Financial Sector Strategy

The QFCRA serves as the host for the Financial Sector Strategy Office (Ro'ya), collaborating closely with the QCB, QFMA, QFCA. Qatar Stock Exchange (QSE), and Edaa (previously known as QCSD), and Qatar Development Bank (QDB).

This collaboration is focused on coordinating and contributing to various multi-year financial sector regulatory projects and deliverables under the umbrella of the 3FSS, which was inaugurated on November 27, 2023. The team is further strengthened by the inclusion of three seconded members, one from each of the QFMA, QFCA, and QSE, enhancing the project with a diverse range of insights. A key objective of the FSSO is to foster the exchange of knowledge and expertise regarding the financial regulatory framework and the broader financial ecosystem.

The QFCRA is leading on 35 projects under 3FSS relating to digital assets, consumer and investor protection and the legal framework for capital markets.

Innovation in Project Management

With digital innovation and advanced technologies as a main cross-cutting theme of the 3FSS, QFCRA adapted its cloud-based Microsoft project management solution, Project for the Web, to provide transparent real time reporting and tracking of progress on the projects under the 3FSS. The QFCRA is also developing an Extranet Portal for the 3FSS stakeholders. The Extranet Portal will serve as a document repository to share all 3FSS information and provide a seamless digital experience, ensure documentation of the 3FSS and bolster knowledge transfer among stakeholders and future staff in the financial sector.

Corporate Services

Corporate Services by the numbers

07
Qataris hired

35
External trainings

04
In-house Trainings

06
Information sessions

01
Memorandum of Understanding

In 2023, the Finance, Human Resources, Information Technology, Strategy and Organisational Development and the Administration (Corporate Communications, Translation, Operations) departments continued their journey on a Corporate Services strategy centred in business excellence.

For Corporate Services, the primary goals of the division are focused on business excellence, stakeholder engagement and innovation with nationalisation, innovation in cloud-based technology and developing human capital.
The division's efforts were fuelled by the adoption of international best practice and providing excellent and innovative services to the core business functions.

New Headquarters

In September 2023, the QFCRA relocated to the Gate Towers after 15 years at QFC Tower 1. A team of internal experts facilitated the move without technical disturbances, allowing for a seamless transition to the new headquarters. The newly fitted office space reflected QFCRA's expansion, leaning towards a modern workforce that promotes collaboration, connectivity, and a healthier work-life balance.

A Commitment to Business Excellence

EFQM Nomination

The Corporate Services division of the QFCRA achieved a remarkable feat in October 2023, when it became a finalist for the prestigious EFQM Business Transformation Team Award. This honour celebrated the QFCRA's exceptional performance in innovation and transformation, as demonstrated by its successful Cloud-First Strategy in 2022, its ongoing modernisation of cloud-based applications, and Al Masar, the QFCRA's award-winning nationalisation programme. The QFCRA showcased its excellence at the EFQM Middle East Summit, where the EFQM Model is a globally recognised practical framework for organisational change and performance improvement.

Lughatna 2023

Lughatna or "Our Language" is a bilingual lexicon produced by the QFCRA's Translation department with the aim to promote the use of consistent language and communication across the financial and regulatory sectors in Qatar. Following the success of Lughatna in 2017, the QFCRA launched its second edition in 2023, updating key terminologies relating to the general business of the QFCRA and governmental entities.

Serving as a reference, Lughatna 2023 contains the correct business terms and terminology of the QFCRA and financial institutions, catering to internal and sectoral needs across the State of Qatar.

Lughtna is part of Ta'arib, the QFCRA's Arabisation programme that aims to promote Arabic business communication in support of Qatar's national effort in preserving the Arabic language.

Mustalahat: A Platform for Translation

In 2023, the QFCRA launched Mustalahat, a platform that supports the sector's shared strategy to enhance cooperation. Mustalahat provides a repository of key terms, glossaries and shared documents used in the financial services sector in Qatar and facilitates the harmonisation of the legal, financial and business terminology used among the QCB, QFMA and QFCRA.

Innovation, Security and Automation

Artificial Intelligence (AI) and Machine Learning (ML)

In 2023 and to help establish its AI-transformative journey, the QFCRA attended numerous discovery sessions with Microsoft and partners to identify the business needs and challenges of AI and ML implementation at the QFCRA.

Modernisation of Applications

Keeping up with the latest technological trends, the QFCRA continued its journey through the cloud by discovering a new realm of modernising applications. The adoption of cloud-native architectural principles, refactoring code and implementing new technologies, improved the functionality and automation of its e-forms and services, targeting the Enterprise Resource Planning (ERP) system, Financial Institution Regulatory Management System (FIRMS) and the QFCRA's Translation System.

Cloud Based Management Platform

To help optimise the Strategy and Risk division's project management plan, the cloud-based platform Project for the Web was introduced as a new project management solution, assisting the division with generating data-heavy reports and dashboards. Project for the Web played a critical role in bringing together various stakeholders from the financial sector and driving cooperation and collaboration under the Third Financial Sector Strategic Plan.

Enforcement Case Management System

In 2023, the IT department assisted the Enforcement department with the adoption of an automated system responsible for improving the departmental processes of legal case management and further related matters. The system extracts data from the Supervision department's Entity Relationship Diagram (ERD), whistleblowing, and CDRS e-forms to build a case and uses the built-in features of folder structure management and reports generator to streamline the process.

System Optimisation

In 2023, the QFCRA revamped the Supervision and Authorisation's Correspondence Management System, responsible for tracking and recording communications with firms, organisations and other regulators. The new system underwent structural changes that created a more user-friendly experience featuring unlimited correspondence linking, easy navigation, an organisation tool in the form of a task bar tracker and introduced a diverse range of business information dashboards.

National Cyber Drill 2023

Under the theme of "Secure Your Data", the QFCRA participated in Cyber Drill 2023 hosted by the National Cyber Security Agency (NCSA). The drill assessed the individual, procedural and technological cyber capabilities of organisations and their level of compliance with national data security policies. The report issued following the drill indicated an excellent performance by the QFCRA's drill team, surpassing the sectoral and national standards.

Cyber-Security Awareness Training

In its continuous efforts to uphold the highest standards of cybersecurity and crisis management practices, the QFCRA conducted cybersecurity awareness sessions for all its employees to promote safe practices. The sessions aimed to enhance employees' knowledge and skills on how to prevent, detect, and respond to cyber threats that may compromise the QFCRA's data and systems.

Building a Future-Ready Workforce

Nationalisation at the Forefront

Al Masar, the QFCRA's award-winning nationalisation programme, started in 2015. The programme addresses QFCRA's need for qualified Qatari subject matter experts and leaders, with the goal of creating a legacy of financial regulation for the State of Qatar.

For both Qatari graduates and more seasoned Qatari employees, Al Masar provides the full range of human resources services, including recruitment, orientation, training and development, career mapping, ongoing assessment and opportunities that are designed to expand an employee's capacity to take on more responsibility.

Recruitment targets are individuals who are interested in careers in the core business areas of Supervision and Authorisation, Policy, Legal and Enforcement and Strategy and Risk. Qatari employees progress through five developmental stages at their own pace, with defined competencies, professional training, coaching, seminars, and staff mentoring available throughout the journey.

Employees follow customised individual development plans that include core skills function rotation, work-based assignments and professional certificates, international assignments and local secondments, a master's or advanced degree relevant to QFCRA subject matter and leadership preparation.

Mindmill 360 Profile Assessment

In alignment with the QFCRA's competency framework, the 360 Profile Assessment was utilised as a training tool to assess the progress of employees in leadership positions, measuring their development against the QFCRA Leadership Competencies. The data generated proved essential in supporting organisational leadership development at the QFCRA.

Promoting Careers in Financial Regulation

The Al Masar strategy calls for the QFCRA to reach out to secondary schools and university students in Qatar to acquaint them with career possibilities in Qatar's financial sector.

University Outreach

The QFCRA made great strides in creating a legacy of financial regulation for Qatar and promoting the financial sector as a career choice in 2023.

MoU with Cambridge University

In January 2023, the QFCRA signed a memorandum of understanding (MoU) with the Cambridge Judge Business School's Regulatory Genome Project (CJBS-RGP). The MoU is intended to contribute to the development and promotion of the RGP, a collaboration to develop and support an open information structure that will facilitate the comparative analysis of financial regulations across jurisdictions.

> "We look forward to the establishment of a working relationship with the RGP and contributing to its ongoing development under this MoU. With the increase in information significant to regulatory requirements, the demand to verify and process data efficiently is unprecedented. We are pleased to collaborate with the RPG on this first of many opportunities"
>
> — Michael G. Ryan, CEO, QFCRA

Education City Career Fair 2023

The QFCRA Nationalisation team participated in the annual Education City Career Fair in March alongside more than 80 public and private sector organisations in Qatar. Internship and job opportunities were presented to undergraduate students in Education City universities offering degrees in areas related to the QFCRA's core business.

Carnegie Mellon University in Qatar and Hamad bin Khalifa University

In October 2023, the QFCRA continued its efforts to promote financial regulation as a career choice by visiting Carnegie Mellon University in Qatar. In November, the QFCRA visited Hamad bin Khalifa University participating in their inaugural employer event.

Qatar Banking School for Boys and Girls (QBSBAS)

In October 2023 and in conjunction with World Investor Week, the QFCRA visited the two Qatar Banking Studies and Business Administration schools for boys and girls to educate secondary school students on internship and future career opportunities in Qatar's financial regulation sector.

Internships

The internship model has successfully embedded itself in the culture of the QFCRA. In 2023, 28 interns participated in learning and development, work experience, and information sharing opportunities.

Students in high school and university benefitted from internships at the QFCRA, learning about core business activities ranging from bank supervision and data analytics, to drafting legislation and the basics of finance.

These internships were supported by the Al Masar programme, designed to provide opportunities to high-performing university and post-graduate students to work in a professional environment while they are still working on their degrees.

Knowledge-Sharing

In line with the Al Masar goal to create a wealth of knowledge within the organisation, in 2023, the QFCRA provided multiple in-house training sessions catered to various areas in the core business and support functions.

The QFCRA held six in-house information sessions to educate employees on topics ranging from artificial intelligence to capital markets.

04
In-house trainings

35
External trainings

06
Information sessions

01
Memorandum of understanding

Corporate Social Responsibility

Mubadarah

As financial regulators, the QFCRA looks to deliver a world class financial services regulatory environment that contributes to the economic, environmental and social well-being of the State of Qatar. Sustainable development and the adoption of sustainable practices is at the forefront of the QFCRA's Corporate Social Responsibility (CSR) objectives.

Be'atna

In efforts to reduce its environmental footprint and promote a paperless business environment, in 2023, the QFCRA introduced custom recyclable water bottles to reduce the consumption of plastic products and waste and donated its old furniture to Qatar Charity's Tayf program before relocating to its new headquarters.

Continuing its commitment towards a sustainable future by promoting digitisation and encouraging paper-saving practices. In 2023, the QFCRA recycled 2481 KG of paper.

Prioritising Health and Safety

As part of the QFCRA's commitment to promoting employee health and safety, the Public Relations department hosted the Qatar Red Crescent Society and the Qatar Diabetes Association to conduct sessions on First Aid and preventative and management measures of diabetes, arming employees with the necessary life skills to lead a healthy lifestyle in and out of the workplace.


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Financial Statements

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