

Third Financial Sector Strategic Plan

27 NOVEMBER 2023



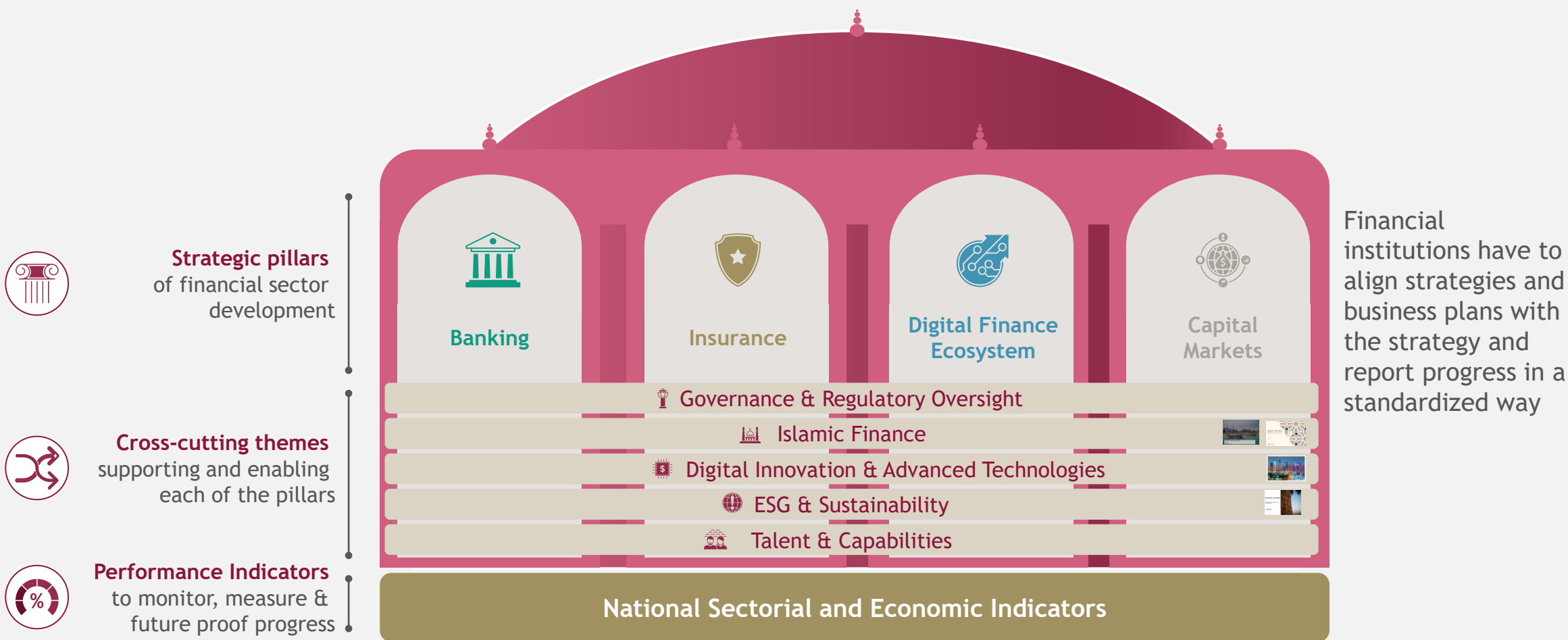
Our vision is ...

“

.. 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 2030 National Vision

”

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



Sectorial aspirations are defined for each pillar to ensure the right focus to unlock economic growth and competitiveness for Qatar



Banking

Sophisticated and resilient banking sector excelling in diverse financial services and products, providing specialized advisory and structured funding built on regulatory and digital excellence



Insurance

Leading insurance sector distinguished by its diverse insurance products and services that drive the sector's growth and profitability, spread the culture of insurance in society and provide InsurTech products based on tight insurance rules and legislations



Digital Finance Ecosystem

Leading ecosystem embracing emerging technologies to accelerate digital transformation supported by adaptable and consistent regulatory frameworks and trusted market infrastructures



Capital Markets

Capital market that leads the region in innovation and efficiency and drives national development by improving the level of liquidity

Cross-cutting themes support the strategic pillars to ensure the foundations for successful implementation and delivery



Detailed action plans have been developed for the cross-cutting themes to support the strategic pillars



Banking

Sophisticated and resilient banking sector, providing diverse financial services and products, specialized advisory, and structured funding built on regulatory and digital excellence

Foundational elements



Enhanced regulatory measures for the financial sector to promote transparency, accountability, and trust



Enhanced efficiency, improved customer experience and driven innovation in the banking sector



Best-in-class talent and capabilities to increase knowledge transfer and adopt to changing market conditions

Select growth areas



Tailored financing offerings

- Launch new products to support growth ambitions in priority sectors
- Expand trade and export finance offerings for wholesale and corporate segments
- Develop special financing programs to support SME growth
- Offer savings and investment products to expats to encourage them to invest in Qatar (e.g., mortgages, investment products)
- Provide a range of Islamic and ESG product offerings



Specialized advisory services



- Sophisticate capabilities to increase non-interest revenues
- Support local players to grow beyond Qatar and expand abroad
- Implement mentoring & coaching programs for SMEs on financing, digital, and green transition
- Develop wealth management services for premium retail customers



Digital banking & payment solutions

- Develop a payment hub with real-time transaction monitoring, fraud detection and to achieve increased efficiency
- Expand advanced payment solutions such as digital wallets, virtual cards, and personal financial management tools



Will be achieved through 8 initiatives and 68 action items including 29 priority action items



Specialization areas



Insurance

Leading insurance sector distinguished by its diverse insurance products and services that drive sector growth and profitability, spread culture of insurance in society, and provide InsurTech products based on tight insurance rules and legislations

Foundational elements



Strong regulatory measures to position insurance and provide effective management of financial and economic risks as Qatar's economy expands and diversifies



Safe data and information management systems and established data reporting processes and standards for transparency and efficiency



Safe data and information management systems and established data reporting processes and standards for transparency and efficiency

Select growth areas



Developed local insurance market

- Grow demand and awareness for insurance products, **transforming the market perception**
- Launch **competitive insurance offerings** in health, life and climate risk insurance
- Offer **tailored insurance services** for priority sectors (e.g., logistics, a manufacturing)
- Expand insurance offerings to underserved segments for **increased inclusivity**
- **New insurance products and services** added to the market (e.g., annuities, disability insurance, wage protection, mortgage protection, etc.)



Regional InsurTech hub

- Lay out the fundamentals to become the recognized InsurTech hub in MENA through necessary reforms and incentivizing ventures



Sophisticated capital management

- Increase sophistication of insurers capital/asset management practices to limit premiums leakage and **ensure capital flow into Qatar's economy**



Re-insurance offerings

- Create the optimal environment to increase retention by insurers and position Qatar as a preferred destinations for the international re-insurance market



Will be achieved through **8 initiatives** and **41 action items**, including **26 priority ones**



Digital Finance Ecosystem

Leading ecosystem embracing emerging technologies to accelerate digital transformation supported by adaptable and consistent regulatory frameworks and trusted market infrastructure

Foundational elements



Enhanced data and regulatory frameworks for digital assets and decentralized finance to ensure a secure, stable and trusted legal & economic environment



Leading know-how in digital through training and immersive learning experiences, and grants for technology driven innovations



Sandbox to test a wide range of financial innovations and appropriate infrastructural components to allow sector growth

Select growth areas



Scaled digital payments ecosystem

- Promote fintech players in retail payments to stimulate ecommerce growth
- Development of leading market infrastructure to support innovation and collaboration



Established FinTech ecosystem

- Develop a FinTech Talent Center of Excellence to enable growth of innovative start-ups and innovations
- Provide incentives to facilitate BigTech and FinTech market entry to Qatar



Advanced digital solutions

- Introduce cutting-edge solutions to the Qatari financial sector - e.g., platform trading, robo advisory, blockchains, AI, digital assets, tokenization



Digitalization in ESG & Islamic Finance

- Become a leader in digitalization within Islamic finance and ESG
- Increase financial inclusion through introduction of digital possibilities



Will be achieved through 7 initiatives and 48 action items including 20 priority ones



Capital Markets

Capital market that leads the region in innovation and efficiency and drives national development by improving liquidity and velocity levels

Foundational elements



Enhanced regulatory framework aligned with leading international standards, including robust regulation on investor protection, market transparency, and corporate governance



State-of-the-art capital markets infrastructure, including electronic trading platforms and cloud computing facilities, ensuring data accessibility



Moving from emerging market to developed market status; raising the international profile of Qatar Stock Exchange and Qatar

Select growth areas



Advanced equity capital market

- Promote and encourage issuance by the private sector and SMEs
- Incentives investor participation to improve liquidity, and transaction costs
- Expand offerings in Islamic finance and ESG



Extensive fixed income market

- Strengthen the yield curve in Qatar to enhance the debt capital market
- Increase fixed income secondary trading for increased liquidity
- Issue advanced Sukuk and ESG products



Strong asset management sector

- Launch a competitive and comprehensive asset management solutions (including for expats)
- Provide support for asset management regarding custody activities



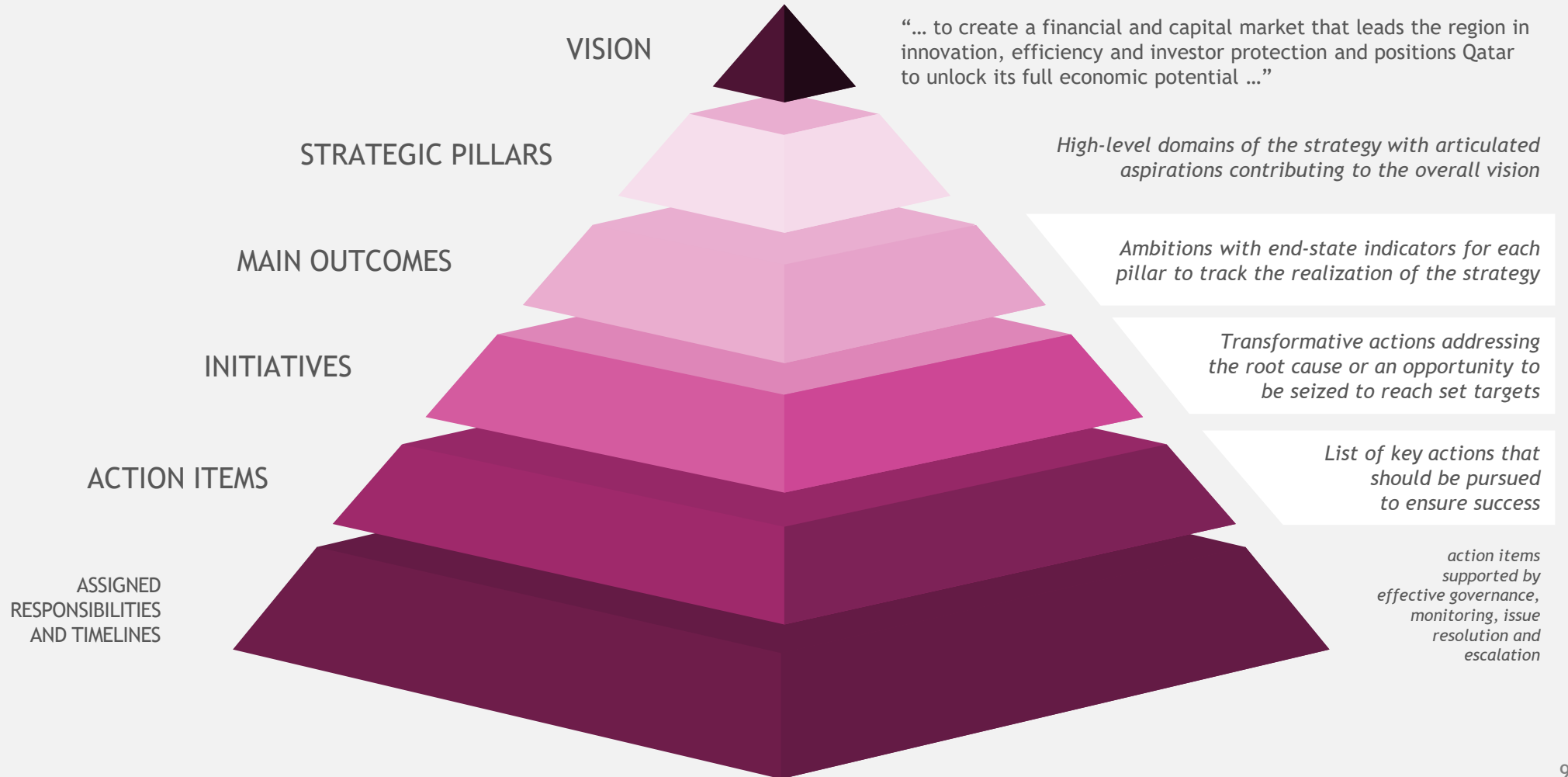
Market Development

- Launch derivatives exchange
- Deliver a commercial strategy in partnership with QSE creating the leading exchange in the region
- Create a sustainable and efficient operating model that is responsive to market requirements

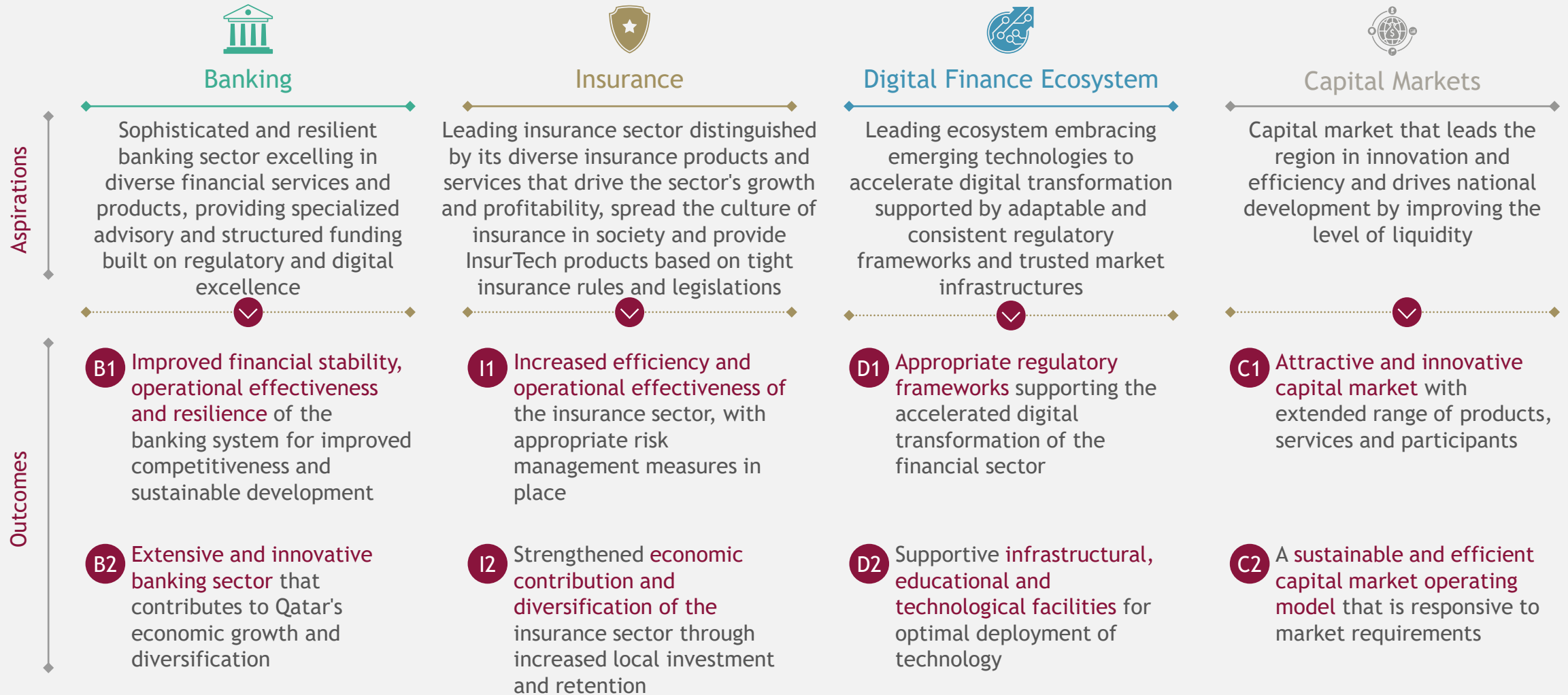


Will be achieved through 7 initiatives and 50 action items, including 23 priority ones

Structured strategy framework in place to develop action items that directly contribute to our vision



An aspiration and a set of outcomes were defined for each strategic to ensure and measure success



The outcomes were broken down into initiatives and action items that are linked with a set of supporting indicators



Banking



Insurance



Digital Finance Ecosystem



Capital Markets



The defined main outcomes are broken down into **initiatives** ...



.. under which a
set of priority
action items
are identified ...



... with additional
supporting
indicators to
monitor delivery

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Insurance | Main outcomes & initiatives

Outcome	Initiatives
1) Increase the insurance and reinsurance market's contribution to the GDP of the EU, including the small and medium-sized insurance, development and distribution through digitalisation and innovation	1.1) Develop a digital insurance and reinsurance market framework, characterised by efficiency, trust and low customer costs 1.2) Develop digital management
2) Increase the insurance and reinsurance market's contribution to the GDP of the EU, including the small and medium-sized insurance, development and distribution through digitalisation and innovation	2.1) Create a strategic collaboration with the insurance sector to enhance customer demand for insurance products 2.2) Develop products such as educational targets, insurance products, and insurance companies
3) Increase the insurance and reinsurance market's contribution to the GDP of the EU, including the small and medium-sized insurance, development and distribution through digitalisation and innovation	3.1) Implement activities to facilitate digitalisation in the insurance sector and establish measures for developing an insurance ecosystem 3.2) Enhance EU insurance efficiency in order to offering competitive insurance services, while also providing guidance for the insurance sector
4) Increase the efficiency of the insurance and reinsurance market's contribution to the GDP of the EU, including the small and medium-sized insurance, development and distribution through digitalisation and innovation	4.1) Develop and promote the insurance framework for insurance to develop capital growth and efficiency management 4.2) Develop and promote the insurance framework for insurance to develop capital growth and efficiency management
5) Increase the efficiency of the insurance and reinsurance market's contribution to the GDP of the EU, including the small and medium-sized insurance, development and distribution through digitalisation and innovation	5.1) Develop and promote the insurance framework for insurance to develop capital growth and efficiency management 5.2) Develop and promote the insurance framework for insurance to develop capital growth and efficiency management

Source: EY Study, analysis, EY analysis

The diagram illustrates the Digital Finance Ecosystem, showing its main outcomes and the initiatives that drive them. At the top, a green leaf icon is next to the title "Digital Finance Ecosystem". Below this, a central box labeled "Main outcomes & Initiatives" branches into two columns. The left column, headed "Outcome" with a green leaf icon, lists three outcomes: 1. Greater financial opportunities for underserved segments, 2. Support the digital adoption of financial sector, and 3. Increase the operational efficiency of financial sector. The right column, headed "Initiatives" with a green leaf icon, lists six initiatives: 1. Strengthen and enhance the legal and regulatory framework for digital assets and services to ensure a secure and resilient infrastructure, 2. Establish the right policies and incentives to further capitalize on active roles across the ecosystem, 3. Create a framework to facilitate market entry for Fintech and InsurTech and attract external flows from bank and insurance sectors, 4. Foster digital payments through ecosystem integration and enhance financial inclusion through accelerated finance and public finance flows, 5. Establish a Fintech Value Chain Ecosystem that includes a number of players for increasing Fintech startups, providing them with the necessary support and infrastructure for their growth, and 6. Foster a digital financial ecosystem, including property rights and digital market infrastructure to establish G2A as a market for digital assets and InsurTech.

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graph TD
    Title[Digital Finance Ecosystem] --> Main[Main outcomes & Initiatives]
    Main --> Outcome[Outcome]
    Main --> Initiative[Initiatives]
    
    Outcome --> O1[1. Greater financial opportunities for underserved segments]
    Outcome --> O2[2. Support the digital adoption of financial sector]
    Outcome --> O3[3. Increase the operational efficiency of financial sector]
    
    Initiative --> I1[1. Strengthen and enhance the legal and regulatory framework for digital assets and services to ensure a secure and resilient infrastructure]
    Initiative --> I2[2. Establish the right policies and incentives to further capitalize on active roles across the ecosystem]
    Initiative --> I3[3. Create a framework to facilitate market entry for Fintech and InsurTech and attract external flows from bank and insurance sectors]
    Initiative --> I4[4. Foster digital payments through ecosystem integration and enhance financial inclusion through accelerated finance and public finance flows]
    Initiative --> I5[5. Establish a Fintech Value Chain Ecosystem that includes a number of players for increasing Fintech startups, providing them with the necessary support and infrastructure for their growth]
    Initiative --> I6[6. Foster a digital financial ecosystem, including property rights and digital market infrastructure to establish G2A as a market for digital assets and InsurTech]
  
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Capital Markets | **Main outcomes & Initiatives**

Outcome Initiatives

- C1 | Launch competitive and innovative**
 - C1.1** Enhance the quality and depth of the capital markets in collaboration with the G20, through new listing and attraction of international investors
 - C1.2** Enhance the quality of the regulatory framework by strengthening the legal and regulatory framework by deepening the financial and investor reforms
 - C1.3** Grow and institutionalise the stock market segment to improve capital adequacy (new entry sectors)
- C2 | Establish a domestic market to further enhance the depth and liquidity of capital markets**
 - C2.1** Enhance the regulatory framework for capital markets to **facilitate** and **expand the availability of diverse financial products** (related to the needs of the private sector and SMEs)
 - C2.2** Develop an **innovative and approved process for capital markets** that is efficient, effective, and suitable
 - C2.3** Develop a sustainable and effective capital market framework that is **transparent** to market participants
 - C2.4** Establish an **integrity engagement model** to ensure that capital markets regulators stay responsive to evolving markets conditions and provide the appropriate infrastructure

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Digital Finance Ecosystem | Outcome 7 Initiatives & Projects


Digital Finance Ecosystem | Outcome 1 Initiatives & Projects

01 | Approaches implemented through the assisted digital transformation of the financial sector

1.1

Financial Inclusion

Financial inclusion is the process of ensuring that all individuals and businesses have access to and use of financial services and products. It is a key goal of the digital transformation of the financial sector, as it allows financial institutions to reach a wider range of customers and improve their services.

- Financial inclusion is a key goal of the digital transformation of the financial sector.
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- Financial inclusion is the process of ensuring that all individuals and businesses have access to and use of financial services and products.

1.2

Financial Inclusion

Financial inclusion is the process of ensuring that all individuals and businesses have access to and use of financial services and products. It is a key goal of the digital transformation of the financial sector, as it allows financial institutions to reach a wider range of customers and improve their services.

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Insurance | Key indicators by initiative

Initiatives

- 1. Expand product and service offering to cover a full range of insurable risks, including life, health, and property, while maintaining a competitive rate of return
- 2. Develop a complete range of services to support the insurance product, including underwriting, claims, and customer support
- 3. Develop a complete range of services to support the insurance product, including underwriting, claims, and customer support

Key indicators

- 1. Number of policies issued and claims paid
- 2. Number of policies issued and claims paid
- 3. Number of policies issued and claims paid

Channels

- 1. Direct sales
- 2. Indirect sales
- 3. Indirect sales

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Capital Markets

Key Indicators by Initiative

Initiatives	Key Indicators
<ul style="list-style-type: none"> 1) Enhance the liquidity and depth of the capital markets in collaboration with the Ministry of Finance to attract foreign and domestic investors to the capital markets of goods and services and SMEs, and institutional investors. 	<ul style="list-style-type: none"> Number of new equity listings on CDX, especially: Number of Equity registered transactions on the CDX Number of Equity registered transactions on the CDX by Foreign investors Total volume of equity listings in CDX Total volume of equity listings in CDX by Foreign investors Total volume of equity listings in CDX by Foreign investors Total volume of equity listings in CDX by Foreign investors
<ul style="list-style-type: none"> 2) Improve and institutionalize the stock market governance to improve capital market's attractiveness and to further enhance the depth and liquidity of capital markets. 	<ul style="list-style-type: none"> Number of Equity registered transactions on the CDX Number of Equity registered transactions on the CDX by Foreign investors Number of Equity registered transactions on the CDX by Foreign investors Number of Equity registered transactions on the CDX by Foreign investors Number of Equity registered transactions on the CDX by Foreign investors
<ul style="list-style-type: none"> 3) Improve and institutionalize the bond market governance to improve capital market's attractiveness and to further enhance the depth and liquidity of capital markets. 	<ul style="list-style-type: none"> Number of Equity registered transactions on the CDX Number of Equity registered transactions on the CDX by Foreign investors Number of Equity registered transactions on the CDX by Foreign investors Number of Equity registered transactions on the CDX by Foreign investors Number of Equity registered transactions on the CDX by Foreign investors



The financial sector
strategic plan will
lead to strong overall
sector growth

4.7%

overall Compounded Annual Growth Rate
for the financial sector until 2030

84B

overall contribution of the sector to GDP
by 2030



Appendix

I. Leading indicators

Overview & rationale

II. Banking

Outcomes, initiatives, priority action items and indicators

III. Insurance

Outcomes, initiatives, priority action items and indicators

IV. Digital Finance Ecosystem

Outcomes, initiatives, priority action items and indicators

V. Capital Markets

Outcomes, initiatives, priority action items and indicators

I. Leading & supporting indicators

Overview & rationale



Banking

Main outcomes

B1

Improved financial stability, operational effectiveness and resilience of the banking system for improved competitiveness and sustainable development

B2

Extensive and innovative banking sector that contributes to Qatar's economic growth and diversification

Leading indicators (overarching)

T3

84 Total sector GDP contribution (QAR Billion)

T4

77% Credit to private companies (% of commercial credit)

Increase the share of credit to private companies by 15pp

T5

7% Credit to SMEs (% of commercial credit)

Supporting indicators



Banking sector productivity (net profit / employees)



Credit to private companies in priority sectors (% of total commercial credit)



Banking sector professionals with relevant degrees or certifications (% of total)



Volume of Islamic finance assets (% of total banking assets)



Total value of loans financing sustainable investments (i.e., green loans)



Insurance

Main outcomes

I1

Increased efficiency and operational effectiveness of the insurance sector, with appropriate risk management measures in place

I2

Strengthened economic contribution and diversification of the insurance sector through increased local investment and retention

Leading indicators (overarching)

T6

4 Insurance sector GDP contribution (QAR Billion)

Target penetration levels to reach the average GCC penetration rate for key subsegments (e.g., life, motor, healthcare)

T7

3.5% Gross Written Premium % of NHC GDP

Exceed leading GCC benchmarks

Supporting indicators



Share of life insurance GWPs (% of total insurance GWPs)



Share of re-insurance premium volume (% of total insurance premium)



Number of licensed InsurTech players



Share of insurance sector professionals with relevant degrees or certifications



Size of Takaful funds under management as % of total AuM



Share of climate risk or green insurance related GWPs (% of total insurance GWPs)



Digital Finance Ecosystem

Main outcomes

D1

Appropriate regulatory frameworks **supporting the accelerated digital transformation of the financial sector**

D2

Supportive infrastructural, educational and technological facilities for optimal deployment of technology

Leading indicators (overarching)

T8

30th GFCI Fintech (rank)

Match leading digital countries

T9

35 Licensed FinTech & InsureTech players

Continue the trajectory as outlined by the FinTech strategy

Supporting indicators



Intellectual Property Protection Score



Share of non-cash payments, % of total



Number of graduated students with relevant degrees or certifications



Number of firms admitted to and graduated from QCB sandbox



% of institutions compliant with data compliance and reporting duties



Capital Markets

Main outcomes

C1

Attractive and innovative capital market with **extended range of products, services and participants**

C2

A sustainable and efficient capital market operating model that is responsive to market requirements

Leading indicators (overarching)

T10

150% Yearly value of stock traded as a % of free float market cap

Exceed leading GCC benchmarks

T11

10 AuM managed from Qatar (QAR Billion)

Target an AuM growth rate of 18% as the historical growth of Asia pacific

T12

8+ Total value of firms' bonds issued in Qatar (QAR Billion)

Supporting indicators



Number of new equity listings on QSE annually



Value of listed fixed income in the QSE, % of GDP



Number of licensed asset managers and domiciled in Qatar



Number of education & knowledge-sharing workshops and forums organized annually



Share of transactions from institutional investors (% of total transactions)



Total volume of issued Sukuks as % of total fixed income market

II. Banking

Outcomes, initiatives, priority action items and indicators



Banking | Main outcomes & initiatives



Outcome



Initiatives

B1 | Improved financial stability, operational effectiveness and resilience of the banking system for improved competitiveness and sustainable development

B1.1 | Develop measures to enhance the banking system's resilience and establish risk & security management frameworks that adapt to changes in market trends and external risks

B1.2 | Establish appropriate operating model guidelines to increase banking's efficiency and promote sustainable business practices, organizational development and instill customer confidence

B1.3 | Establish recommendations and guidelines for banks regarding their digital transformation strategies and management of digital assets and services

B2 | Extensive and innovative banking sector that contributes to Qatar's economic growth and diversification

B2.1 | Enhance financial product diversification by offering products and services (e.g., trade and exports finance offerings) in priority sectors of the National Development Strategy and offering financing options for the retail and the wholesale segments (e.g., SMEs, corporate, entrepreneurs)

B2.2 | Stimulate financing to Qatari SMEs by launching specific mentoring and advisory programs to educate SMEs on corporate governance, financial transparency, capital raising and ESG topics

B2.3 | Expand banking advisory services (e.g., risk management, regulatory, or corporate finance advisory) to increase the share of non-interest revenue of the banking sector

B2.4 | Increase financial service solutions to fill gaps and broaden market offerings, including digital solutions, Islamic financing, ESG and net-zero transition offerings

B2.5 | Facilitate innovation and the digital transformation of the overall banking sector and foster the growth of the FinTech industry

B2.6 | Provide the banking sector with the necessary skills, knowledge, and training to enhance the efficiency of banking operations



Banking | Outcome 1 initiatives & priority action items

B1 | Improved financial stability, operational effectiveness and resilience of the banking system for improved competitiveness and sustainable development



Initiatives

B1.1 | Develop measures to enhance the banking system's resilience and establish risk & security management frameworks that adapt to changes in market trends and external risks

B1.2 | Establish appropriate operating model guidelines to increase banking's efficiency and promote sustainable business practices, organizational development and instill customer confidence

B1.3 | Establish recommendations and guidelines for banks regarding their digital transformation strategies and management of digital assets and services



Selected priority action items

B1.1.1 | Develop clear action items to mitigate climate risks and develop guidelines on re-evaluating carbon dependent assets

B1.1.2 | Develop comprehensive frameworks to mitigate risks across risk areas (e.g., operational risks, reputational risks, risk of new solutions and services) and develop international partnerships to mitigate cybersecurity risks based on international standards and best practices

B1.1.3 | Ensure data transparency and interaction within financial stakeholders for improved efficiency

B1.1.4 | Reform the market entry process to allow facilitated market access for foreign financial service companies

B1.2.1 | Review corporate governance structures to ensure effective board and management oversight of the banking sector

B1.2.2 | Introduce deposit protection schemes to increase customer confidence

B1.2.3 | Develop benchmarks for the Qatari banking sector to measure efficiency compared to international standards and issue guidelines to continuously improve efficiency and effectiveness

B1.2.4 | Develop an advanced payment hub with real-time transaction monitoring, fraud detection and increased efficiency and facilitated foreign currency transactions

B1.2.1 | Develop clear guidelines on how banks can improve the customer experience, launch digital products and services, leverage the power of data, and build a digital driven organization

B1.2.2 | Establish evaluation criteria that will be used to assess the banks' digital transformation strategies to ensure a clear path for banks' digital transformation



Banking | Outcome 2 initiatives & priority action items (1/2)

B2 | Extensive and innovative banking sector that contributes to Qatar's economic growth and diversification



Initiatives

B2.1 | Enhance financial product diversification by offering products and services (e.g., trade and exports finance offerings) in priority sectors of the National Development Strategy and offering financing options for the retail and the wholesale segments (e.g., SMEs, corporate, entrepreneurs)

B2.2 | Stimulate financing to Qatari SMEs by launching specific mentoring and advisory programs to educate SMEs on corporate governance, financial transparency, capital raising and ESG topics

B2.3 | Expand banking advisory services (e.g., risk management, regulatory, or corporate finance advisory) to increase the share of non-interest revenue of the banking sector



Selected priority action items

B2.1.1 | Specialize the products offered by banks to address the needs of targeted sectors (e.g., manufacturing, logistics, and tourism), and targeted groups (e.g., expats)

B2.1.2 | Launch efforts to expand non-traditional financing options (e.g., micro-financing, mezz financing) to tailor financing options to specific needs

B2.1.3 | Promote domestic and Islamic investment options

B2.2.1 | Address credit risk obstacles that affect SMEs access to finance through specific SME advisory solutions

B2.2.2 | Launch a mentoring program to coach SMEs on corporate governance, financial transparency and capital-raising

B2.2.3 | Create special platforms and forums to bridge the connection of SMEs and the banking sector

B2.2.4 | Study a revision of the current banking credit guarantee scheme to widen financial inclusion of SMEs

B2.3.1 | Perform a market assessment to identify areas of play in the advisory services for the Qatari banking sector (e.g., within the LNG or logistics sector)

B2.3.2 | Identify obstacles for banks to expand on advisory services and issue incentives program to broaden offerings

B2.3.3 | Provide targeted wealth management services for the retail and affluent segment



Banking | Outcome 2 initiatives & priority action items (2/2)

B2 | Extensive and innovative banking sector that contributes to Qatar's economic growth and diversification



Initiatives

B2.4 | Increase financial service solutions to fill gaps and broaden market offerings, including digital solutions, Islamic financing, ESG and net-zero transition offerings

B2.5 | Facilitate innovation and the digital transformation of the overall banking sector and foster the growth of the FinTech industry

B2.6 | Provide the banking sector with the necessary skills, knowledge, and training to enhance the efficiency of banking operations



Selected priority action items

B2.4.1 | Introduce Islamic finance and ESG offerings to increase the breadth of the banking sector

B2.4.2 | Establish standardized and coordinated policies among financial regulators for licensing new financial service providers and approving new financial products and services

B2.4.3 | Launch programs to increase the inclusivity across the banking sector and partner with relevant organizations such as the Qatar Business Womens' Association

B2.5.1 | Establish an open banking platform with relevant public and private stakeholders to ensure improved banking processes and transparency

B2.5.2 | Perform periodic, independent reviews of the banking technology infrastructure and operations and business continuity items

B2.5.3 | Issue policy guidelines on prioritized enabling technologies (e.g., cloud technologies, development and deployment of middleware and customized technology to facilitate open banking (e.g., APIs))

B2.6.1 | Develop focused talent management and human capital programs to address new skill sets in key priority areas such as Islamic finance and ESG to facilitate knowledge sharing

B2.6.2 | Launch workshops and coaching programs to increase cybersecurity capabilities

B2.6.3 | Provide specialist university courses and grants focused on deepening practical skills required for the Qatari banking sector



Banking | Key indicators by initiative



Initiatives



Key indicators

B1.1 Develop measures to enhance the banking system's resilience and establish risk & security management frameworks that adapt to changes in market trends and external risks	Change in Financial Sector Assessment Program (IMF/WB) or Financial Action Task Force evaluation results
B1.2 Establish appropriate operating model guidelines to increase banking's efficiency and promote sustainable business practices, organizational development and instill customer confidence	Banking sector productivity (net profit / employees)
B1.3 Establish recommendations and guidelines for banks regarding their digital transformation strategies and management of digital assets and services	% of institutions compliant with FSAP and FATF guidelines
B2.1 Enhance financial product diversification by offering products and services in priority sectors of the National Development Strategy and offering financing options for the retail and the wholesale segments (e.g., SMEs, entrepreneurs)	Credit to private companies in priority sectors (% of total commercial credit)
B2.2 Stimulate financing to Qatari SMEs by launching specific services and advisory programs to educate SMEs on corporate governance, financial transparency, capital raising and ESG topics	Share of SME loans (% of total commercial credit)
B2.3 Increase financial service solutions to fill gaps and broaden market offerings , including digital solutions, Islamic financing, ESG and net-zero transition offerings	Volume of Islamic Finance assets as % total banking assets Total value of loans financing sustainable investments (i.e., green loans)
B2.4 Facilitate innovation and the digital transformation of the overall banking sector and foster the growth of the FinTech industry	Share of accounts opened through eKYC Volume of open banking API calls Number of licensed FinTech players
B2.5 Provide the banking sector with the necessary skills, knowledge, and training to enhance the efficiency of banking operations	Share of financial sector professionals with relevant degrees or certifications Financial sector employment contribution, % of total

III. Insurance

Outcomes, initiatives, priority action items and indicators



Insurance | Main outcomes & initiatives



Outcome



Initiatives

I1 | Increased efficiency and operational effectiveness of the insurance sector, with appropriate risk management measures in place

I1.1 | Review and optimize the operating model and regulatory framework for insurers to improve business operations and efficiency

I1.2 | Develop regulatory frameworks and recommendations to improve operational resilience, effective risk management, cybersecurity, business continuity items of insurance companies, to keep up with changes in business models, market developments, and exogenous risks

I1.3 | Provide optimal infrastructure for insurance operations and put in place reporting framework to ensure access to financial data

I1.4 | Provide the insurance sector with the necessary capabilities (e.g., skills, knowledge, and training) to foster its development

I2 | Strengthened economic contribution and diversification of the insurance sector through increased local investment and retention

I2.1 | Expand product and service offerings to cover the full range of insurable risks, including life and health insurance, while excelling on selected sub-sectors to seize potential opportunities (e.g. re-insurance, takaful, etc.) and enhance distribution channels

I2.2 | Develop a roadmap to boost consumer demand for insurance products, incorporating educational training, incentive programs, and awareness campaigns, while emphasizing the QCB's strong stance on the significance of the insurance sector

I2.3 | Implement reforms to facilitate a 'digital leapfrog' in the insurance sector and establish measures for developing a leading InsurTech hub in Qatar

I2.4 | Enhance climate risk and ESG insurance offerings in Qatar by offering comprehensive and inclusive insurance solutions, while also providing guidelines for the insurance sector to measure their carbon footprint



Insurance | Outcome 1 initiatives & priority action items

I1 | Increased efficiency and operational effectiveness of the insurance sector, with appropriate risk management measures in place



Initiatives

I1.1 | Review and optimize the operating model and regulatory framework for insurers to improve business operations and efficiency

I1.2 | Develop regulatory frameworks and recommendations to improve operational resilience, effective risk management, cybersecurity, business continuity plans of insurance companies, to keep up with changes in business models, market developments, and exogenous risks

I1.3 | Provide optimal infrastructure for insurance operations and put in place reporting framework to ensure access to financial data

I1.4 | Provide the insurance sector with the necessary capabilities (e.g., skills, knowledge, and training) to foster its development



Selected priority action items

I1.1.1 | Issue guidelines and regulatory frameworks based on international best practices to foster efficiency in the insurance sector (principles based in areas of product and service development)

I1.1.2 | Encourage insurance market consolidation to increase scale and solvency

I1.1.3 | Institutionalize minimum investment of premiums into the Qatari market by localizing reinsurance and asset management capabilities

I1.2.1 | Review the reinsurance regulations (including cross-border) to ensure appropriate mechanisms for reinsurance are in place to limit the re-insurance share of insurer's portfolio and support risk management in the insurance sector

I1.2.2 | Develop comprehensive frameworks to mitigate risks across the insurance sector (e.g., operational risks, reputational risks, risk of new solutions and services) and develop international partnerships to mitigate cybersecurity risks

I1.2.3 | Launch policies to require insurers to implement change management and project governance plans to ensure the sector remains state-of-the-art compared to benchmarks

I1.3.1 | Continuously review the technology infrastructure of the insurance sector including the operations and business continuity plans to ensure plans are resilient to external developments

I1.3.2 | Review price regulations to ensure transparency and avoid predatory pricing

I1.3.3 | Develop guidelines and regulations to increase transparency through increased data quality and accuracy to further enhance the analytical capabilities of the sector

I1.4.1 | Launch workshops and coaching programs to increase cybersecurity capabilities

I1.4.2 | Develop focused talent management and human capital programs to address new skill sets in key priority areas such as re-insurance and Takaful offerings

I1.4.3 | Provide specialist university courses and grants to increase local know-how in insurance practices



Insurance | Outcome 2 initiatives & priority action items

I2 | Strengthened economic contribution and diversification of the insurance sector through increased local investment and retention



Initiatives

I2.1 | Expand product and service offerings to cover the full range of insurable risks, including life and health insurance, while excelling on selected sub-sectors to seize potential opportunities (e.g., re-insurance, takaful, etc.) and enhance distribution channels

I2.2 | Develop a roadmap to boost consumer demand for insurance products, incorporating educational training, incentive programs, and awareness campaigns, while emphasizing the QCB's strong stance on the significance of the insurance sector

I2.3 | Implement reforms to facilitate a 'digital leapfrog' in the insurance sector and establish measures for developing a leading InsurTech hub in Qatar

I2.4 | Enhance climate risk and ESG insurance offerings in Qatar by offering comprehensive and inclusive insurance solutions, while also providing guidelines for the insurance sector to measure their carbon footprint



Selected priority action items

I2.1.1 | Perform continuous assessments of the insurance sector to identify any additional gaps in the market (products & services)

I2.1.2 | Develop a roadmap to expand insurance offerings in key priority sectors (e.g., LNG, logistics, tourism) and in areas such as takaful and in re-insurance

I2.1.3 | Examine opportunities to improve insurance distribution through point-of-sale mechanisms and appropriate third-party distribution channels (e.g., banks)

I2.1.4 | Issue policies for offshore insurance providers targeting Qatar's financial market, specifically addressing the potential for cross-border re-insurance activity

I2.2.1 | Promote select insurance products that are currently underpenetrated (e.g., life insurance, voluntary unemployment schemes) by increasing awareness and sharing key advantages of such products

I2.2.2 | Improve financial literacy among consumers relating to insurance (corporate and retail)

I2.2.3 | Improve disclosure of insurance product details, such as deductibles and policy exclusions, and increase transparency of the benefits and cost of insurance products

I2.3.1 | Introduce necessary reforms to facilitate the launch of insurtech corporate ventures by insurance companies

I2.3.2 | Identify barriers to digitalization in the insurance sector and offer targeted solutions

I2.3.3 | Review relevant emerging technologies in insurance and provide recommendations for adoptions

I2.3.4 | Launch and operate an insurtech-dedicated accelerator

I2.4.1 | Explore and capture opportunities to develop special insurance products to cover climate risk

I2.4.2 | Develop guidelines and policies that require insurers to measure their carbon footprint

I2.4.3 | Provide tailored insurance solutions to increase inclusion (e.g., to elderly people, low income, immigrants)



Insurance | Key indicators by initiative



Initiatives



Key indicators

I1.1 Review and optimize the operating model and regulatory framework for insurers to improve business operations and efficiency	Retention ratio of premiums (%)
I1.2 Develop regulatory frameworks and recommendations to improve operational resilience, effective risk management, cybersecurity, business continuity plans of insurance companies, to keep up with changes in business models, market developments, and exogenous risks	% of institutions compliant with defined insurance frameworks (e.g., cybersecurity, risk management)
I1.3 Provide optimal infrastructure for insurance operations and put in place reporting framework to ensure access to financial data	% of institutions leveraging central database
I1.4 Provide the insurance sector with the necessary capabilities (e.g., skills, knowledge, and training) to foster its development	Share of financial sector professionals with relevant degrees or certifications
I2.1 Expand product and service offerings to cover the full range of insurable risks, including life and health insurance, while excelling on selected sub-sectors to seize potential opportunities (e.g. re-insurance, takaful, etc.) and enhance distribution channels	Share of life insurance GWPs (% of total insurance GWPs) Size of Takaful funds under management as % of total AuM
I2.2 Develop a roadmap to boost consumer demand for insurance products, incorporating educational training, incentive programs, and awareness campaigns, while emphasizing the QCB's strong stance on the significance of the insurance sector	# of consumer educational training, incentive programs, and awareness campaigns conducted
I2.3 Implement reforms to facilitate a 'digital leapfrog' in the insurance sector and establish measures for developing a leading InsurTech hub in Qatar	Number of licensed InsurTech players
I2.4 Enhance climate risk and ESG insurance offerings in Qatar by offering comprehensive and inclusive insurance solutions, while also providing guidelines for the insurance sector to measure their carbon footprint	Share of climate risk or green insurance related GWPs (% of total insurance GWPs)

IV. Digital Finance Ecosystem

Outcomes, initiatives, priority action items and indicators



Digital Finance Ecosystem | Main outcomes & initiatives



Outcome



Initiatives

D1 | Appropriate regulatory frameworks supporting the accelerated digital transformation of the financial sector

D1.1 | Develop and enhance the legal and regulatory framework for DLT, crypto- and digital assets, decentralized finance, etc. to **ensure a secure, stable and trusted legal & economic environment** (e.g. AML, KYC/KYT, custodian security, property rights)

D1.2 | Establish the right policies and incentives to **further capitalize on select niche areas** (e.g., InsurTech, digital Islamic financing)

D1.3 | Provide incentives, funding and network access to **attract international FinTech companies to Qatar** and facilitate market entry (e.g., Regulatory Sandboxes, incubation, free office space at start, etc.)

D1.4 | Enhance financial inclusion and grow digital payments through ecosystem integration, cashless banking and other innovative solutions

D2 | Supportive infrastructural, educational and technological facilities for optimal deployment of technology



D2.1 | Establish a **Financial Technology Talent Center of Excellence** providing training and immersive learning experiences, and offering grants for technology driven innovations

D2.2 | Facilitate to **build a world-class shared market infrastructure**, that includes a sandbox for incubating tech startups, leveraging trusted technologies and service providers to establish Qatar as a leading digital finance ecosystem (incl. FinTechs, Insure Techs, RegTech, etc.)

D2.3 | Develop **data access & collection frameworks and capabilities** from sector participants to enhance supervision and drive RegTech and other innovation



Digital Finance Ecosystem | Outcome 1 initiatives & priority action items

D1 | Appropriate regulatory frameworks supporting the accelerated digital transformation of the financial sector

 Initiatives	 Selected action items
D1.1 Develop and enhance the legal and regulatory framework for DLT, crypto- and digital assets, decentralized finance, etc. to ensure a secure, stable and trusted legal & economic environment (e.g. AML, KYC/KYT, custodian security, property rights)	D1.1.1 Issue and continuously update the framework for emerging digital assets and processes after benchmarking other countries in the region D1.1.2 Develop effective frameworks to continuously institutionalize the adoption of emerging innovation into the financial sector (sandboxes, incubation, etc.) D1.1.3 Issue clear and distinguished guidelines to ensure consumer protection across various areas of digital assets and services and provide dispute resolutions (e.g. differentiate between NFTs, DeFi or pure speculation, etc.)
D1.2 Establish the right policies and incentives to further capitalize on select niche areas (e.g., InsurTech, digital Islamic financing)	D1.2.1 Identify pain points and demand for select digital products and services (e.g., in e-commerce) and provide action items to close the gaps D1.2.2 Develop action items to enhance Islamic and Green FinTech as well as the focus on ESG
D1.3 Provide incentives, funding and network access to attract international FinTech companies to Qatar and facilitate market entry (e.g., Regulatory Sandboxes, incubation, free office space at start, etc.)	D1.3.1 Develop roadmap to put in place an orchestrator to grow the ecosystem D1.3.2 Provide regulatory support for potential FinTech players to enter the Qatari market D1.3.3 Launch funding programs such as Corporate Venture Capital actions items
D1.4 Enhance financial inclusion and grow digital payments through ecosystem integration, cashless banking and other innovative solutions	D1.4.1 Promote the integration of the banking sector with other local entities to facilitate digital transactions D1.4.2 Promote fintech players in retail payments to stimulate ecommerce growth (e.g., BNPL) D1.4.3 Enhance financial inclusion through the introduction of targeted market offerings (e.g., unbanked population, micro-finance, and decentralized finance)

Digital Finance Ecosystem | Outcome 2 initiatives & priority action items

D2 | Supportive infrastructural, educational and technological facilities for optimal deployment of technology

 Initiatives	 Selected priority action items
D2.5 Establish a Financial Technology Talent Center of Excellence providing training and immersive learning experiences, and offering grants for technology driven innovations	D2.1.1 Create innovative programs to introduce solutions such as, e.g., platform trading, robo advisory in wealth management, neo banks, blockchains, AI, digital assets, tokenization
	D2.1.2 Develop and launch an innovation Hub in collaboration with financial sector market players and a nationwide FinTech internship program to drive immersive learning
	D2.1.3 Implement collaboration with international universities or knowledge centers to attract international talent with special grant programs and offer exchange of students ensure development of Qatari expertise
	D2.1.4 Establish certification standards in key areas such as digital Islamic finance and FinTech
D2.2 Facilitate to build a world-class shared market infrastructure, that includes a sandbox for incubating tech startups, leveraging trusted technologies and service providers to establish Qatar as a leading digital finance ecosystem (incl. FinTechs, Insure Techs, RegTech, etc.)	D2.2.1 Expand the QCB's sandbox mandate to accommodate testing of a wider range of financial innovations across the financial sector (e.g., banking, insurance)
	D2.2.2 Develop a leading market infrastructure to support innovation and collaboration (e.g., shared market infrastructure)
	D2.2.3 Establish requirements and licensing framework for Technology and Trusted Technology Service Providers ("TTSP") to ensure quality, accountability and investor protection
	D2.2.4 Develop a framework to attract BigTechs and TechFins to the Qatari market
D2.3 Develop data access & collection frameworks and capabilities from sector participants to enhance supervision and drive RegTech and other innovation	D2.3.1 Develop and institutionalize data-reporting guidelines (including real-time reporting & standardization) to ensure information access across the financial sector



Digital Finance Ecosystem | Key indicators by initiative



Initiatives



Key indicators

D1.1 | Develop and enhance the legal and regulatory framework for DLT, crypto- and digital assets, decentralized finance, etc. to **ensure a secure, stable and trusted legal & economic environment** (e.g. AML, KYC/KYT, custodian security, property rights)

The Global FinTech Index ranking
Global Innovation Index (GII) ranking
Intellectual Property Protection Score

D1.2 | Establish the right policies and incentives to **further capitalize on select niche areas** (e.g., InsureTech, digital Islamic financing)

Number of licensed InsurTech players

D1.3 | Provide incentives, funding and network access to **attract international FinTech companies to Qatar** and facilitate market entry (e.g., Regulatory Sandboxes, incubation, free office space at start, etc.)

Global FinTech Index (GCFI) ranking

D1.4 | **Enhance financial inclusion and grow digital payments through ecosystem integration**, cashless banking and other innovative solutions

Share of non-cash payments, % of total
Level of financial inclusion in Qatar

D2.1 | Establish a **Financial Technology Talent Center of Excellence** providing training and immersive learning experiences, and offering grants for technology driven innovations

Number of graduated students with relevant degrees or certifications

D2.2 | Facilitate to **build a world-class shared market infrastructure**, that includes a sandbox for incubating tech startups, leveraging trusted technologies and service providers to establish Qatar as a leading digital finance ecosystem (incl. FinTechs, Insure Techs, RegTech, etc.)

Number of firms admitted to and graduated from QCB sandbox
The Global FinTech Index ranking

D2.3 | Develop **data access & collection frameworks and capabilities** from sector participants to enhance supervision and drive RegTech and other innovation

% of institutions compliant with data compliance and reporting duties

V. Capital Markets

Outcomes, initiatives, priority action items and indicators



Capital Markets | Main outcomes & initiatives



Outcome



Initiatives

C1 | Attractive and innovative capital market with extended range of products, services and participants

C1.1 | Enhance the liquidity and depth of the capital markets in collaboration with the QSE through new listing and availability of diverse financial products tailored for the needs of private sector and SMEs, and institutional investors

C1.2 | Facilitate debt listing by expanding the fixed income market through the development of new sukuk and bond products, green finance products and the strengthening of a yield curve

C1.3 | Grow and institutionalize the asset management segment to improve capital deployment into priority sectors

C1.4 | Establish a derivatives market to further enhance the depth and liquidity of Qatar's capital markets

C1.5 | Enhance the regulatory framework and rulebooks to reach a developed status for Qatari capital markets to attract wider audiences of domestic and international investors

C2 | A sustainable and efficient capital market operating model that is responsive to market requirements

C2.1 | Develop an operational and approval process for capital markets that is efficient, effective, and scalable and ensures investor protection

C2.2 | Establish an industry engagement model to provide required know-how capabilities to the capital market and ensure that capital markets regulators stay responsive to evolving market developments



Capital Markets | Outcome 1 initiatives & priority action items (1/2)

C1 | Attractive and innovative capital market with extended range of products, services and participants



Initiatives

C1.1 | Enhance the liquidity and depth of the capital markets in collaboration with the QSE through new listing and availability of diverse financial products tailored for the needs of private sector and SMEs, and institutional investors

C1.2 | Facilitate debt listing by expanding the fixed income market through the development of new sukuk and bond products, green finance products and the strengthening of a yield curve

C1.3 | Grow and institutionalize the asset management segment to improve capital deployment into priority sectors

C1.4 | Establish a derivatives market to further enhance the depth and liquidity of Qatar's capital markets



Selected priority action items

C1.1.1 | 'Provide action items to expand equity capital markets by offering additional products in line with sector needs (e.g., convertible securities, ESG, Islamic finance)

C1.1.2 | Introduce targeted market development reforms and incentives to promote investor participation, improve liquidity, and reduce costs

C1.1.3 | Develop operational and process improvements to promote and encourage issuance by the private sector and SMEs

C1.1.4 | Increase Qatar's capital market profile through sponsored research and development of domestic research capacity

C1.2.1 | Strengthen the yield curve in Qatar to enhance the debt capital market

C1.2.2 | Identify opportunity areas in DCM and develop clear action items to improve and unlock market potential (e.g., ESG, Islamic finance)

C1.2.3 | Develop clear steps to improve the liquidity of the fixed income market for increased secondary trading

C1.3.1 | Launch a National Saving Program to incentive savings and increase awareness of financial saving products

C1.3.2 | Collaborate with government funds to support asset management and custody activities of domestic authorized persons

C1.3.3 | Launch a competitive and comprehensive asset management solutions for expats (e.g., develop a pension scheme)

C1.3.4 | Establish partnerships with global asset managers

C1.4.1 | Develop a mechanism to do derivative price benchmarking based on best practices

C1.4.2 | Educate market participants on derivatives

C1.4.3 | Build and strengthen partnerships with global derivatives exchanges



Capital Markets | Outcome 1 initiatives & priority action items (2/2)

C1 | Attractive and innovative capital market with extended range of products, services and participants



Initiatives

C1.5 | Enhance the regulatory framework and rulebooks to reach a developed status for Qatari capital markets to attract wider audiences of domestic and international investors



Selected priority action items

C1.5.1 | Overview and assess current technology infrastructure and future developments and define the target infrastructure to leverage scalability of Qatar's capital market

C1.5.2 | Establish partnerships with foreign stock exchanges

C1.5.3 | Explore the potential for electronic trading capabilities

C1.5.4 | Develop a leading framework for investor protection, and create processes for insolvency, bankruptcy, and dispute resolutions



Capital Markets | Outcome 2 initiatives & priority action items

C2 | A sustainable and efficient capital market operating model that is responsive to market requirements



Initiatives

C2.1 | Develop an operational and approval process for capital markets that is efficient, effective, and scalable and ensures investor protection

C2.2 | Establish an industry engagement model to provide required know-how capabilities to the capital market and ensure that capital markets regulators stay responsive to evolving market developments



Selected priority action items

C2.1.1 | Implement a streamlined approval process for new investment products

C2.1.2 | Enhance the system to monitor capital market activity and regulate insider trading

C2.2.1 | Establish market consultation mechanisms to spot problems and challenges in capital markets and implement solutions in a timely manner

C2.2.2 | Launch capability building programs for capital market stakeholders (e.g., coaching, workshops)

C2.2.3 | Develop robust frameworks and data reporting guidelines to instill investor confidence to build market infrastructure for different asset classes (e.g., ESG)



Capital Markets | Key indicators by initiative



Initiatives

C1.1 | Enhance the liquidity and depth of the capital markets in collaboration with the QSE through new listing and availability of diverse financial products tailored for the needs of private sector and SMEs, and institutional investors

C1.2 | Facilitate debt listing by expanding the fixed income market through the development of new sukuk and bond products, green finance products and the strengthening of a yield curve

C1.3 | Grow and institutionalize the asset management segment to improve capital deployment into priority sectors

C1.4 | Establish a derivatives market to further enhance the depth and liquidity of Qatar's capital markets

C1.5 | Enhance the regulatory framework and rulebooks to reach a developed status for Qatari capital markets to attract wider audiences of domestic and international investors

C2.1 | Develop an operational and approval process for capital markets that is efficient, effective, and scalable and ensures investor protection

C2.2 | Establish an industry engagement model to provide required know-how capabilities to the capital market and ensure that capital markets regulators stay responsive to evolving market developments



Key indicators

Number of new equity listings on QSE annually

Share of Sharia compliant instruments on the QSE

Value of listed fixed income in the QSE, % of GDP

Total volume of issued Sukuks as % of total fixed income market

Total volume of issued green and ESG bonds as % of total fixed income market

Total volume of issued bonds as % of total fixed income market

Number of licensed Asset Managers and domiciled in Qatar

Number of listed derivatives annually

Share of transactions from institutional investors (% of total transactions)

Share of transactions from institutional investors (% of total transactions)

Number of SMEs listed, % of total listed companies

Number of workshops and forums organized annually



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