

**Qatar Financial Centre Regulatory Authority**

**Financial statements**

**31 December 2025**

**Qatar Financial Centre Regulatory Authority**

**Financial statements  
As at and for the year ended 31 December 2025**

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## Independent auditor's report

### To the Board of Directors of Qatar Financial Centre Regulatory Authority

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Qatar Financial Centre Regulatory Authority (the 'Regulatory Authority'), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regulatory Authority as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Regulatory Authority in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Matter

The financial statements of the Regulatory Authority as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 21 April 2025.



## Independent auditor's report (continued)

### Qatar Financial Centre Regulatory Authority

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Regulatory Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regulatory Authority or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Regulatory Authority's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regulatory Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regulatory Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regulatory Authority to cease to continue as a going concern.



## Independent auditor's report (continued)

### Qatar Financial Centre Regulatory Authority

#### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

We also report that:

- i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- ii) The Regulatory Authority has maintained proper accounting records and its financial statements are in agreement therewith.
- iii) We are not aware of any violations of the applicable provisions of the Qatar Financial Centre Law No. 7 of 2005 during the year that may have had a material effect on the Regulatory Authority's financial position or financial performance for the year ended 31 December 2025.

5 April 2026  
Doha  
State of Qatar

Salim Khalil  
KPMG  
Qatar Auditor's Registry Number 472



**Qatar Financial Centre Regulatory Authority**

**Statement of financial position  
As at 31 December 2025**

**In USD '000**

	Note	2025	2024
<b>Assets</b>			
<b>Non-current assets</b>			
Furniture and equipment	5	249	519
Intangible assets	6	827	828
Right-of-use assets	7	1,891	1,381
Amount due from related parties	8	12,777	10,670
<b>Total non-current assets</b>		<b>15,744</b>	<b>13,398</b>
<b>Current assets</b>			
Accounts receivable and prepayments	9	7,495	5,147
Cash and cash equivalents	10	55,953	51,242
<b>Total current assets</b>		<b>63,448</b>	<b>56,389</b>
<b>Total assets</b>		<b>79,192</b>	<b>69,787</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
General reserve	11	34,380	30,150
Retained earnings		14,612	14,313
<b>Total equity</b>		<b>48,992</b>	<b>44,463</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	12	1,177	507
Employees' end of service benefits	13	12,777	10,670
<b>Total non-current liabilities</b>		<b>13,954</b>	<b>11,177</b>
<b>Current liabilities</b>			
Lease liabilities	12	762	927
Employee loan fund	14	617	617
Accounts payable and accruals	15	14,867	12,603
<b>Total current liabilities</b>		<b>16,246</b>	<b>14,147</b>
<b>Total liabilities</b>		<b>30,200</b>	<b>25,324</b>
<b>Total equity and liabilities</b>		<b>79,192</b>	<b>69,787</b>

The financial statements of the Regulatory Authority for the year ended 31 December 2025 were approved by the Board of Directors on 30 March 2026 and signed on their behalf by the following:

  
**Michael G. Ryan**  
 Chief Executive Officer

  
**Fatma Al Meer**  
 Chief Financial Officer and  
 Chief Operating Officer



The attached notes on pages 8 to 29 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income  
For the year ended 31 December 2025

In USD '000

	Note	2025	2024
<b>Income</b>			
Financial penalties	16	185	54
Fee income		1,518	1,789
Interest income		2,084	2,238
Other income		4	19
<b>Total income</b>		<b>3,791</b>	<b>4,100</b>
<b>Expenses</b>			
Salaries and other related costs		(44,380)	(40,840)
General and administration expenses	17	(4,439)	(3,695)
Board of directors' expenses		(782)	(819)
Loss allowance on financial assets		(53)	(32)
Finance cost on lease liabilities	12	(69)	(105)
<b>Total expenses</b>		<b>(49,723)</b>	<b>(45,491)</b>
<b>Net expenses for the year before appropriations</b>		<b>(45,932)</b>	<b>(41,391)</b>
<b>Appropriations from the Government</b>	2	<b>53,201</b>	<b>50,130</b>
<b>Net income for the year</b>		<b>7,269</b>	<b>8,739</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>7,269</b>	<b>8,739</b>



The attached notes on pages 8 to 29 form an integral part of these financial statements.

Statement of changes in equity  
For the year ended 31 December 2025

In USD '000

	General reserve	Retained earnings	Total
<b>At 1 January 2024</b>	26,660	11,314	37,974
<i>Total comprehensive income for the year</i>			
Net income for the year	-	8,739	8,739
Refund to Ministry of Finance (1)	-	(2,250)	(2,250)
Transfer to general reserve	3,490	(3,490)	-
<b>At 31 December 2024 / 1 January 2025</b>	<u>30,150</u>	<u>14,313</u>	<u>44,463</u>
<i>Total comprehensive income for the year</i>			
Net income for the year	-	7,269	7,269
Refund to Ministry of Finance (1)	-	(2,740)	(2,740)
Transferred to general reserve	4,230	(4,230)	-
<b>At 31 December 2025</b>	<u><b>34,380</b></u>	<u><b>14,612</b></u>	<u><b>48,992</b></u>

(1) During the year, the Board of Directors resolved to return USD 2.74 million (2024: USD 2.25 million) to the Ministry of Finance.



Statement of cash flows  
For the year ended 31 December 2025

In USD '000

	Note	2025	2024
<b>Cash flows from operating activities</b>			
Net expenses for the year before appropriations		(45,932)	(41,391)
<i>Adjustments for:</i>			
Depreciation of furniture and equipment	5	280	271
Depreciation of right-of-use assets	7	811	794
Amortisation of intangible assets	6	173	105
Loss allowance on financial assets		53	32
Provision for employees' end of service benefits	13	2,298	2,348
Intangible assets write off	6	-	68
Furniture and equipment write off	5	-	2
Gain on disposal of furniture and equipment		-	(14)
Interest income		(2,084)	(2,238)
Finance cost	12	69	105
		<u>(44,332)</u>	<u>(39,918)</u>
<i>Changes in:</i>			
- Accounts receivable and prepayments		(2,097)	2,176
- Accounts payable and accruals		1,183	31
- Employee loan fund		-	617
Cash used in operating activities		<u>(45,246)</u>	<u>(37,094)</u>
Interest received		1,721	2,388
End of service benefit paid	13	(258)	(143)
Finance cost paid		(69)	(105)
<b>Net cash used in operating activities</b>		<u><b>(43,852)</b></u>	<u><b>(34,954)</b></u>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of furniture and equipment		-	14
Acquisition of furniture and equipment	5	(10)	(113)
Acquisition of intangible assets	6	(172)	(262)
<b>Net cash used in investing activities</b>		<u><b>(182)</b></u>	<u><b>(361)</b></u>
<b>Cash flows from financing activities</b>			
Appropriations received from the Government	2	52,323	50,833
Repayment of lease liability		(816)	(762)
Repayment to the Ministry of Finance		(2,740)	(2,250)
<b>Net cash from financing activities</b>		<u><b>48,767</b></u>	<u><b>47,821</b></u>
<b>Net increase in cash and cash equivalents</b>		<b>4,733</b>	12,506
Cash and cash equivalents at 1 January		51,362	38,856
<b>Cash and cash equivalents at 31 December</b>	10	<u><b>56,095</b></u>	<u><b>51,362</b></u>



The attached notes on pages 8 to 29 form an integral part of these financial statements.

## **1. The Regulatory Authority Information**

The Qatar Financial Centre (the “Regulatory Authority”) was established by the State of Qatar pursuant to Law No. 7 of 2005 to attract international financial institutions and multinational corporations to establish business in international banking, financial services, insurance, corporate head office functions and related activities within Qatar.

The Qatar Financial Centre is organised into four authorities: the QFC Authority (QFCA), the Regulatory Authority, QFC Civil and Commercial Court (Court) and QFC Regulatory Tribunal (Tribunal). The QFCA, the Regulatory Authority, the Court and Tribunal are independent of each other and the Government of Qatar.

The Regulatory Authority, the independent regulatory body, regulates licenses and supervises financial services and other firms that conduct activities in, or from, the Qatar Financial Centre. The registered office of the Regulatory Authority is located at P.O. Box 22989, Doha, State of Qatar.

These financial statements only relate to the Regulatory Authority and do not extend to include any other bodies of the QFC.

The financial statements of the Regulatory Authority as of 31 December 2025, were approved and authorised for issue by the Board of Directors on 30 March 2026.

## **2. Economic dependency**

The Regulatory Authority is dependent on appropriations from the Government of the State of Qatar to fund its operating and capital expenditure.

During the year, the Government provided the Regulatory Authority with appropriations amounting to USD 52,323 thousand (2024: USD 50,833 thousand). As of 31 December 2025, an amount of USD 6,073 thousand (2024: USD 4,925 thousand) was recognised as appropriations received in advance while an amount of USD 12,938 thousand (2024: USD 10,912 thousand) was recognized as appropriations receivable. After adjusting for the movement in appropriations received in advance of USD 1,148 and movement in appropriations receivable of USD 2,026, a total of USD 53,201 thousand was recognised as appropriation from the government in the statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (2024: USD 50,130 thousand).

As per Article 14 of Qatar Financial Centre Law No. 7 of 2005, the Regulatory Authority has the right to retain any excess appropriations provided by the Government; these appropriations have been treated as part of retained earnings.

## **3. Basis of preparation**

### **a) Statement of compliance**

These financial statements of the Regulatory Authority have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB).

Also, the Regulatory Authority is in compliance with the applicable provisions of Qatar Financial Centre Law No. 7 of 2005.

### **b) Basis of measurement**

These financial statements have been prepared under the historical cost basis.

### **c) Functional and presentation currency**

The functional currency of the Regulatory Authority is Qatari Riyals (“QR”). However, these financial statements have been presented in United States Dollars (“USD”), which is the Regulatory Authority’s presentation currency as Regulatory Authority was established to authorise and regulate firms and individuals conducting financial services in or from the Qatar Financial Centre.

**3. Basis of preparation (continued)**

**c) Functional and presentation currency (continued)**

As the Qatari Riyal is pegged to the USD, the balances and transactions in Qatari Riyals have been translated to USD at the fixed exchange rate of 3.645 Qatari Riyals to USD and all financial information presented in USD has been rounded to the nearest thousand USD.

**d) Use of estimates and judgements**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas that involve a higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements are as follows:

*Going concern*

Management has made an assessment of the Regulatory Authority's ability to continue as a going concern and is satisfied that the Regulatory Authority has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Regulatory Authority's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

*Depreciation of furniture and equipment, right-of-use asset and intangible assets*

Items of furniture and equipment, right-of-use asset and intangible assets are depreciated / amortised on a straight-line basis over their estimated individual useful lives. Management exercises significant judgement for the determination of the depreciation / amortisation method and the useful lives and residual values of these assets, including their expected usage over their lives, the rate of their physical wear and tear, and their technological or commercial obsolescence. Such estimates could have a significant impact on the annual depreciation and amortisation charge recognized in profit or loss.

*Impairment of furniture and equipment, right-of-use asset and intangible assets*

The carrying amounts of the furniture and equipment, right-of-use asset and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets.

*Impairment of financial assets measured at amortised cost*

The "expected credit loss" (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Regulatory Authority would expect to receive.

**3. Basis of preparation (continued)**

**d) Use of estimates and judgements (continued)**

*Lease liabilities*

Management assesses whether contracts entered by the Regulatory Authority for renting various assets contain a lease. The lease identification, including whether or not the Regulatory Authority has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extend of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset.

*Variable consideration*

Amounts related to financial penalties are derived from enforcement actions taken by the Regulatory Authority against the firms it supervises for issues of non-compliance with applicable rules and regulations. The recovery of financial penalties (and related income) involves uncertainties related to amount (which may be appealed to the QFC Regulatory Tribunal) and timing of receipt of payment, which based on experience may involve filing of legal proceedings that may take a considerable time to conclude. The factors influencing the recovery of the financial penalty (and related income) is different for each case and the resolution of the constraints are beyond the control of the Regulatory Authority. Accordingly, the related revenue is recognised when the constraints are resolved.

**e) New IFRS Accounting Standards, amendments and interpretations effective from 1 January 2025**

The list of the recent changes to the IFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025 are as follows:

<b>Effective date</b>	<b>New accounting standards or amendments</b>
1 January 2025	Lack of Exchangeability – Amendments to IAS 21

The new and amended standards listed above do not have any or material effect on the Regulatory Authority's financial statements.

**f) IFRS requirements not yet effective, but available for early adoption**

The below table lists the recent changes to the IFRS Accounting Standards that are required to be applied for an annual period beginning after 1 January 2025 and that are available for early adoption in annual reporting periods beginning on 1 January 2025.

<b>Effective date</b>	<b>New standards or amendments</b>
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/ effective date deferred indefinitely*	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

**3. Basis of preparation (continued)**

**(f) IFRS requirements not yet effective, but available for early adoption (continued)**

Except for IFRS 18 Presentation and Disclosure in Financial Statements, Management does not expect that the adoption of the above new and amended standards will have a material impact on the Regulatory Authority's financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Regulatory Authority is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Regulatory Authority's statement of profit or loss and cash flows and the additional disclosures required for MPMs. The Regulatory Authority is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

**4. Material accounting policies**

The principal accounting policies of the Regulatory Authority applied in the preparation of these financial statements are set out below. These policies have been applied consistently to both years presented in these financial statements.

**a) Furniture and equipment**

***Recognition and measurement***

Items of furniture and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of an asset.

***Subsequent expenditure***

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Regulatory Authority and its cost can be measured reliably.

***Depreciation***

Depreciation is calculated to write off the cost of items of equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss.

The estimated useful furniture and equipment for the current year and the comparative year were as follows:

Furniture and fixtures	3 years
Office equipment	3 years
Leasehold improvements	Lower of 3 years or lease period

**4. Material accounting policies (continued)**

**a) Furniture and equipment (continued)**

***Depreciation (continued)***

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

***Derecognition***

An item of furniture and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses from sale of equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts and are recognised net within profit or loss.

***Capital work-in-progress***

The cost of capital work-in-progress is measured at cost less impairment loss. Cost includes upfront costs and any other costs directly attributable to bringing the assets to a working condition for their intended use. Capital work-in-progress is transferred to the relevant category of furniture and equipment when it is complete and available for use for its intended purpose.

**b) Intangible assets**

**Recognition and measurement**

Intangible assets comprise purchased computer software and software developed internally. Intangible assets acquired separately are initially recognised at cost.

Costs incurred in the development of software for internal use are capitalised only when:

- the technical feasibility of completing the asset has been demonstrated;
- the Authority has the intention and ability to complete and use the software;
- adequate technical, financial and other resources are available to complete the development;
- the software can be separately identified;
- it is probable that the asset will generate future economic benefits; and
- the expenditure attributable to the asset can be measured reliably.

Where these criteria are not met, development expenditure is recognized as expense in the statement of profit or loss.

Expenditure on research or on the research phase of an internal project is recognised as an expense in the period in which it is incurred.

**Subsequent expenditure**

Intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is recognised in profit or loss as incurred.

**Amortisation**

Intangible assets are amortised on a straight-line basis over their estimated useful lives, commencing when the asset is available for its intended use.

The estimated useful lives are as follows:

- Computer software – three years
- Extensible Business Reporting Language (XBRL) software – five years
- Microsoft Dynamics D365 – five years

**4. Material accounting policies (continued)**

**b) Intangible assets (continued)**

**Amortisation (continued)**

Amortisation expense is recognised within general and administrative expenses in the statement of profit or loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, where appropriate.

**c) Right-of-use assets**

**Recognition and measurement**

Right-of-use assets are recognized at the lease commencement date at cost, which comprises the initial amount of the lease liability (see accounting policy "Lease liabilities") adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

**Subsequent measurement**

Items of right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of a right-of-use asset using the straight-line method over the earlier of the lease term and its useful life. It is depreciated over its useful life, if the lease agreement either transfers ownership of the right-of-use asset to the Regulatory Authority by the end of the lease term or reflects that the Regulatory Authority will exercise a purchase option at the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the carrying value of a right of use asset may be periodically adjusted for certain remeasurements of the related lease liability.

**Derecognition**

An item of a right-of-use asset is derecognised at the earlier of the end of the lease term cancellation of lease contract, or transfer of control of the underlying asset. In case control of the underlying asset passes to the Regulatory Authority, the carrying value of the right-of-use asset is reclassified to property and equipment.

**d) Financial instruments**

**Recognition and measurement**

Financial assets and financial liabilities are recognized when the Regulatory Authority becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or a financial liability is initially measured at fair value plus or minus, for items not at FVTPL, transaction costs directly attributable to its acquisition or issue. A accounts receivable without a significant financing component is initially measured at the transaction price. However, if the Regulatory Authority has an unconditional right to an amount that differs from the transaction price, the accounts receivable is initially measured at the amount of that unconditional right.

**4. Material accounting policies (continued)**

**d) Financial instruments (continued)**

***Classification and subsequent measurement***

*Financial assets - classification*

On initial recognition, a financial asset is classified at:

- Amortised cost – if it meets both of the following conditions and is not designated as at FVTPL:
  - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
  
- Fair Value Through Other Comprehensive Income (FVOCI) - if it meets both of the following conditions and is not designated as at FVTPL:
  - it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
  
- Fair Value Through Profit or Loss (FVTPL) – All financial assets not classified as measured at amortised cost or FVOCI as described above.

The financial assets have been classified by the Regulatory Authority, upon initial recognition, at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Regulatory Authority changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

*Financial assets - Business model assessment*

The Regulatory Authority makes an assessment of the objective of the business model in which a financial asset is held at an instrument level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Regulatory Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Regulatory Authority's continuing recognition of the assets.

**4. Material accounting policies (continued)**

**d) Financial instruments (continued)**

***Classification and subsequent measurement (continued)***

*Financial assets - Assessment whether contractual cash flows are SPPI*

In assessing whether the contractual cash flows are SPPI, the Regulatory Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Regulatory Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Regulatory Authority's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. The Regulatory Authority had no financial assets held outside trading business models that failed the SPPI assessment.

*Financial assets - Subsequent measurement and gains and losses*

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Regulatory Authority does not hold any financial assets classified at FVTPL or FVOCI.

*Financial liabilities – Classification, subsequent measurement and gains and losses*

The Regulatory Authority's financial liabilities are classified as measured at amortised cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

***Derecognition***

*Financial assets*

The Regulatory Authority derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Regulatory Authority neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**4. Material accounting policies (continued)**

**d) Financial instruments (continued)**

***Derecognition (continued)***

*Financial assets (continued)*

In the case the Regulatory Authority enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, transferred assets are not derecognised.

*Financial liabilities*

The Regulatory Authority derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Regulatory Authority also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Regulatory Authority currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**e) Impairment**

**Non-derivative financial assets**

The Regulatory Authority recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Regulatory Authority does not hold debt investments that are measured subsequently at FVTPL or FVOCI.

The Regulatory Authority measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Regulatory Authority is exposed to credit risk.

For the financial assets, except for the cash at bank, the Regulatory Authority applied the simplified approach to measuring ECLs which recognises the lifetime ECLs of these assets that reflect an increased credit risk. The maximum period considered when estimating ECLs is the maximum contractual period over which the Regulatory Authority is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Regulatory Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Regulatory Authority's historical experience and informed credit assessment and including forward looking information.

**4. Material accounting policies (continued)**

**e) Impairment (continued)**

**Non-derivative financial assets (continued)**

Loss allowances on bank balances are always measured at an amount equal to 12 month ECLs. The Regulatory Authority considers bank balances to have a low risk level when their credit risk rating is equivalent to the globally understood definition of “investment grade”.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Regulatory Authority expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

*Credit-impaired financial assets*

At each reporting date, the Regulatory Authority assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default or being more than 365 days past due; or
- it is probable that the customer will enter bankruptcy or other financial re-organisation.

*Presentation of loss allowance on financial assets in the statement of financial position*

The loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

The gross carrying amount of a financial asset is written off when the Regulatory Authority has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Regulatory Authority individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Regulatory Authority expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Regulatory Authority’s procedures for recovery of amounts due.

**Non-financial assets**

At each reporting date, the Regulatory Authority reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the CGU.

**4. Material accounting policies (continued)**

**e) Impairment (continued)**

***Non-financial assets (continued)***

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

**f) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and short-term deposits.

**g) Provisions**

A provision is recognised when:

- the Regulatory Authority has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Regulatory Authority will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount of a provision is the present value, of the best estimate, of the amount required to settle the obligation. The amount of the provision is discounted using a pre-tax discount rate when the effect of the expected future cash outflow related to the provision is not expected to occur soon after the reporting date and the effect of discounting is material. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

**h) Leases**

***Leases – the Regulatory Authority as a lessee***

At inception of a contract, the Regulatory Authority assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Regulatory Authority assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Regulatory Authority has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Regulatory Authority has the right to direct the use of the asset. The Regulatory Authority has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Regulatory Authority has the right to direct the use of the asset if either the Regulatory Authority has the right to operate the asset; or the Regulatory Authority designed the asset in a way that predetermines how and for what purpose it will be used.

**4. Material accounting policies (continued)**

**h) Leases (continued)**

***Leases – the Regulatory Authority as a lessee (continued)***

Where it is established that the Regulatory Authority is a lessee, a right-of-use asset (See accounting policy “Right-of-use assets”) and a lease liability are recognized at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Regulatory Authority’s incremental borrowing rate. Generally, the Regulatory Authority uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Regulatory Authority is reasonably certain to exercise, lease payments in an optional renewal period if the Regulatory Authority is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Regulatory Authority is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

A lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Regulatory Authority’s estimate of the amount expected to be payable under a residual value guarantee, or if the Regulatory Authority changes its assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

***Short-term leases and leases of low-value assets***

The Regulatory Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (i.e., below USD 5,000). The Regulatory Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**i) Retirement benefit costs - Defined contribution plan**

Consequent to the Council of Ministers Decision No. (11) of 2011, regarding the application of the provisions of the Retirement and Pension Law No. (24) of 2002 (“the Law”), for all Qatari employees of the Regulatory Authority, the Regulatory Authority was admitted to the pension fund operated by the General Retirement and Social Insurance Authority (GRSIA) on 26 January 2011.

Pursuant to the implementation of Law No. 1 of 2022 during the year by GRSIA, all Qatari employees must contribute 7%, and the Regulatory Authority 14%, of an employee’s pensionable income. The Regulatory Authority’s contribution is recognised as an expense in the statement of profit or loss.

**4. Material accounting policies (continued)**

**j) Employees' end of service benefits**

The Regulatory Authority provides end of service benefits to its employees. The entitlement to these benefits is based upon the employee's final salary and length of service, subject to the completion of a minimum service period from January 1, 2017. The maximum number of Qualifying Years of Service in respect of employees' end of service benefit under this policy is 10 years and 20 years for Expat and Qatari Employees respectively. The end of service benefit is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

**k) Revenue recognition**

*Fee income*

Fee income for services provided over a period is recognised on a time-apportioned basis over that period. This includes annual license fees earned from regulated entities.

Fee income related to application processing is non-refundable and is recognised as revenue when received.

*Financial penalties*

Under the Financial Services Regulations (FSR), the Regulatory Authority has the power to impose financial penalties where it considers that a Person (as defined in the FSR) has contravened a relevant requirement set out in Article 84 (1) of the FSR. The principles to be followed by the Regulatory Authority in determining the amount of any financial penalty to be imposed in respect of such contraventions are set out in the Regulatory Authority's "Enforcement Policy Statement 2023". The financial penalties are accounted for when levied subject to the assessment related to the constraints attached to the variable consideration.

*Interest income*

Interest income is recognised as interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other income*

Other income is recognised when the entity satisfies its performance obligations, in accordance with the accrual basis, reflecting the amount to which the entity expects to be entitled.

**l) Appropriations from the Government**

Appropriations from the Government are recognised at their fair value when there is a reasonable assurance that the appropriations will be received by the Regulatory Authority and are recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. The excess appropriations provided by the Government are treated as appropriations received in advance under accounts payable and accrual and are carried forward to next year.

**m) Expenses recognition**

Expenses are recognised in the statement of profit or loss when a decrease in future economic benefits related to a decrease in an asset or increase of a liability has arisen and can be measured reliably.

An expense is recognised immediately in the statement of profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

**n) Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the settlement or reporting date. All differences are taken to the statement of profit or loss.

5. Furniture and equipment

	Furniture and fixtures	Office Equipment	Leasehold improvements	Work-in- progress	Total
<b>Cost:</b>					
At 1 January 2024	291	277	275	-	843
Additions	12	-	11	90	113
Transfers	-	43	7	(50)	-
Write-off	-	-	-	(2)	(2)
At 31 December 2024 / 1 January 2025	303	320	293	38	954
Additions	2	5	-	3	10
Transfers	-	-	5	(5)	-
Disposals	(3)	(1)	-	-	(4)
<b>At 31 December 2025</b>	<b>302</b>	<b>324</b>	<b>298</b>	<b>36</b>	<b>960</b>
<b>Accumulated depreciation:</b>					
At 1 January 2024	75	66	23	-	164
Charge for the year (Note 17)	89	83	99	-	271
At 31 December 2024 / 1 January 2025	164	149	122	-	435
Charge for the year (Note 17)	83	90	107	-	280
Disposals	(3)	(1)	-	-	(4)
<b>At 31 December 2025</b>	<b>244</b>	<b>238</b>	<b>229</b>	<b>-</b>	<b>711</b>
<b>Carrying amount:</b>					
<b>At 31 December 2025</b>	<b>58</b>	<b>86</b>	<b>69</b>	<b>36</b>	<b>249</b>
At 31 December 2024	139	171	171	38	519

6. Intangible asset

	Computer software	Software development cost	Work-in- progress	Total
<b>Cost:</b>				
At 1 January 2024	620	2,837	579	4,036
Additions	-	-	262	262
Transfers	574	20	(594)	-
Write-off	-	-	(68)	(68)
At 31 December 2024 / 1 January 2025	1,194	2,857	179	4,230
Additions	-	-	172	172
Transfers	58	-	(58)	-
Disposals	(561)	-	-	(561)
<b>At 31 December 2025</b>	<b>691</b>	<b>2,857</b>	<b>293</b>	<b>3,841</b>
<b>Accumulated depreciation:</b>				
At 1 January 2024	619	2,678	-	3,297
Charge for the year (Note 17)	52	53	-	105
At 31 December 2024 / 1 January 2025	671	2,731	-	3,402
Charge for the year (Note 17)	124	49	-	173
Disposals	(561)	-	-	(561)
<b>At 31 December 2025</b>	<b>234</b>	<b>2780</b>	<b>-</b>	<b>3,014</b>
<b>Carrying amount:</b>				
<b>At 31 December 2025</b>	<b>457</b>	<b>77</b>	<b>293</b>	<b>827</b>
At 31 December 2024	523	126	179	828

**7. Right-of-use assets**

The Regulatory Authority has lease contracts for office space, office equipment and vehicles used in its operations. Lease of office space, office equipment, and vehicles generally have lease terms of three years.

The movement of right-of-use assets is as follows:

	Office equipment	Office Space	Vehicles	Total
At 1 January 2024	50	1,728	81	1,859
Additions	316	-	-	316
Charge for the year (Note 17)	(112)	(648)	(34)	(794)
At 31 December 2024 / 1 January 2025	254	1,080	47	1,381
Additions	53	-	-	53
Modification	6	1,262	-	1,268
Charge for the year (Note 17)	(129)	(648)	(34)	(811)
<b>At 31 December 2025</b>	<b>184</b>	<b>1,694</b>	<b>13</b>	<b>1,891</b>

**8. Related parties**

Related parties include other QFC bodies, associated government departments and ministries, directors and key management personnel of the Regulatory Authority, and bodies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Regulatory Authority's management.

**Terms and conditions of transactions with related parties**

Outstanding balances for the year ended 31 December 2025 are unsecured, interest free and the settlement occurs in cash on demand. There have been no guarantees provided or received for any due from related party balances.

**a) Amount due from related parties**

	2025	2024
<i>Other related party</i>		
Ministry of Finance (1), (2)	17,605	13,868
Qatar Central Bank	-	34
QCSD	164	130
QFCA	7	7
	<u><b>17,776</b></u>	<u><b>14,039</b></u>

(1) Amounts due from Ministry of Finance includes USD 4,667 thousand (2024: USD 2,956 thousand) relating to the payment of salaries and other expenses related to NAMLC.

(2) Effective from January 1, 2017, the Regulatory Authority resolved to recognise employees' end of service benefit-related amounts in the financial statements. As at 31 December 2025, USD 12,788 thousand (2024: USD 10,780 thousand) has been recognised as receivables from the Ministry of Finance based on a confirmation letter received to compensate the Regulatory Authority for the payment of the end of service benefits. From this amount, USD 11 thousand (2024: USD 110 thousand) was accounted for under accounts receivable and prepayments in relation to employees who have submitted their resignations.

Amount due from related parties classified as follows:

	2025	2024
Current portion (Note 9)	4,999	3,369
Non-current portion	12,777	10,670
	<u><b>17,776</b></u>	<u><b>14,039</b></u>

**8. Related parties (continued)**

**b) Related party transactions**

Transactions with related parties during the period are as follows:

	<b>2025</b>	2024
Appropriations from the Government	<u>52,323</u>	<u>50,833</u>
Revenue sharing with related parties	<u>5</u>	<u>-</u>
Services to a related party	<u>-</u>	<u>95</u>
Salaries and expenses paid on behalf of related parties	<u>1,990</u>	<u>2,274</u>

**c) Compensation of key management personnel**

Key management personnel include the Board of Directors, Chief Executive Officer, Deputy Chief Executive Officer, Managing Directors, Chief Operating Officer and Chief Financial Officer. Key management personnel remuneration includes the following expenses:

	<b>2025</b>	2024
Short-term benefits	<u>8,055</u>	<u>7,818</u>

**9. Accounts receivables and prepayments**

	<b>2025</b>	2024
Amount due from related parties – current (Note 8)	4,999	3,369
Interest receivables	1,236	873
Prepaid expenses	944	588
Fee income receivable (1)	316	309
Other receivables	<u>-</u>	<u>8</u>
	<u>7,495</u>	<u>5,147</u>

(1) During the year, the Regulatory Authority recognised a loss allowance of USD 31 thousand (2024: USD nil).

**10. Cash and cash equivalents**

	<b>2025</b>	2024
Cash at bank		
- Current accounts (1)	2,640	6,451
- Short-term deposits (2)	<u>53,455</u>	<u>44,911</u>
<b>Cash and cash equivalents as per the statement of cash flows</b>	<b>56,095</b>	51,362
Less: provision for expected credit losses of short-term deposits (3)	<u>(142)</u>	<u>(120)</u>
<b>Cash and cash equivalents as per the statement of financial position</b>	<b>55,953</b>	<b>51,242</b>

(1) Cash held in bank current accounts earns no interest.

(2) Short-term deposits are placed for varying periods of three months or less, or for periods exceeding three months with a callable option on demand, depending on the Regulatory Authority's immediate cash requirements. These deposits earn interest of up to 4.57% per annum (2024: 6% per annum). During the year, the Regulatory Authority earned interest income of USD 2,067 thousand (2024: USD 2,220 thousand).

**10. Cash and cash equivalents (continued)**

(3) The movement in the provision for expected credit losses of short-term deposits is as follows:

	<b>2025</b>	2024
At 1 January	120	88
Charge for the year	<u>22</u>	<u>32</u>
At 31 December	<u><b>142</b></u>	<u>120</u>

**11. Equity**

Pursuant to the Article 14 of Law No. 7 of 2005, "any income surpluses (whether budgeted for or not) realized by the Regulatory Authority may be retained by it or returned to the State as the Regulatory Authority shall decide".

Item 6 of schedule 1 of the Financial Services Regulations states that "any such surpluses of income over expenditure may also be applied to the repayment of any indebtedness incurred by the Regulatory Authority or to the creation of a general reserve and such other reserves as the Regulatory Authority may reasonably think fit".

**General reserve**

In line with the above provisions, the Board of Directors in their meeting held on 30 March 2026 approved the transfer of USD 4,230 thousand (2024: USD 3,490 thousand) from retained surplus to general reserve.

**12. Lease Liabilities**

The movement of lease liabilities is as follows:

	<b>2025</b>	2024
At 1 January	1,434	1,880
Additions	53	316
Modification	1,268	-
Interest expense	69	105
Repayments during the year	<u>(885)</u>	<u>(867)</u>
At 31 December	<u><b>1,939</b></u>	<u>1,434</u>

The lease liabilities are presented as follows between non-current and current liabilities:

	<b>2025</b>	2024
Non-current	1,177	927
Current	<u>762</u>	<u>507</u>
	<u><b>1,939</b></u>	<u>1,434</u>

The Regulatory Authority recognised rent expense from short-term leases of USD 197 thousand for the year ended 31 December 2025 (2024: USD 192 thousand). Refer note 17.

**13. Employees' end of service benefits**

	<b>2025</b>	2024
At 1 January	10,748	8,543
Provision during the year	2,298	2,348
Paid during the year	<u>(258)</u>	<u>(143)</u>
At 31 December	<u><b>12,788</b></u>	<u>10,748</u>

**13. Employees' end of service benefits (continued)**

The employees' end of service benefits are presented as follows between non-current and current liabilities:

	<b>2025</b>	2024
Non-current portion	12,777	10,670
Current portion (Note 15)	11	78
	<u><b>12,788</b></u>	<u>10,748</u>

**14. Employee loan fund**

As per the Council of Ministers' Decision No: (2) of 2022, which introduced amendments to certain provisions of the Executive Regulations of the Civil Human Law (originally issued by Decision No: (32) of 2016), the Ministry allocated USD nil balance in 2025 (2024: USD 617 thousand) to the Regulatory Authority. This allocation aims to establish an employee loan fund to provide advances for marriage and life expenses for Qatari employees. The loan will be managed in accordance with the Regulatory Authority's Staff Loan Policy, aligned with the provisions of the Executive Regulations of the Civil Human Law.

**15. Accounts payable and accruals**

	<b>2025</b>	2024
Accounts payable	724	405
Accrued expenses and other payable	6,637	5,690
Government appropriations received in advance (Note 2)	6,073	5,081
Fees received in advance	1,422	1,349
Benefits payable to resigned employees (Note 13)	11	78
	<u><b>14,867</b></u>	<u>12,603</u>

**16. Financial Penalties**

Under the Financial Services Regulations (FSR), the Regulatory Authority has the power to impose financial penalties where it considers that a Person (as defined in the FSR) has contravened a relevant requirement set out in Article 84 (1) of the FSR.

The Regulatory Authority imposed financial penalties and other related charges on certain firms and individuals of which USD 106,194 thousand (2024: USD 96,469 thousand) is outstanding as of December 31, 2025. The Regulatory Authority will recognise the financial penalty (and related income) as revenue when the constraints are resolved, see notes 3(d) (under "Variable Consideration") and 4. In this connection, the Regulatory Authority recognized USD 185 thousand during the year (2024: USD 54 thousand) in the statement of profit or loss.

**17. General and administration expenses**

	<b>2025</b>	2024
Lease rental	197	192
Consultancy and professional fees	1,377	1,011
Amortisation of intangible assets (Note 6)	173	105
Depreciation of right-of-use asset (Note 7)	811	794
Depreciation of furniture and equipment (Note 5)	280	271
Other expenses	1,601	1,322
	<u><b>4,439</b></u>	<u>3,695</u>

**18. Financial instruments and risk management**

**(a) Financial risk management**

The Regulatory Authority has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

This note presents information about the Regulatory Authority's exposure to each of the above risks, the Regulatory Authority's objectives, policies and processes for measuring and managing the risks. Further quantitative disclosures are included throughout these financial statements.

The management has overall responsibility for the establishment and oversight of the Regulatory Authority's risk management framework. The Regulatory Authority's risk management policies are established to identify and analyse the risks it faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Regulatory Authority's activities.

**Credit risk**

Credit risk is the risk of financial loss to the Regulatory Authority if a counterparty to a financial instrument fails to meet its contractual obligations. The Regulatory Authority's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Regulatory Authority's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	<b>2025</b>	2024
Cash at bank including short-term deposit	55,953	51,242
Amount due from related parties	17,776	14,039
Interest receivables	1,236	873
Fee income and other receivables	316	317
	<u>75,281</u>	<u>66,471</u>

*Cash at bank including short-term deposit*

Credit risk in respect of bank balances is limited as the Regulatory Authority deals only with highly reputable banks and other counterparties.

The Regulatory Authority has applied the general approach to determine credit losses on terms deposits. Provision was made for expected credit losses on short-term deposits amounting to USD 22 thousand for the year ended 31 December 2025 (2024: USD 32 thousand).

*Amount due from related parties*

The majority of the amounts due from related parties pertain to balances receivable from the Ministry of Finance. The Ministry of Finance is a government entity with strong financial capacity and sovereign backing. Accordingly, management considers the credit risk associated with this balance to be minimal.

**Liquidity risk**

Liquidity risk is the risk that the Regulatory Authority will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Regulatory Authority's reputation. The Regulatory Authority limits its liquidity risk by securing appropriations from the Government to finance its operating and capital expenditure. The Regulatory Authority's terms of services require amounts to be paid within 30 days of the date of service.

**18. Financial instruments and risk management (continued)****(a) Financial risk management (continued)**

The table below summarizes the contractual undiscounted maturities of the Regulatory Authority's financial liabilities at the reporting date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**31 December 2025**

Non-derivative financial liabilities	Carrying Amounts	Contractual cash flows		
		Total	Less than 1 year	More than 1 year
Accounts payable	724	(724)	(724)	-
Lease liabilities	1,939	(2,094)	(856)	(1,238)
	<u>2,663</u>	<u>(2,818)</u>	<u>(1,580)</u>	<u>(1,238)</u>

**31 December 2024**

Non-derivative financial liabilities	Carrying Amounts	Contractual cash flows		
		Total	Less than 1 year	More than 1 year
Accounts payable	404	(404)	(404)	-
Lease liabilities	1,434	(1,510)	(998)	(512)
	<u>1,838</u>	<u>(1,914)</u>	<u>(1,402)</u>	<u>(512)</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Currency risk*

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Regulatory Authority's functional currency. The Regulatory Authority is not exposed to significant foreign exchange risk as it primarily transacts in Qatari Riyal, which is the Regulatory Authority's functional currency.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Regulatory Authority is not exposed to interest rate risk on its interest-bearing assets (bank deposits) as the interest rate on bank deposits is fixed. The statement of comprehensive income and equity is not sensitive to the effect of reasonable possible changes in interest rates, with all other variables held constant, as the Regulatory Authority does not hold any floating rate financial assets or financial liabilities at the reporting date.

**18. Financial instruments and risk management (continued)****(b) Capital management**

The primary objective of the Regulatory Authority is to maintain a strong capital base to support its operations and future development.

The Regulatory Authority is funded through Government appropriations to finance its operating and capital expenditure. In accordance with Article 14 of Qatar Financial Centre Law No. 7 of 2005, any excess of appropriations over expenditure may be retained and is recognised as retained earnings, forming part of the Regulatory Authority's capital base.

The Regulatory Authority is not subject to externally imposed capital requirements.

**(c) Fair value measurement**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Regulatory Authority's non-financial assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. The Regulatory Authority's financial assets and financial liabilities are measured at amortised cost and not at fair value. Management believes that the carrying values of its financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values, hence no fair value hierarchy has been included.

**(d) Offsetting financial assets and liabilities**

The Regulatory Authority does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

**19. Commitments**

	2025	2024
<b>Non-cancellable rental commitments</b>		
Within one year	856	998
After one year but not more than five years	1,238	512
	<u>2,094</u>	<u>1,510</u>
<b>Non-cancellable service commitments</b>		
Within one year	3,043	2,641
After one year but not more than five years	544	462
	<u>3,587</u>	<u>3,103</u>

**20. Comparative information**

The comparative figures for the previous period have been reclassified or regrouped, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported profit, total assets, or equity.

**21. Subsequent events**Geopolitical developments

Subsequent to the reporting date, geopolitical tensions in the Middle East have escalated, resulting in heightened instability and uncertainty in the region, including Qatar. These developments may adversely affect the operating environment in which the Regulatory Authority carries out its regulatory and administrative functions. These events are considered non adjusting subsequent events under IAS 10 Events after the Reporting Period.

**21. Subsequent events (continued)**

Geopolitical developments (continued)

As the situation is evolving, the effect of the escalations is subject to significant levels of uncertainty. Management is closely monitoring the situation and assessing the potential impact on the Regulatory Authority operations, financial position and cash flows. At the date of authorization of these financial statements, the Regulatory Authority is not in a position to reliably estimate the financial impact of these events.

Communication from the Ministry of Finance

On 17 February 2026, the Authority received a communication from the Ministry of Finance confirming that the relevant entities should settle the dues related to experts engaged under the NAMLC (refer Note 8(a)) from their approved budgets for the year 2026. This communication relates to amounts receivable as at 31 December 2025 and is considered a non-adjusting subsequent event. Accordingly, no adjustment has been made to the financial statements.

Except for the matters described above, there were no other significant events occurring after the reporting date that would have a material impact on the understanding of these financial statements.