The Second Strategic Plan

(2017-2022)

مصرف قطر المركزي
QATAR CENTRAL BANK
Qatar Central Bank

هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

QATAR FINANCIAL CENTRE
REGULATORY AUTHORITY

بسم الله الرحمن الرحيم

In the Name of Allah

The most Merciful, The most Compassionate

His Highness
Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar

His Highness
Sheikh Hamad Bin Khalifa Al Thani
The Emir the Father

Contents

List of abbreviations

AML	Anti-Money Laundering
ANNA	Association of National Numbering Agencies
ATM	Automated Teller Machine
BIS	Bank for International Settlements
BFS	Broader Financial Sector
CCB	Capital Conservation Buffer
CDRS	Consumer Dispute Resolution Scheme
CFT	Combating the Financing of Terrorism
CISI	Chartered Institute for Securities and Investment
CRM	Customer Relationship Management
DvP	Delivery vs. Payment
ETF	Exchange Traded Fund
FMDC	Financial Markets Development Committee
FSP	First Strategic Plan for Financial Sector Regulation
FSRCC	Financial Stability and Risk Control Committee
IPO	Initial Public Offering
ITA	International Trade Administration
ITU	International Telecommunication Union
LCR	Liquidity Coverage Ratio
LTV	Loan to Value
MDPS	Ministry of Development Planning and Statistics
MENA	Middle East and North Africa
MoU	Memorandum of Understanding
MSCI	Morgan Stanley Capital International
NSFR	Net Stable Funding Ratio
QBSBAS	Qatar Banking Studies and Business Administration Independent Secondary School
QCB	Qatar Central Bank
QCSD	Qatar Central Securities Depository
QFBA	Qatar Finance and Business Academy
QFCRA	Qatar Financial Centre Regulatory Authority

FATF	Financial Action Task Force
FTSE	Financial Times Stock Exchange
GCC	Gulf Cooperation Council
GCI	Global Cybersecurity Index
GER	Gross Enrollment Ratio
IAIS	International Association of Insurance Supervisors
IBAN	International Bank Account Number
ICAAP	Internal Capital Adequacy Assessment Process
ICT	Information and Communication Technologies
IFC	International Finance Corporation
IFSB	Islamic Financial Services Board
IMF	International Monetary Fund
IOSCO	International Organisation of Securities Commissions
QFMA	Qatar Financial Markets Authority
QIBOR	Qatar Inter Bank Offered Rate
QNDS	Qatar National Development Strategy
QNV	Qatar National Vision
QSE	Qatar Stock Exchange
REIT	Real Estate Investment Trust
RMB	Renminbi
SME	Small and Medium Enterprise
SSP	Second Strategic Plan for Financial Sector Regulation
UAE	United Arab Emirates
UNDP	United Nations Development Programme
XBRL	eXtensible Business Reporting Language

Foreword

H.E. Sheikh Abdulla Bin Saoud Al-Thani
The Governor

In the wake of the financial crisis, countries have undertaken several significant measures to safeguard their financial sector. One key aspect of these measures has been a well-planned move to gradually diversify the economy. The major thrust of the measures has been to strengthen and increase the space for the private sector, create an environment conducive for attracting foreign investment, ensure the development of a knowledge-based economy by leveraging on technology while addressing its attendant pitfalls and relatedly, create jobs for the national population.

Consistent with this objective, Qatar launched the Qatar National Vision 2030 (QNV 2030). Comprising of four pillars, the focus of QNV 2030 is to transform Qatar into an advanced society capable of achieving sustainable development by 2030. Economic development, the first of these four pillars, has sought to ensure the development of a highly diversified economy, a healthy and robust financial system, aided by sound regulation and supervision alongside active government support. Accordingly, the First Strategic Plan for Financial Sector Regulation (FSP), implemented in close coordination among the financial sector regulators, has focused on enhancing regulation, expanding macroprudential oversight, strengthening financial market infrastructure, promoting regulatory cooperation and building human capital.

The world economy traversed an uneven path during the time the FSP was underway. Significant economic headwinds amidst a highly uncertain global environment have prompted central banks to adopt policies that were otherwise considered unconventional. Governments have also responded proactively, undertaking measures that seek to protect the interests of its population. A key development, particularly from the standpoint of oil exporters, has been the sustained decline in oil prices, compelling governments to explore measures to address this unexpected challenge.

Amidst these dynamic developments, Qatar has been navigating its way through these global challenges by adopting a prudent policy mix. We are publishing the Second Strategic Plan for Financial Sector Regulation (SSP) as a move towards developing a forward-looking strategy that can guide our policies over the next half-decade. The SSP reflects the combined efforts of QCB, QFMA and QFCRA. The major thrust of the SSP is to create a regulatory framework that fosters growth which is inclusive and sustainable, promotes innovation and financial technology whilst dealing with the issues of cybersecurity, is competitive and credible while continuing to nurture and develop human capital that contributes to a knowledge-based economy.

The SSP will act as a roadmap to guide us in our future endeavours towards building a sound and resilient financial sector. In the process, we will continuously learn and adapt to emerging economic developments and challenges, while ensuring that the objectives of the Strategic Plan are always taken on board.

Under the wise leadership and able guidance of H.H., The Emir, Sheikh Tamim bin Hamad Al Thani, the economy has been able to successfully withstand the global economic challenges. As a result, the economy remains well-placed to leverage on its strengths, while ensuring that the SSP provides the necessary building blocks to address incipient challenges.

On behalf of the financial sector regulators, I extend great thanks and gratitude to H.H. The Emir, Sheikh Tamim Bin Hamad Al-Thani, to H.H The Deputy Emir, Sheikh Abdullah Bin Hamad Al-Thani and to H.E. the Prime Minister and the Minister of Interior, Sheikh Abdullah Bin Nasser Bin Khalifa Al-Thani for their incisive guidance and continued support. And finally, thanks are due to other government entities, banks and other financial institutions operating in the country for the help rendered.

I take this opportunity to release the Second Strategic Plan for Financial Sector Regulation 2017-2022.

Abdulla bin Saoud Al Thani

Governor

Qatar Central Bank

“The economic affairs remain a matter of prime concern for us adecline in hydrocarbons’ prices, but we are determined to proceed with our development plans to achieve the goals we have drawn up in Qatar’s National Vision”

H.H Sheikh Tamim Bin Hamad Al Thani
The Emir of the State of Qatar

November 2016

Executive Summary

Executive Summary

The Second Strategic Plan for Financial Sector Regulation (SSP) has been prepared by the QCB, QFMA and QFCRA ("the financial sector regulators") within the overarching framework of the QNV 2030 and the QNDS 2017-2022. The SSP is the key roadmap to guide the State of Qatar in its future endeavours in building a sound and resilient financial sector towards fostering sustainable economic growth.

The Second Financial Sector Regulator Strategic Plan is underpinned by five core goals:

1. **Enhancing financial sector regulation and promoting regulatory cooperation;**
2. **Developing financial markets and fostering financial innovation;**
3. **Maintaining integrity of and confidence in the financial system;**
4. **Promoting financial inclusion and financial literacy; and finally,**
5. **Developing human capital.**

In the process of pursuing these goals, the financial sector regulators are committed to continuously learn and adapt to the evolving economic environment and appropriately respond to the attendant challenges. The achievement of these goals will be supported by clear-cut objectives and well laid out action plans for each of the financial sector regulators, in line with their respective statutory objectives.

Going forward, the approach would be to capitalize on the foundations set by the FSP, implement the SSP for sustainable future economic growth to ensure a financial sector that is dynamic and diversified enough to flexibly respond to unforeseen risks and adverse developments.

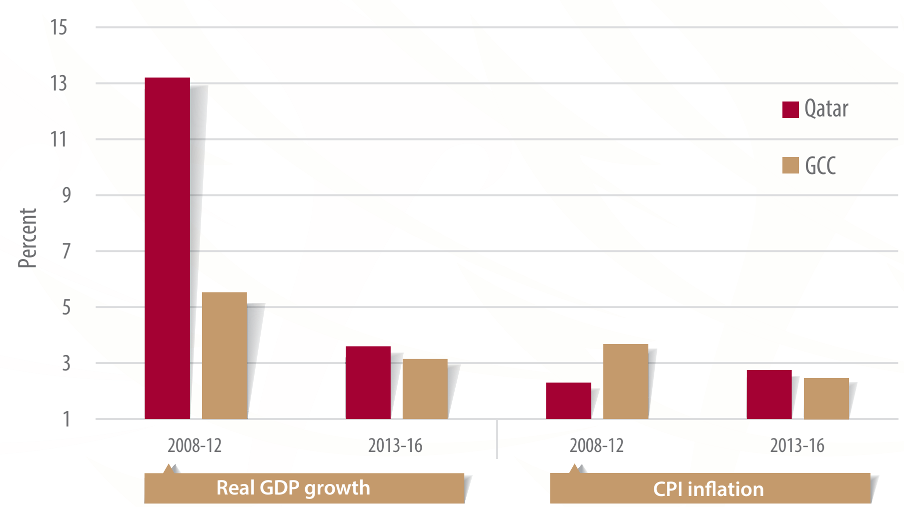
Introduction

The First Strategic Plan for financial sector regulation was launched in 2013. It was prepared within the context of the overall objectives of the QNV 2030 and in line with the five-yearly QNDS 2011-2016. Comprising of six goals, the objective was to develop the regulatory infrastructure and support systems that is in conformity with prevailing international best practices.

When the FSP was formulated, the world economy was coming out of one of the worst financial crisis witnessed in history. Uncertain of the way forward, most major central banks pursued a strongly accommodative monetary policy to revive confidence in markets. Similarly, governments also pursued accommodative fiscal policies to ensure their economies return to a growth path. With the balance sheet of financial institutions having been seriously impaired, policymakers took proactive steps to strengthen their balance sheets, including through new liquidity and capital measures, as well as macroprudential regulations.

The region was not sheltered from the effects of the global financial crisis. However, Qatar maintained real GDP growth of over 13 percent on average, during 2008-2012, significantly higher than the 5.5 percent for the GCC countries, whereas consumer prices remained benign; the CPI inflation averaged 2.3 percent during the same period (Chart 1).[1] Despite economic turbulence, Qatar continues to register real GDP growth that is noteworthy, notwithstanding the drop in hydrocarbon prices.

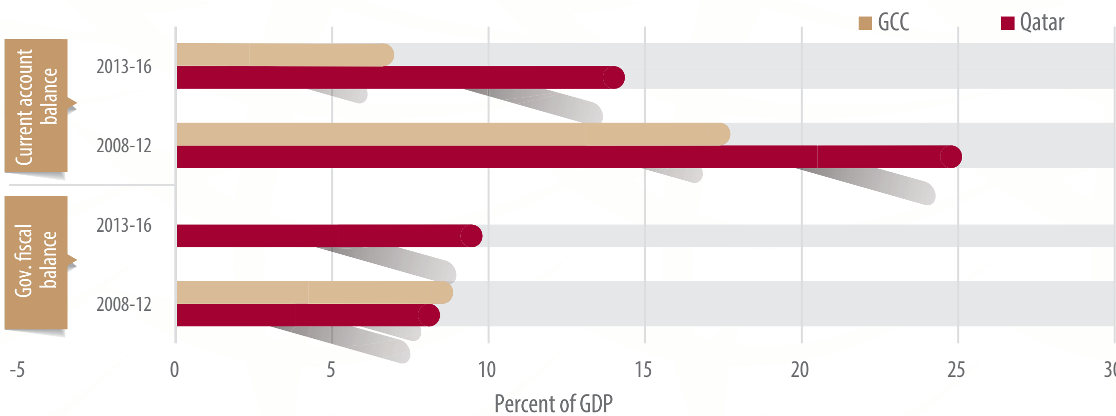
Chart 1: Real GDP growth and CPI inflation (%) (2008-2016)



1. Simple average of the relevant figures for the GCC (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates) countries. Data source for the charts is IMF, unless stated otherwise.

Higher oil prices provided some GCC governments with significant fiscal surpluses, with the ratio of government fiscal balance to GDP being of the order of 8.4 percent during 2008-2012 in Qatar, as compared with 8.9 percent for the GCC as a whole (Chart 2).[2] Even the current account surplus was substantial, averaging close to 18 percent of GDP during this period for the GCC, with the numbers for Qatar being 25 percent. Such significant headroom provided Qatar's government with the flexibility to respond proactively to the challenges posed by the crisis, so as to shield the real economy from its adverse after-effects.

Chart 2: Fiscal & Current Account Balance (% of GDP)



Amidst these developments, the authorities in Qatar sought to enhance financial resilience by developing a Strategic Plan for financial sector regulation within the overall objectives of QNV 2030. Through coordinated action aided by relevant legislative changes, the regulatory framework has sought to ensure a solid foundation for the future growth of the financial services sector. The FSP revolved around six major goals:

- Enhancing regulation
- Expanding macroprudential oversight
- Strengthening market infrastructure
- Protecting consumers and investors
- Promoting regulatory cooperation
- Building human capital.

An important feature of the FSP was the revision in the legislative framework of the central bank and the capital market regulator. More specifically, Law No.13 of 2012 mandated Qatar Central Bank (QCB) as the competent supreme authority in framing policies for regulation and supervision of the financial sector. It also established the FSRCC, comprising of heads of the three financial sector regulators. Similarly, the revised Law No. 8 of 2012 expanded the authority of the QFMA as an independent regulator to supervise and monitor the securities industry.

2. The government fiscal balance for GCC countries during 2013-16 is close to zero and hence, less visible in the chart.

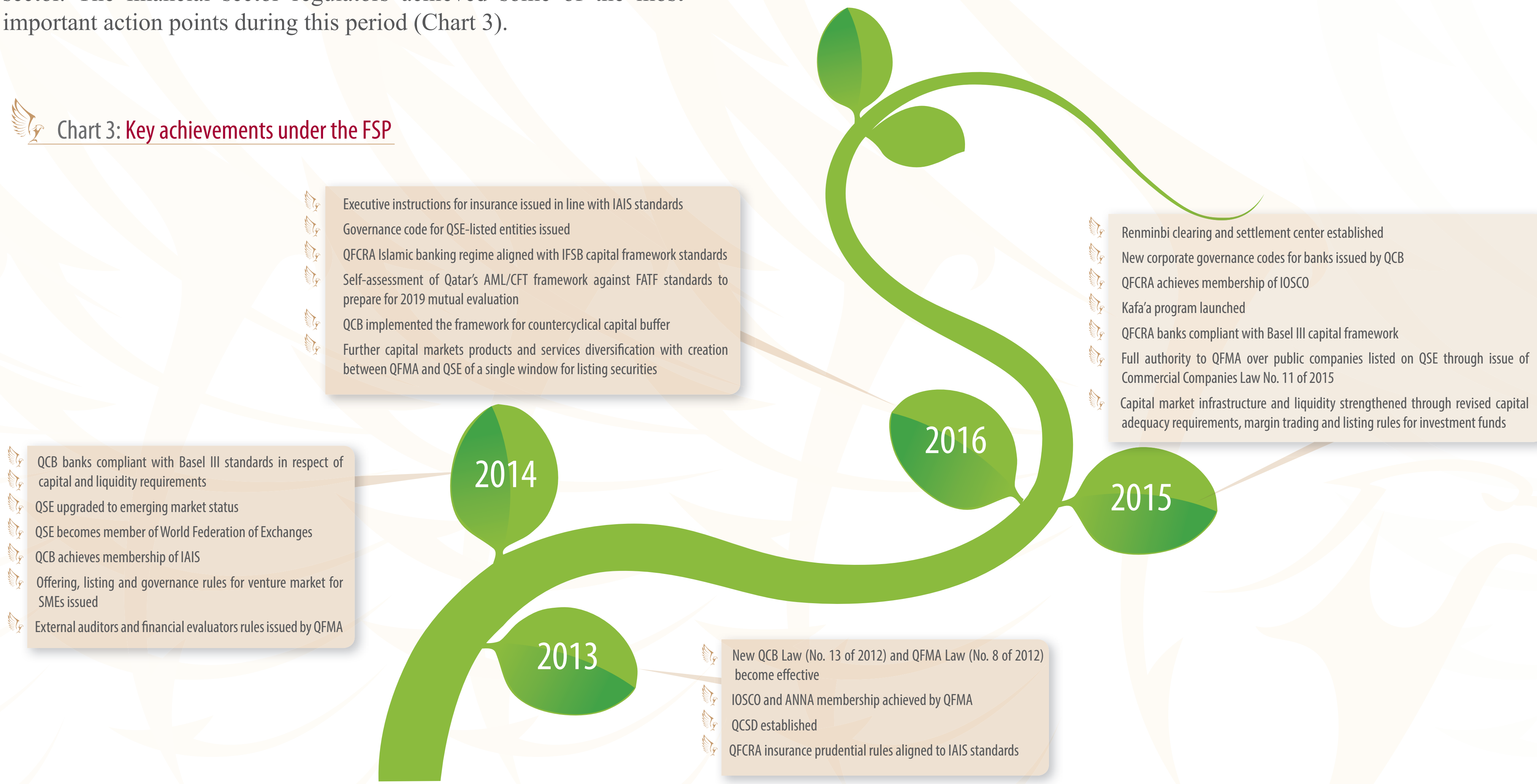
Assessment of the First Strategic Plan 2013-2016


Strategic Plan
for Financial Sector Regulation

Assessment of the First Strategic Plan 2013-2016

The FSP was an important milestone in the history of Qatar's financial sector. The financial sector regulators achieved some of the most important action points during this period (Chart 3).

Chart 3: Key achievements under the FSP



At an aggregate level, the developments were no less impressive. Reflecting growing diversification, the share of non-hydrocarbon sector in GDP has increased from 40% in 2011 to nearly 70% in 2016 (Chart 4).[3]

Chart 4 A: Share of hydrocarbon and non-hydrocarbon

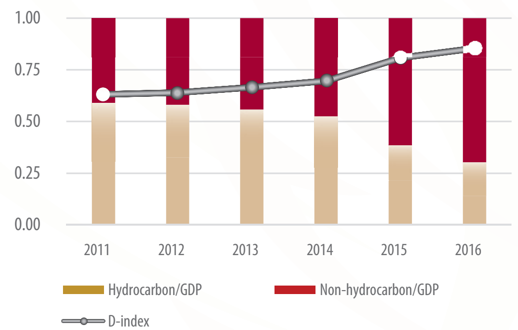
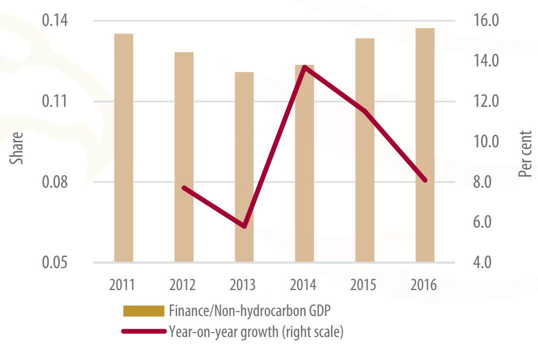
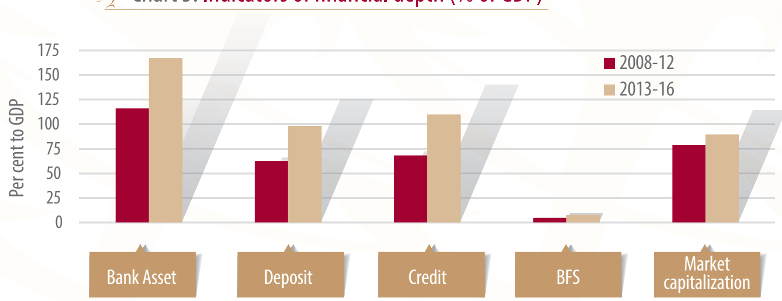


Chart 4 B: Share of financial sectorin non-oil GDP



Overall bank assets, which averaged 116% of GDP during 2008-2012 increased to nearly 170% over the next four-year period. Deposit and credit, as ratio to GDP, also witnessed similar improvements. Market capitalization to GDP ratio – a measure of the depth of the capital market – also increased by over 10 percentage points. Even the assets of the broader financial sector increased from 4.6% to 7.5% during this period (Chart 5).[4]

Chart 5: Indicators of financial depth (% of GDP)



Source: QCB, QFCRA & QFMA

3. Diversification index (D-index) in Chart 4A is calculated as 1 minus the Herfindahl index (H-index), where the H-index is calculated as the sum of squares of sectoral shares in GDP. The sectors included are agriculture, mining and quarrying, manufacturing and the various components of services. The analysis is based on data reported by MDPS.

4. The broader financial sector (BFS) includes total assets of finance and investment companies, exchange houses, Qatar Development Bank, insurance sector (national insurance companies only) and QFC authorized firms (except insurance). Data on QFC authorized firms is for the period 2010-2016.

A brief summary of the key achievements under the FSP are outlined below.

Strategic Goal 1: Enhancing Regulation

The focus on enhancing regulation has been directed at (i) implementing, in an effective and calibrated manner, the revised international standards for banking, insurance and capital markets; (ii) reviewing the regulatory reporting systems to systematically collate and analyze data so as to anticipate potential imbalances in the financial system and devise ways to address them; and (iii) ensure that regulatory arbitrage is minimized.

Significant progress has been achieved over the last several years. Through concerted and coordinated efforts, the QCB and QFCRA have implemented Basel III for capital adequacy and liquidity management, including the internal capital adequacy assessment process (ICAAP). For example, the supervisory review process was strengthened through quantitative parameters and the on-site examination process was also improved. Relatedly, QCB and QFCRA also collaborated to establish a new regulatory framework for orderly development of the insurance sector.

From the perspective of the AML/CFT, the financial sector regulators have all extended priority to combating money laundering and terrorist financing issues by strengthening the relevant laws and regulations. This implementation was supported by reinforcing the risk-based approach to prudential, conduct and AML/CFT supervision. Reflecting this improvement, the Basel Institute of Governance ranked Qatar 37 (out of 149 countries) in its AML index for 2016.[5]

The prudential returns for QFC financial institutions were redesigned and eXtensible Business Reporting Language (XBRL) was implemented, a globally accepted technology-standard for electronic exchange of business information.

The revised law No. 8 of 2012 provided QFMA with wider mandate as an independent regulator overseeing the securities industry. Accordingly, QFMA issued internationally benchmarked regulations for mergers and acquisitions, rights issues, bond and Sukuk listing, listing for the venture market for SMEs, REITs and ETFs and enhancements to requirements around disclosure, governance and ownership. A revised corporate governance code with compulsory requirements based on OECD 2015 principles was issued to promote social responsibility, market sustainability and prevent conflicts of interests and protect minority shareholders.

These developments have been backed up by upgradation of the legal framework. The issue of the Commercial Companies Law No. 11 of 2015 and Law No. 9 of 2014 to amend the maximum permissible foreign ownership levels in listed companies to 49% (from 25% earlier) are some of the key elements of the legislations.

5. The Basel AML index is a publicly available country risk ranking focusing on money laundering/terrorist financing published yearly by the Basel Institute since 2012.

Strategic Goal 2: Expanding macroprudential oversight

Complementing and strengthening the strategic goal for enhancing regulation was the focus on financial stability with a macroprudential emphasis. The initiative was led by the FSRCC, established under the QCB Law No. 13 of 2012. The focus of FSRCC has been towards developing a stress testing framework and early warning systems for better assessment and monitoring of financial risks, the results of which are communicated through a yearly publication. Several macroprudential instruments were implemented during this period (Box 1: Macroprudential regulation and oversight).

Completing the macroprudential focus was the emphasis on providing accurate and comprehensive credit information. Towards this end, the Qatar Credit Bureau started its operations from 2011. By profiling the credit history of individuals and corporates in a structured format, the Bureau enables banks and financial institutions to make informed credit decisions and thereby promote credit discipline.

Box 1 : Macroprudential regulation and oversight

Macroprudential regulation seeks to ensure financial stability by limiting systemic risk, i.e., the risk that distortions in the financial system could destabilize the entire economy.

During the global crisis and even prior to that, the authorities in Qatar have implemented several macroprudential measures. On the liquidity side, a reserve requirement on bank deposits is already in place. In addition, both the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) have been phased in for banks, effective 2014 and 2015 respectively, to reach 100% by 2018. An early warning system is being developed and the stress testing framework is being enhanced through technical assistance from the World Bank. Select macroprudential measures for the banking sector in Qatar are highlighted in the table.

On the capital side, a framework for countercyclical capital buffer has been put in place, with the amount not to exceed 2.5% of the risk-weighted asset of the bank. Banks have also been prescribed a leverage ratio of a minimum of 3%, effective July 2014. Besides, loan-to-value ratios are in place to contain overextension of credit to the real estate segment.

As regards addressing inter-connectedness, the policymakers have prescribed capital buffers for Domestically Systemically Important Banks (DSIBs) of a maximum of 3.5% of their risk-weighted assets, which was implemented in 2016. Besides, there are limits on exposure concentration as well as both price- and quantity-based limits on household debt.

In the capital market, a company must have a minimum net liquid capital (NLC) requirement of 8% (of its total liabilities), in addition to a 12% (of its total liabilities) NLC at all times. Besides, there are limits on minimum owners equity as well as thresholds on cash asset and account receivables/payables.

	Addressing credit expansion	Addressing structural vulnerabilities	Evidence from Qatar
Capital-related	Time varying provisions		A risk reserve requirement (as a rudiment of forward-looking provisioning requirements) for national banks, effective 2012.
	CCB		A CCB equal to 2.5% of risk-weighted asset to be met out of common equity Tier-I capital, since 2014.
Credit-related	Ceiling/ ratio on credit or credit growth		Loan-to-deposit ratio
	Debt-to-income		Both quantity- and price-based regulation on loan against salary
	LTV ratio		Separate LTV on residential and commercial real estate, effective 2011
Liquidity-related	Reserve requirements		Reserve requirements are in place.
		Ceiling on net open foreign currency position	Maximum ceiling on open position, separately for US Dollar and other foreign currencies, over and above a maximum limit of total open limit as percent of bank's capital and reserves.
		NSFR	Effective 2015, banks are required to maintain a minimum prescribed NSFR, which has gradually been increased over time.

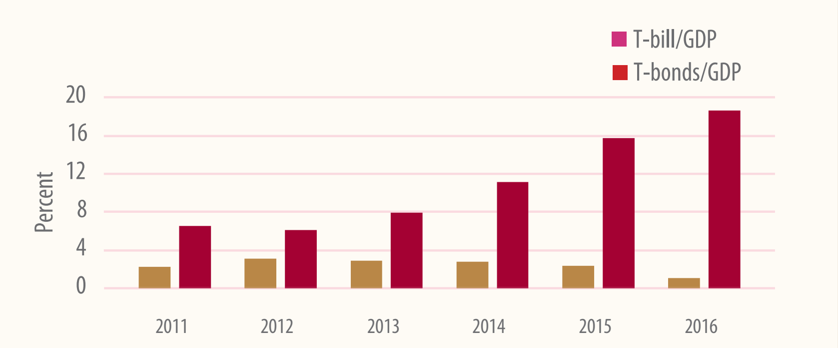
Strategic Goal 3: Strengthening market infrastructure

Acknowledging the relevance of developing robust financial market infrastructure as a key driver of economic growth, several measures were undertaken to increase opportunities and enhance market resilience.

- The activities of Central Securities Depositary was spinned-off from QSE following the issuance of new regulations by QFMA and the QCSD was created in 2013 as a private shareholding company, to improve the safekeeping, management, ownership, clearing and settlement of securities and other financial instruments.
- Recognising the important role of non-bank finance to provide greater resilience for the financial system, besides ensuring efficient capital allocation, the regulators focused their attention towards the development of a yield curve (Box 2: Developing local bond markets).
- The payment infrastructure was reviewed and assessed by the World Bank and is being upgraded with enhanced security features such as mandatory PIN for electronic payment, IBAN numbers for money transfers, improved technology against ATM theft and promoting QPAY and securities settlement and DvP process for the capital markets.
- The current state of operational readiness of QFC banks' to access the payments system was assessed and completed.

Box 2: Developing local bond markets

The auction of Treasury bills for management of short-term liquidity began in 2011. Subsequently, in 2013, the auction of T-bonds of various maturities (3, 5, 7, and 10 years) on a quarterly basis was initiated with the two-fold purpose of managing structural liquidity and also to help the development of a yield curve so as to provide an effective benchmark for the pricing of debt and other capital market products. Both conventional and Shariah compliant securities are auctioned, of which the share of the latter is roughly a third of total outstanding at end-2016. In order to ensure greater liquidity of these instruments, both T-bills and T-bonds (except Sukuk) are listed on the Qatar Stock Exchange. Data from QCB shows that, as at end-December 2016, the outstanding stock of T-bonds (including Sukuk) was QR 103.5 billion. Taken together, the outstanding T-bonds (including Sukuk) and T-bills amounted to nearly 20% of GDP in 2016 as compared with 8.9% in 2011.



To foster the creation of a more diversified economy, a clear definition of small and medium enterprises (SMEs) was provided and measures were undertaken to reduce barriers to bank lending for these entities and facilitate their access to the venture capital market. On its part, the Qatar Development Bank, a dedicated bank to support developmental activities in the country, has developed several innovative programmes to provide short, medium and long-term capital to SMEs.

Small and Medium Enterprises (SMEs)

The companies registered in accordance with the laws of the State of Qatar, at which number of employees does not exceed two hundred and fifty (250) employees, with exception of companies in the creative industries sector and for whom the number of employees shall not exceed one hundred (100), and for whom the annual turnover does not exceed one hundred million Qatari Riyals (QR 100 million).

The capital market definition of SMEs is included in the Venture Market Listing Rules 2014

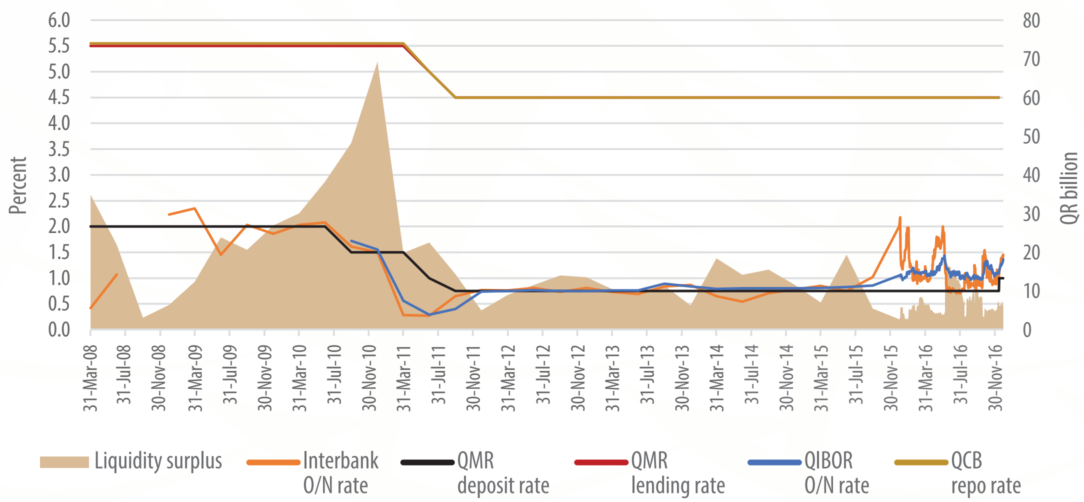
To provide greater transparency in the pricing of assets, in collaboration with a private software and data service provider, QCB launched for the first time Qatar Interbank Offered Rate (QIBOR) as a way of providing a daily reference point for banks borrowing unsecured funds in the local wholesale banking market, with maturities ranging from overnight to one year (Chart 6).[6]

The focus on the development of the market infrastructure also led to the upgradation of the QSE by MSCI , Standard and Poor's Dow Jones (S&P) and FTSE Russell during 2014 onwards from frontier to emerging market status comparable with countries such as Brazil, China and India. In the GCC region, besides Qatar, UAE and more recently, Kuwait are the countries to achieve this status.

As outlined in Strategic goal 1, the QFMA has also undertaken steps to further upgrade the regulatory framework to allow for the development of the capital market through new requirements and enhancements in its framework. In 2014, an IPO worth QR 12.6 billion and listing of a petrochemical company took place, from which QR 3.2 billion distributed wealth among the Qatari population; in 2016, a QFC bank was listed through the single window created between QFMA and QSE.

6. The QCB Lending rate was the same as the QCB Repo rate from June 2011 – mid-December 2016 and has therefore not been shown in the graph. The Repo Rate was lowered to 2.25% on December 16, 2016.

Chart 6: Liquidity surplus and interest rates



Source: QCB

Regulations were issued to support the inclusion of new products such as subscription rights issues, bonds, Treasury bills, Sukuks and investment funds (ETFs & REITs) along with listing QFC entities and SME companies as well as to strengthen market infrastructure and access to increase the number of market participants (e.g. financial advisers, liquidity providers, custodians and brokers agents). The number of companies listed on the QSE stood at 44 at end-December 2016 with market capitalization of QR 563 billion, just over 100% of 2016 GDP.

> The total market capitalization increased from QR 279 billion in 2008 to QR 563 billion in 2016. The financial sector contributed 42% of this total in 2016 as compared with 39% in 2008.

Following the signing of a Memorandum of Understanding (MoU) between the QCB and People's Bank of China, in April 2015 Qatar established the first centre in the region to offer Renminbi (RMB) clearing and settlement. The centre provides access to China's onshore RMB and foreign exchange markets to local financial institutions fostering cross-border use of the RMB in the region.

Strategic Goal 4: Protecting consumers and investors

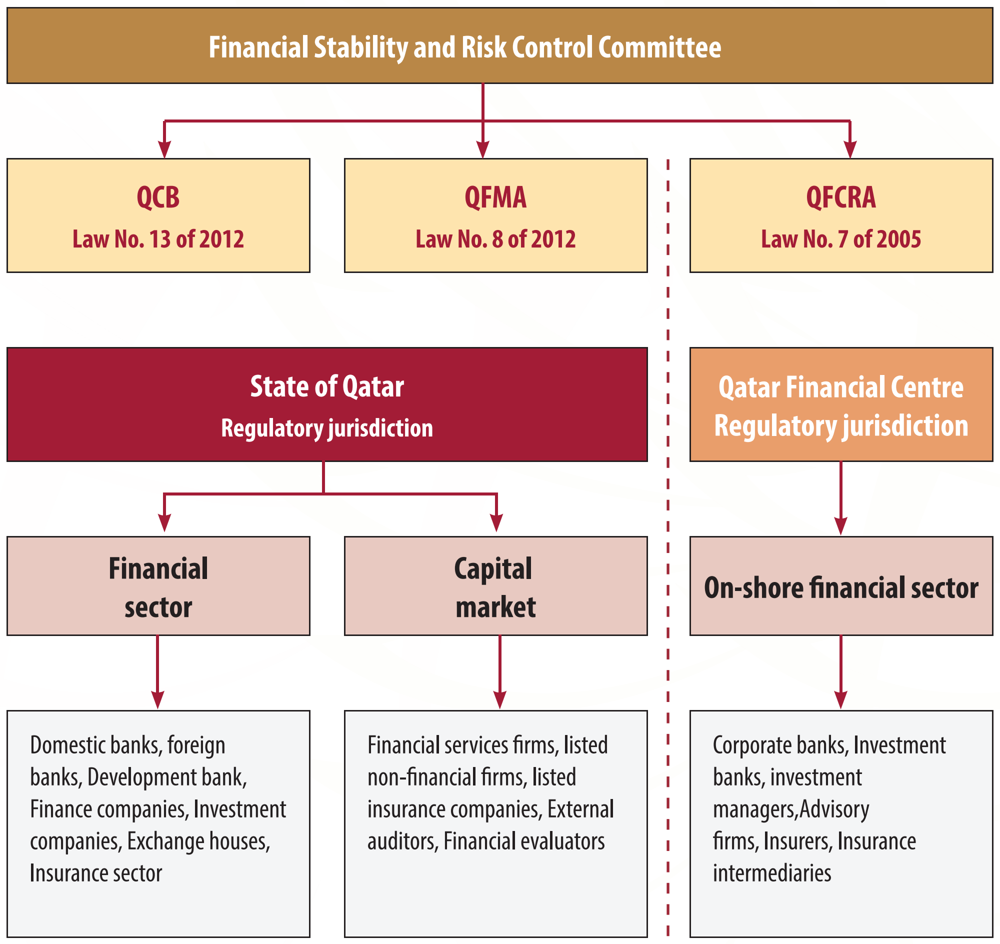
The protection of the interests of consumer and investors is a critical component of Qatar's financial sector strategy and regulatory framework. In order for the financial sector to function in a smooth and effective manner, consumers and investors must be confident about the products they purchase, the investment advice they receive and the protection that the regulatory framework affords. Based on these considerations:

- The QCB and QFMA have developed and implemented robust rules governing how customer credit information is handled and used.
- Customer and investor complaints mechanisms were launched by the QCB and QFMA through the new CRM and iOS/Android application.
- QFCRA amended and enhanced the Conduct of Business Rules and established a consumer portal to promote the use of the Customer Dispute Resolution Scheme (CDRS), which is an independent process to resolve financial services disputes between customers and authorized firms in the Qatar Financial Centre (QFC).
- To promote financial literacy, the financial sector regulators incorporated relevant information for customers and investors on their websites. For example, QCB released on its website useful banking awareness tips for customers while using ATMs, before, during and after travels, online purchasing, dealing with phishing spam; QFMA launched a new website focusing on areas relating to investor protection while QFCRA already has a dedicated consumer protection section on its website.
- To raise public awareness and interest in the securities market, the QFMA developed an education and training program with Qatar Finance and Business Academy (QFBA) and the Chartered Institute for Securities' and Investments (CISI) emphasizing competencies that provide successful candidates the opportunity to be granted an international award co-branded by QFMA and CISI.
- The financial sector regulators coordinated an approach to address unlicensed financial advisers and insurance intermediaries operating in the State

Strategic Goal 5: Promoting regulatory cooperation

An important component of the FSP was the establishment of the FSRCC, chaired by the Governor of QCB, that derives its mandate from the QCB Law No. 13 of 2012 (Chart 7). Under Article 116 of the Law, it is entrusted with ensuring the financial stability of the system, the analysis of emerging and potential risks and devising appropriate policy responses thereto, promoting regulatory coordination and ensuring consistency of regulatory policies.

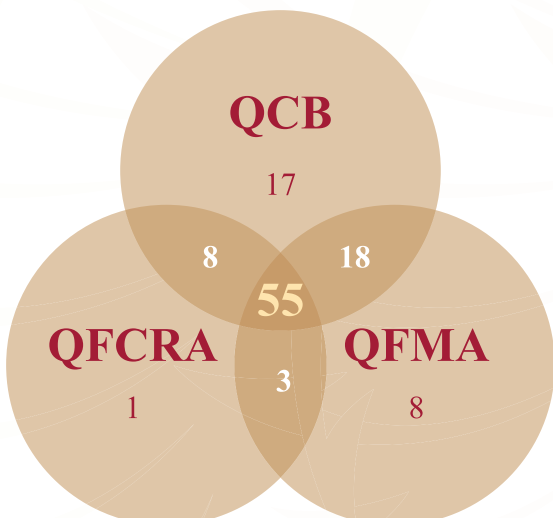
Chart 7: Regulatory framework in Qatar



The work of the FSRCC is an ongoing process that has overseen a program of aligning the policies of the financial sector regulators in a manner that is consistent with their legislative mandate and international best practices as well as addressing regulatory gaps in financial sector regulation. The FSRCC is assisted by two sub-committees, one relating to supervision and the other relating to financial stability. Each of these sub-committees comprise of representatives from each of the financial sector regulators who discuss relevant issues within the overall mandate set by the FSRCC. Effective cooperation among the financial sector regulators has spanned a wide spectrum of areas such as AML/CFT, Islamic banking, insurance as well as corporate governance standards.

A clear illustration of the regulatory coordination is in evidence from the implementation of the action points set forth under the FSP (Chart 8). Out of the total action points, 98 pertained to QCB, 84 to QFMA and 67 to QFCRA. Half of the total number of action points involved close cooperation amongst the three regulators. In 18 of these cases, QCB collaborated with QFMA and eight such cases involved collaboration with QFCRA. On the other hand, QFMA and QFCRA collaborated on three action points.

Chart 8: Cooperation among financial sector regulators



Strategic Goal 6: Building Human Capital

Development of human capital is also one of the four pillars of the QNV 2030. The key aim of this strategic goal is to build competencies within the financial sector by increasing skills and expertise through focused training and education, investment in people and defined career development. Illustratively, expected years of schooling in Qatar was 13.4 years in 2015 as compared with 11.4 years in Arab States. The Gross enrollment ratio in primary education was over 100% during both periods (Chart 9).[7]

Recognizing the need to build a knowledge-driven economy, the government has undertaken a significant quantum of investment in education. According to latest reported World Bank data, government expenditure on education was 4.1% of GDP in 2013 as compared with a global average of 4.7%. In collaboration with

Vision

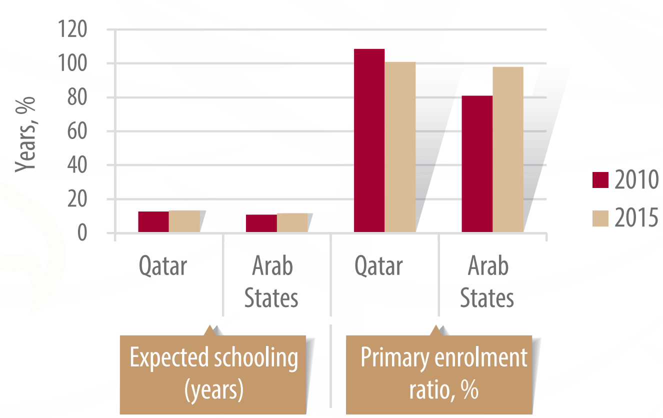
Providing advanced commercial and academic education that builds personalities who cherishes their religion and history and create Qatari economic cadres who can contribute to the sustainable development of the country and adopt the vision of Qatar 2030

Qatar Banking Studies and Business Administration Independent Secondary School

7. The Gross Enrollment Ratio (GER) is the number of children enrolled in a level (primary or secondary), regardless of age, divided by the population of the age group that officially corresponds to the same level. The gross primary enrollment ratio for 2010 covers the period 2001-2009 and for 2015 covers the period 2010-2015.

domestic universities, the financial sector regulators have launched training and capacity building program in finance and banking areas, while several leading foreign universities have established off-site campuses offering courses in varied areas. There efforts are aimed at building capabilities of the young population, develop and improve analytical thinking and thereby contribute to the development of the financial sector in the country.

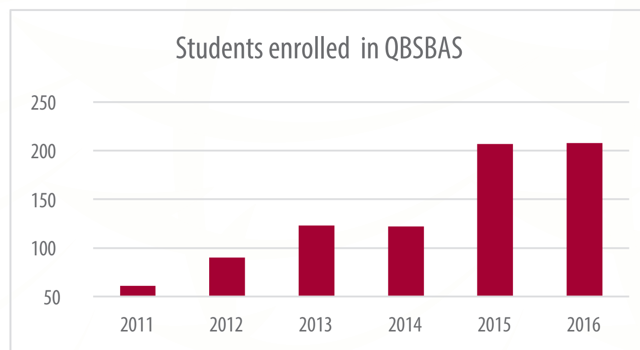
Chart 9: Educational progress in Qatar



Source: UNDP

A range of initiatives has been taken under the FSP to encourage capacity building, promote leadership skills and foster organizational excellence, more generally. For example:

- In cooperation with the Ministry of Higher Education, in 2012 QCB established a specialized banking and business management independent high school for boys and girls;
- QFMA and QFCRA actively participated in secondment and internship programs to facilitate domestic talent exposure to the functions and work of the financial sector regulators;
- QFCRA worked closely with the Ministry of Administrative Development to develop a scholarship-driven program for high school students interested in a career in the financial sector;
- Kafa'a program to raise the overall competencies of people working across Qatar's financial sector (Box 3: Kafa'a);



- QFMA developed an education and training program with Qatar Finance and Business Academy (QFBA) and the Chartered Institute for Securities' and Investments (CISI) emphasizing competencies;
- In collaboration with Qatar's three financial regulators, HEC Paris, Qatar developed a new Master's degree in Financial Regulation and Leadership for Qatari employees in core business areas in order to support and build future national leaders for the financial sector.

Box 3: Kafa'a – Paving Qatar's financial tomorrow, today

Kafa'a is a ground-breaking initiative created around a unique and progressive philosophy: to raise the overall competencies of people working across Qatar's financial sector. A brainchild of the financial stakeholders in the country, Kafa'a – a training and competency framework – is wholly sponsored by the Financial Markets Development Committee (FMDC), which includes the Ministry of Finance, Ministry of Economy and Commerce, QCB, QFMA and QFCRA. It was established in June 2015 with the collaboration of the QFBA. The first of its kind in the region, this initiative seeks to bridge gaps, eliminate market inconsistencies and discrepancies, regulate qualifications and standardize best practices to raise Qatar's profile on the international map as a world class financial hub.

Concurrently, proactive policies have been undertaken to increase the share of national labour force in the financial sector. In the banking sector, the share of nationals has increased on average by roughly 25% during 2013-2016. On the other hand, the share of nationals in QFMA and QFCRA were 50% and 27% respectively, at end-2016.

Second Strategic Plan: Background

The FSP was conceived prior to the onset of the global financial meltdown. In particular, FSP was launched at a time when the effects of the crisis were still being felt throughout the globe. The situation was exacerbated by the weakness of commodity prices, of which oil was a major contributor. As a result, policymakers were faced with a double-whammy of lackluster growth and rapidly declining oil prices since mid-2014, halfway through the FSP implementation.

" Work will continue on increasing the efficiency of public spending and enhancing transparency and control through a close follow-up of all government projects and programmes and focusing on major development projects. The synergy between fiscal and monetary polices to fight inflation, tackle liquidity pressures and strengthen the banking sector has been promoted. "

H.H Sheikh Tamim Bin Hamad Al Thani
The Emir of the State of Qatar
November 2016

The ambitious SSP has been developed against the backdrop of a weak and uneven global recovery, divergent monetary policies across major central banks and excessive leverage by both banks and corporates, creating an adverse feedback loop. At the same time, there has been a rapid growth of shadow banks as well as significant volatilities in capital flows. All of these challenges made policymaking much more complex and nuanced than previously envisaged. At the same time, new products, processes and services, driven by improvements in information technology and communications networking, has given rise to significant digital dividends, while at the same time, also brought with it associated risks.

The environment in which we operate

- The new normal for oil prices
- Challenges of manifold risks, their closer assessment and continuous monitoring
- Greater interconnectedness of financial institutions and markets
- Rapid growth of financial innovation and accompanying risks

On the domestic front, the decline in hydrocarbon prices from its peak several years necessitated a clear roadmap to develop economic diversification and nurture a self-reliant national economy.

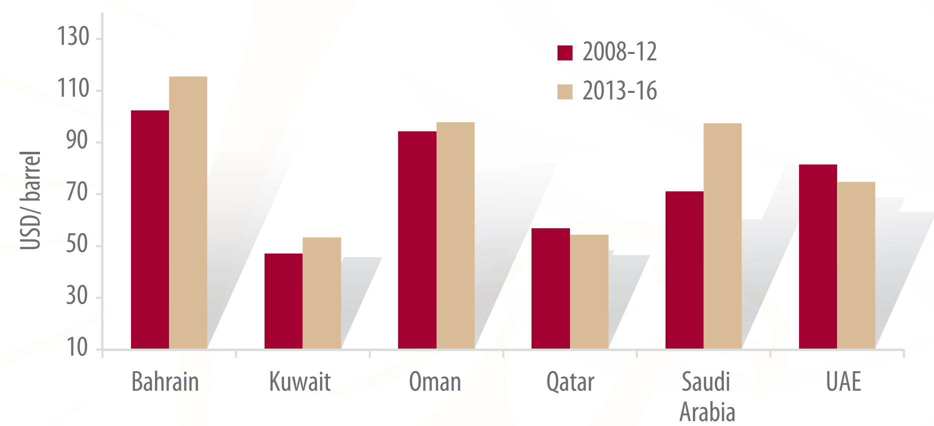
Relatedly, the regional headwinds presented challenges that were hitherto not expected earlier. Despite these uncertainties, the economic diversification strategy and a large public investment program provide the necessary setup within which to pursue the SSP (2017-2022).

Several factors appear to be favorable to the economy. First, the country continues to enjoy strong credit ratings and ranked 18/138 in the World Economic Forum's Global Competitiveness Report 2016-17. Second, the country is also favorably positioned on the International Telecommunications Union ICT Development Index with a rank of 46/175 in 2016. The country also scores high on the human development front, being ranked 33 out of 188 countries in 2016 with an index value of 0.856 (out of a maximum possible value of 1). The prudent and judicious strategy adopted by the policymakers to exploit its hydrocarbon resources ensure that fiscal policy is conducted in a manner to ensure intergenerational equity of its exhaustible resources. As well, the low fiscal break-even oil prices for Qatar also provide the authorities with the headroom to prioritize its spending in a desired manner, consistent with the long-term developmental goals of the country (Chart 10).

In this context, the policymakers developed the roadmap for the Second Strategic Plan for Financial Sector Regulation (2017-2022). The idea inherent in the SSP is to continue on the journey started with the FSP, while at the same time, take on board the challenges faced and the lessons learnt during the implementation of the FSP. Reflecting this spirit, the goals under the SSP are broadly consistent with those under the FSP, while making suitable adjustments to the previous goals and introducing new ones.

The broad mission and the accompanying vision and enabling foundations of the SSP is set forth in the form of vision, mission, values and enablers. As compared with the FSP, these have been appropriately modified in order to reflect the changed environment of operations, while retaining the underlying ethos and spirit.

Chart 10: Fiscal breakeven oil prices



Second Strategic Plan: Vision, Mission, Values and Enablers

Vision

Build a best in class financial sector that protects consumers and investors and fosters innovation and organisational excellence while ensuring healthy, sustainable and inclusive economic growth and development

In achieving this vision, the financial sector regulators give particular emphasis to these fundamental elements:

- **Leadership** - positioning Qatar as a leader in the region on financial sector regulation;
- **Sustainable economic development -** fostering growth, stability and efficiency in the financial sector consistent with Qatar National Vision 2030;
- **Consumer and investor protection -** providing strong protection to consumers of financial services and to investors in the capital markets;
- **Organisational excellence -** maintaining high standards of professionalism, innovation and knowledge within the regulatory authorities;

Mission

To deliver a robust and efficient financial regulatory framework that supports economic prosperity and financial stability and is aligned with international best practices.

The key elements of the mission can be elucidated as follows:

- **Enhance** regulation and regulatory cooperation to maintain price and financial stability;
- **Facilitate** larger contribution of financial institutions and markets to ensure inclusive growth;
- **Promote** transparency of operations and ensure consumer and investor protection;
- **Nurture** an educated and skilled workforce in pursuit of a knowledge-based economy;
- **Encourage** measures that ensure sustainable, balanced and equitable growth

VALUES

The financial sector regulators have established a shared set of values. These values help to establish a culture that supports the achievement of the mission and provide a framework within which decisions are made and necessary actions are taken.

- **Excellence:** striving to be innovative and forward-looking;
- **Integrity:** Applying the highest ethical standards;
- **Fairness:** Being impartial and independent in exercising authority;
- **Accountability:** Making clear and consistent decisions and implementing actions in a timely manner;
- **Teamwork:** Working cooperatively and collaboratively with stakeholders;
- **Respect:** Recognising the culture, customs and values of Qatar and the international diversity of its residents;

Strategic Goals: The SSP is underpinned by five strategic goals as outlined below:

Chart 11: Strategic goals (2017-2022)

These strategic goals will be supported by a set of transformative core objectives desegregated into action plans.

Enablers

The strategic goals will be enabled using a combination of 3-Cs, 3-Ps and 3-Ts

3 - Cs	3 - Ps	3 – Ts
Cooperation	People	Time
Coordination	Product	Trust
Convenience	Processes	Target

Building on our foundations

Our approach to planning, execution and achieving performance excellence:

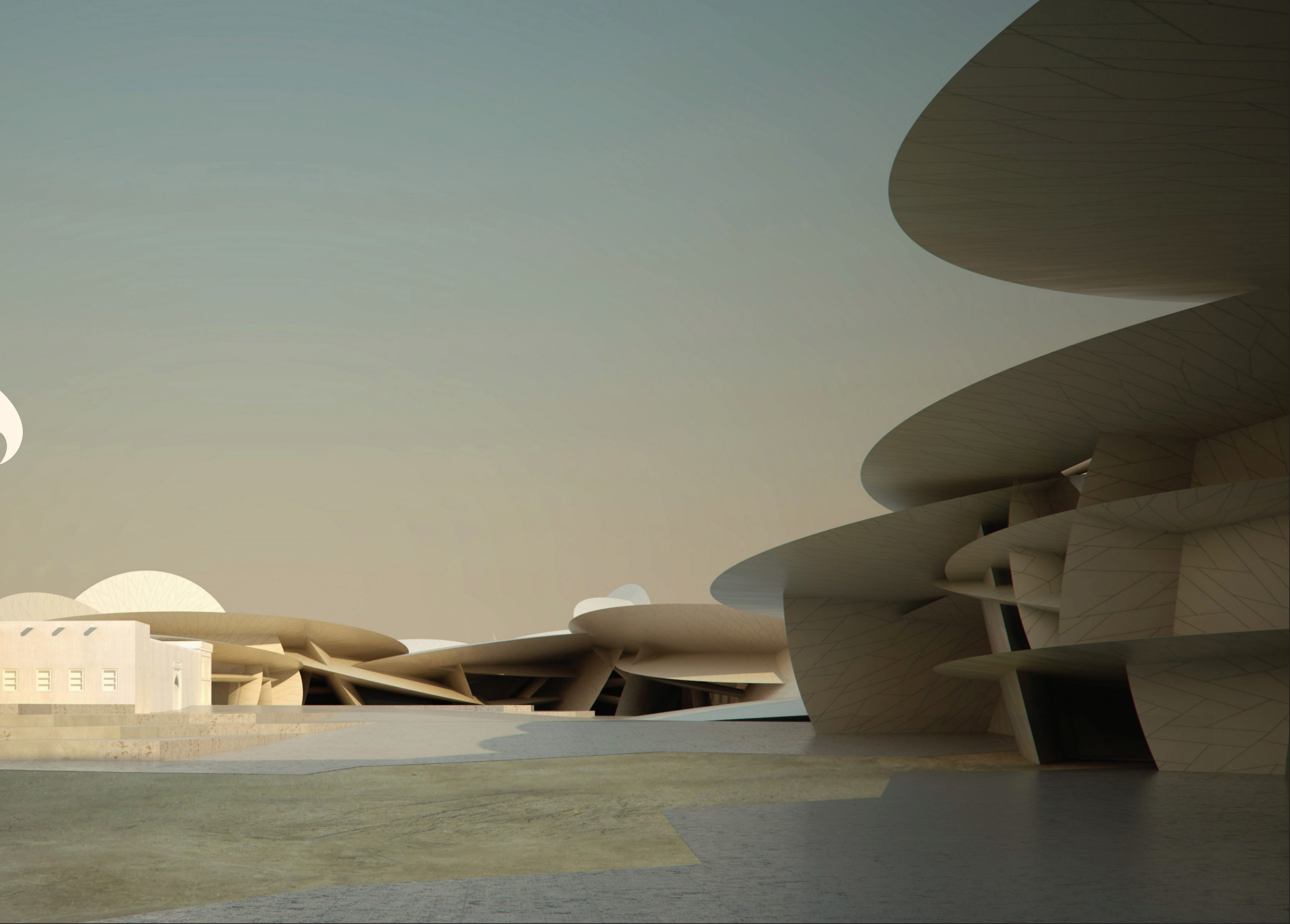
We base our planning and execution efficiency on a clear and concise vision and mission grounded in statutory requirements and national financial sector priorities

In order to guide our efforts by excellence, the SSP strategic goals and core objectives are stated as the results we aim to deliver. The action plans are those activities aligned with resources to accomplish them, and these activities are dynamically monitored and benchmarked against 'best in class' financial and banking regulators.

To ensure seamless implementation, the SSP will incorporate a formal governance mechanism. This includes:

1. establishing a clear monitoring mechanism;
2. identifying the stakeholders with well-defined roles and responsibilities;
3. selecting focal points across institutions for implementation follow-up;
4. introducing performance assessment metrics on the follow-up process; and
5. raising public awareness through outreach via print and electronic media.

Second Strategic Plan: Key highlights



> “ **First, completion of the necessary legislations and decrees to facilitate investment, reduce bureaucracy and reform the banking system to be compatible with the major tasks that we face in the new stage of building the economy and the state** “
>
> H.H Sheikh Tamim Bin Hamad Al Thani
> The Emir of the State of Qatar
> November 2017

To ensure a financial future that is safe, sound and solid, the financial sector regulators have been leveraging on the achievements of the FSP, while ensuring that the longer-term goals of the QNV 2030 are always taken on board. Concurrently, the financial sector regulators are also mindful of the global and regional challenges and accordingly, have re-oriented the strategic goal structure by suitably modifying the previous goals and introducing new ones. On that basis, the total number of strategic goals in the SSP stands at five. Each strategic goal of the SSP is underpinned by a set of keywords that underscores the relevance and usefulness of that goal.

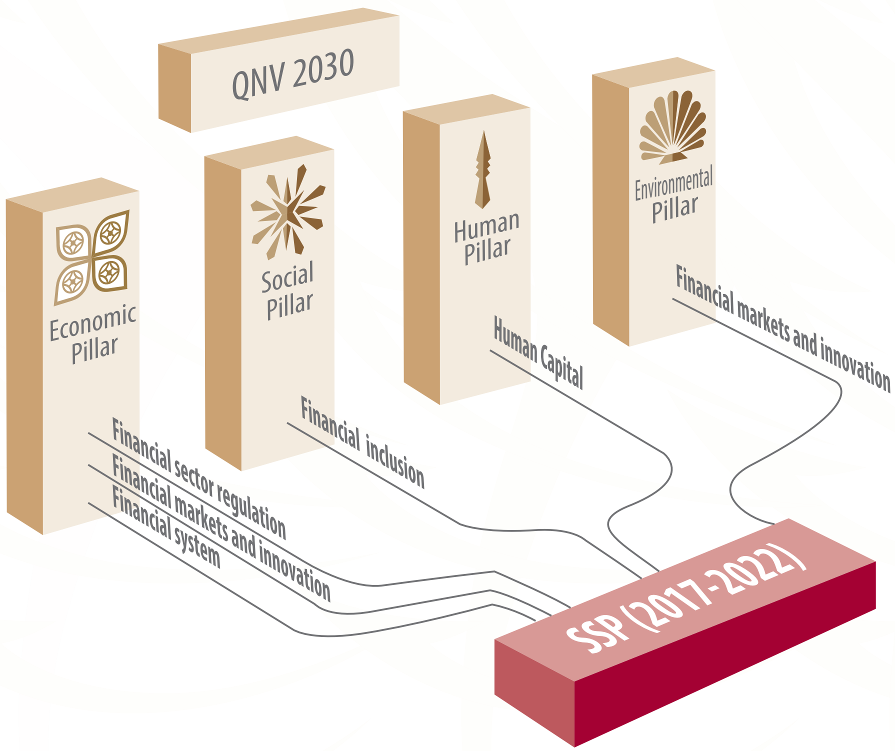
The five strategic goals of the SSP comprise the following:

1. **Enhancing financial sector regulation and promoting regulatory cooperation** *[Strengthening collaboration and expanding the regulatory perimeter];*
2. **Developing financial markets and fostering financial innovation** *[Strengthening market and liquidity infrastructure];*
3. **Maintaining integrity of and confidence in the financial system** *[Strengthening information and governance infrastructure];*
4. **Promoting financial inclusion and financial literacy** *[Strengthening access to and use of finance]*; and finally,
5. **Developing human capital** *[Strengthening skills and competencies]*

The Appendix sets out in greater detail each of these strategic goals, along with their core objectives and related action plans.

Chart 12 sets out the stylistic representation between the QNV and the SSP. Each of the four pillars of the QNV has a link to each of the five pillars of the SSP, highlighting the interconnectedness between the QNV and the SSP.

Chart 12: The link between QNV 2030 and SSP



In what follows, each of these strategic goals is briefly encapsulated, comparing and contrasting them with those under the previous FSP, and in the process, highlighting some of the key features.

Strategic Goal 1: Enhancing financial sector regulation and promoting regulatory cooperation

The key objective behind this goal is to ensure that the supervisory and regulatory environment in the country is consistent with global practices, in order to safeguard financial stability and ensure long-term sustainable growth. This assumes all the more relevant in the post financial crisis world wherein the regulatory touchpoints between the regulator and the regulated are expected to become much more frequent and intensive than earlier. This will be reinforced by close cooperation among the financial sector regulators as well as continuous interaction with the relevant government entities and ministries, as and when required.

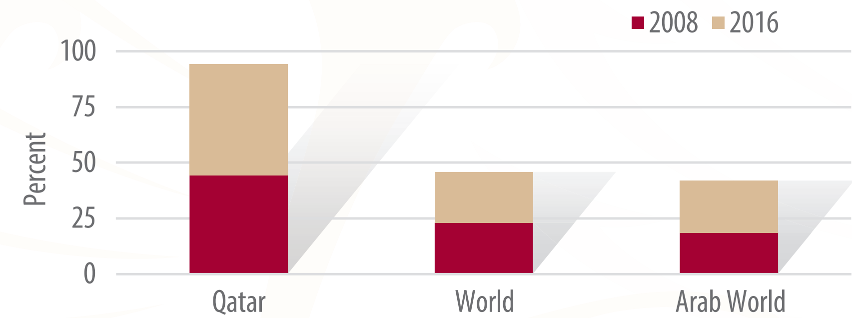
> Enhance regulation and regulatory cooperation to maintain price and financial stability

Strategic Goal 2: Developing financial markets and fostering financial innovation

This goal builds on the market infrastructure initiatives implemented under FSP, but is much broader in scale and scope. This goal is also one of the key agenda of the financial sector regulators wherein they seek to further deepen and broaden the financial markets. The objective underlying this goal is to ensure that the financial institutions and markets are resilient, self-reliant and in turn able to provide a platform for future growth in a sustainable manner, while being innovative in their dealings. With over 90% of the individuals in Qatar using the internet in 2016 as compared to a global average of 46% and a slightly smaller percentage in the Arab world, this provides a solid base on which to leverage the technology platform (Chart 13)

> Facilitate larger contribution of financial institutions and markets to ensure inclusive growth

Chart 13: Individuals using the internet (% of population)



Source: World Bank

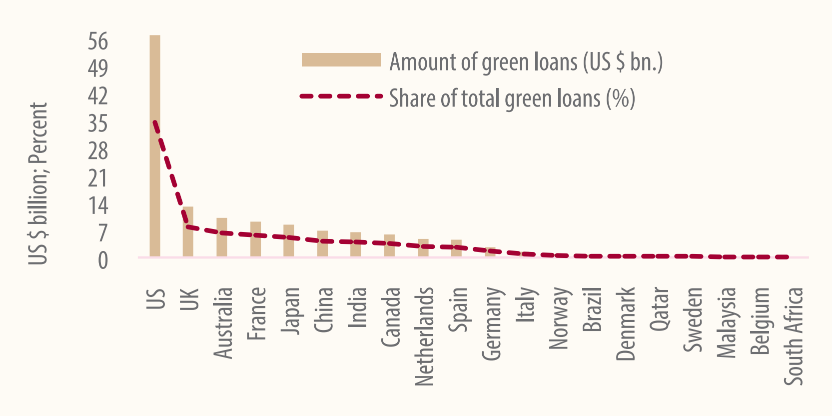
Relatedly, this goal will also harness the benefits of FinTech and green financing and create an environment that facilitates innovation in the financial sector whilst minimising the impact of any disruption (Box 4: Green financing).

Box 4: Green financing

Green financing as defined by the International Finance Corporation (IFC) refers to investments and loans that fund enterprises which protect the environment and conserve natural resources. In line with concerns about the environment, the focus on green financing has also been on the rise. According to the IFC, 15% of the value of all syndicated loans aggregating US $ 1,100 billion issued in 2014 financed projects in sectors with green activities.

Green finance has not been without its echo in Qatar. For instance, a leading commercial bank launched a 'green mortgage' home loan programme aimed at rewarding environmentally-conscious new homeowners with a concessional rate of interest and an extended repayment period. Likewise, a leading development bank in the country has been proactive in funding SMEs involved in the agriculture, livestock and fisheries sector, with the twin objectives of empowering local businesses and achieving self-sufficiency in the sector.

Based on IFC data, the chart shows the amount of green loans for a sample of developed and emerging countries in 2014 along with their share of green loans. Out of the total green loans of US $ 164.7 billion, the US accounted for 35%; the share of top five countries was 60%. Qatar, with total green loans of US $ 0.5 billion, accounted for 0.3% of the total amount.



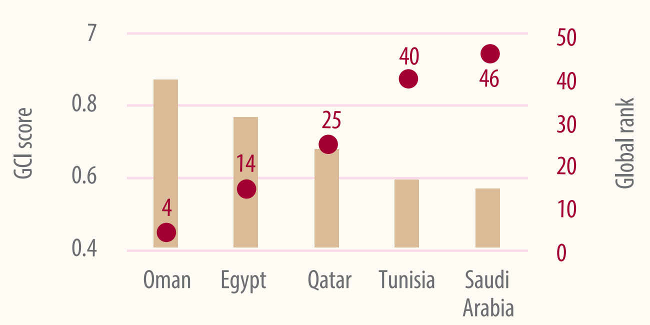
Strategic Goal 3: Maintaining integrity of and confidence in the financial system

Building and maintaining integrity in Qatar's financial sector is important, not just for financial stability, but also for long-term growth and diversification. Confidence for participants in the financial system can be fostered when integrity is assured, levels of transparency are high, standards of disclosure and AML/CFT rules are rigorous, enforcement of laws and regulations are prompt and the cyber defense mechanisms stringent enough to thwart untoward challenges. Strengthening the credit information infrastructure has also been suitably incorporated within this goal (Box 5: FinTech and Cyber Security).

Box 5: FinTech and Cyber Security

Financial Technology (abbreviated as, FinTech) is defined by Financial Stability Board (FSB) as technologically-enabled financial innovation that could result in new business models, applications, processes or products, with an associated material effect on financial markets and institutions, and the provision of financial services. Standing at the intersection of two most dynamic industries, finance and technology – it has redefined, reshaped and reoriented the sphere of business all over the world. According to a report by WAMDA, the Arab world was home to 105 FinTech startups by end-2015 spanning across 12 countries. The International Trade Administration (ITA) reported that the total five-year FinTech investment during 2010-14 in the Middle East was US $ 0.9 billion, much higher than in Latin America and in Africa. With the expected boom in e-commerce and increasing focus on cost-efficient delivery, it is expected that FinTech will play an important role in driving financial services in the near future.

While FinTech is important and relevant, it needs no gainsaying that without robust cyber-defense mechanisms, the benefits of FinTech might be lost. This will call for preparedness in several areas, including cyber governance (e.g., better understanding and analysis of cyber technologies and security realities), security partnerships (e.g., ensuring trusted security partnerships among various components of the financial ecosystem), ensuring trust infrastructure (e.g., using complete trusted transactions such as blockchain technologies) and advanced security technologies (e.g., physical and behavioural biometrics). Developing and cultivating cyber-security capabilities needs to be clearly laid out. Qatar has been proactive in improving its cyber-defense mechanisms. To illustrate, a Qatar Financial Sector Information Security Strategy has been published by QCB in June 2017. Consisting of five concurrent and continuous functions, the strategy defines the development and functioning of security layers to address national interests, security objectives, security risks and challenges to the financial industry. Based on data for 2016, the International Telecommunication Union ranked Qatar third in the Arab World on the Global Cybersecurity Index.



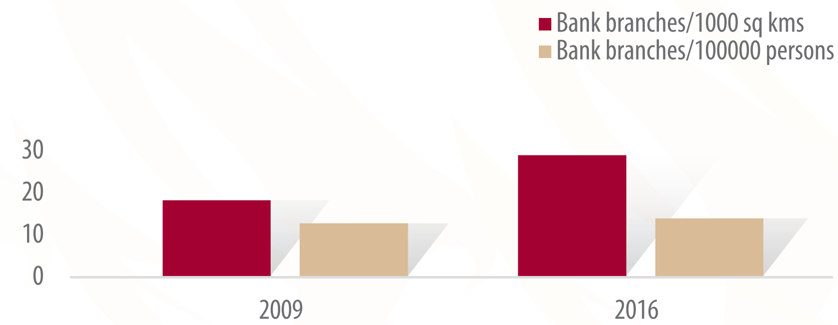
Qatar is committed to combating illicit financing and ensuring that financial sector information and infrastructure is protected and safeguarded from cyber incidents. The focus of this goal will also support the National Anti-Money Laundering Committee's AML/CFT strategy and implementation of the new Financial Sector Information Security Strategy to mitigate cybercrime.

Strategic Goal 4: Promoting financial inclusion and financial literacy

> Encourage measures that ensure sustainable, balanced and equitable growth

The role of financial inclusion as a key policy strategy to promote sustainable growth, create employment opportunities, reducing inequality and safeguarding financial stability has been well recognized. It is in this context that this new goal has been considered, not just through supply-side measures such as access to finance, but also through demand side actions such as promoting financial literacy. It is important to ensure access to a full range of quality, cost-effective and appropriate financial services to unbanked and/or under-served populations and businesses. The number of bank branches per 100,000 persons – a measure of demographic financial inclusion – increased by nearly 60% during 2009-2016, while geographic financial inclusion, i.e., the number of bank branches per 1000 square kilometers, increased by roughly 10% during the same period (Chart 14).

Chart 14: Indicators of financial inclusion



Source: QCB

It is anticipated that exploiting financial innovation and the growing digitization and robotisation of financial operations will enable the financial sector to reach out in an easy and cost-effective manner to customers and investors across all categories. This will bring together an environment-friendly approach to financial services whilst giving all individuals access to useful and affordable financial products and services.

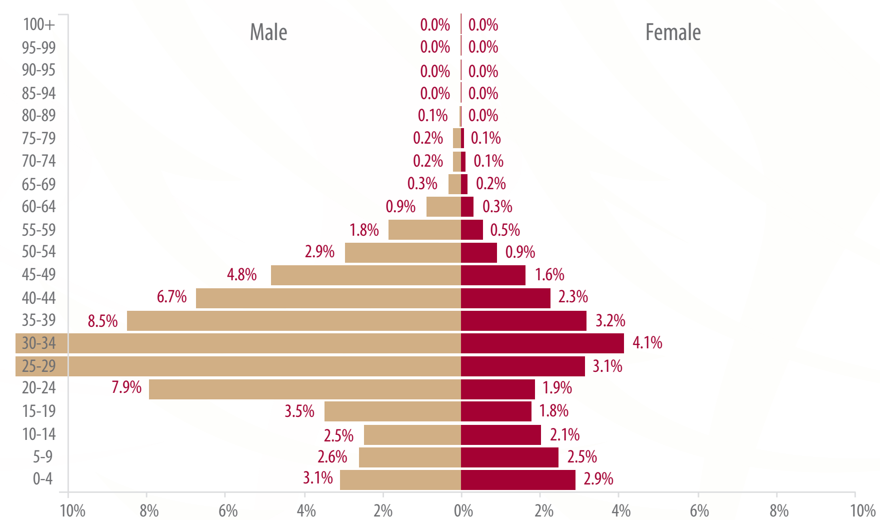
Strategic Goal 5: Developing human capital

This goal reinforces the commitment of the financial sector regulators to nurture and build human capital, consistent with goal 6 of the FSP. In order to deliver on the objectives and vision of the SSP, it will be important to augment capacity, talent and leadership not just at the level of any individual organization, but more broadly, the financial services sector so as to leverage on the accomplishments and preserve them into the future.

Financial Inclusion –Triad

Globally, an integrated framework of financial inclusion, financial literacy and consumer protection are key pillars of financial inclusion efforts

Chart 15 A: Population pyramid - 2016



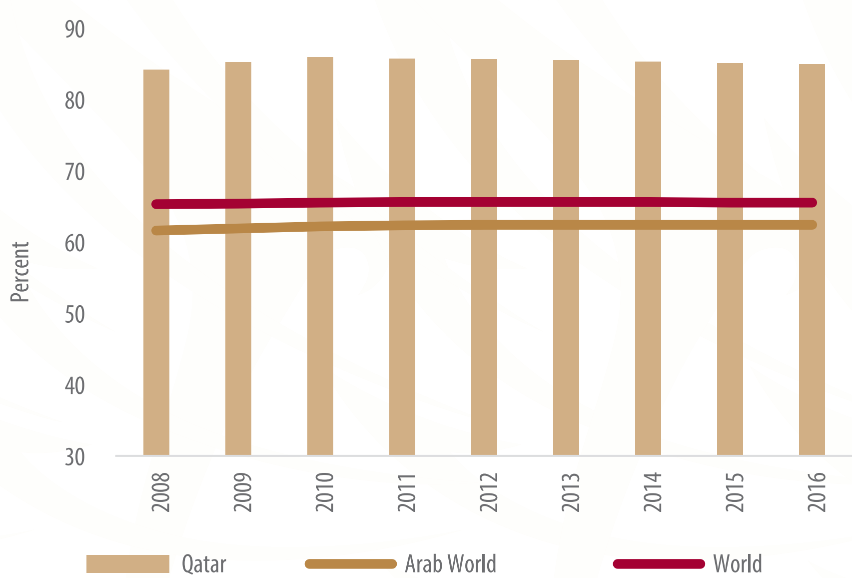
PopulationPyramid.net
Source: PopulationPyramid.net

Qatar - 2016
Population: 2,291.368

Qatar has a growing young population. Over 80% of the population are within the working age group (Age: 15-64 years) that provides a key resource for long-term sustainable growth (Chart 15).[8]

8. Data across charts 15A and 15B might not necessarily match owing to different information sources.

Chart 15 B: Working age population



Source: World Bank

The State attaches paramount importance to the development of this national treasure by consolidating the pillars of QNV 2030 for human development. Not surprisingly therefore, the financial sector regulators also attach utmost importance towards attracting young Qatari individuals in the banking and financial sectors to contribute to the economic development of the country in various forms and implementing further the competencies based Kafa'a program. One possible way of conducting this process is by attracting young talent and nurturing them for higher studies and specialized programs through partnership with QFBA prior to embarking on a professional career path in the financial sector. This can be supplemented by continued development of their abilities in order to broaden and sharpen the skill-set. The financial sector regulators are committed to the development of the required skills and leadership, ensure effective talent management and create a leadership pipeline that can secure the benefits of the strategy and its achievements over the longer-term.

Concluding remarks

Amidst the global economic headwinds, the economy of Qatar has remained resilient and made significant progress over the past decade and more. Not to rest on its laurels, the policymakers are continuously undertaking measures that can safeguard the financial sector from unexpected events. The FSP was a key foundation of this process. Through concerted and coordinated inter-regulatory actions, the idea was to develop a roadmap for financial sector progress consistent with the QNV 2030 and the QNDS 2011-2016.

The rapidly unfolding set of economic developments over the last several years has led the financial sector regulators to take a fresh look at the financial sector. Learning from the challenges encountered during the FSP and other previously unforeseen events, the SSP has been developed. Consisting of well-defined signposts and accountability metrics, it provides focused objectives and action plans to guide policymaking over the medium-term.

“And miles to go before I sleep”, so said Robert Frost, the celebrated American poet. In this context, the SSP provides the financial community and policymakers in Qatar with a clear roadmap to help them navigate the opportunities and challenges that lie ahead to 2022.

Appendix: Core objectives and action points

Strategic goal 1:
Enhancing financial sector regulation and promoting regulatory cooperation

Core Objectives	Action point
(a) Financial regulations benchmarked to international standards	• Continuously assess the extant practices of the major regulators against international best practices and upgrade them to developed country standards, as appropriate. • Implement suitable macroprudential regulations. • Draft updates on laws and legislation aspects of regulations • Implement microprudential requirements • Update AML/CFT regulations to include FATF recommendations. • Create consistency in the financial sector regulation through: a. Addressing regulatory gaps and overlaps b. Supporting the implementation of a central Sharia committee for Islamic banks to create consistency in Islamic finance • Create consistency in insurance licensing standards, rules and regulation • Support the growth of the asset management sector through aligning, where possible, requirements across regulatory frameworks. • Assess remuneration and commission framework of financial advisers and insurance intermediaries. • Implement an appropriate conduct of business regime.
(b) Strengthen cooperation and communication with the GCC, regional and international standard setters	• Establish a formal mechanism to coordinate all matters, information requests and country positions on regional financial stability issues, at GCC, regional and international regulatory forums. • Facilitate and improve cross-border access to relevant credit information data. • Unify regulatory programs for supervision at regional level to enable financial services companies (brokers) to trade on securities within GCC markets
(c) Enhance cooperation and communication with ministries and other government entities and the public	• Further enhance the framework of cooperation with the Ministry of Finance regarding matters necessitating close policy coordination. • Ensure effective coordination with other relevant ministries and government entities for policy formulation and interchange of data. • Implement a joint financial sector regulatory communication & media strategy

Strategic goal 2:
Developing financial markets and fostering financial innovation

Core objectives	Action point
(a) Broaden and enhance financial markets	• Undertake procedures and policies for growth of the bond market. • Develop policies to support growth of Islamic finance. • Develop a mechanism to facilitate access to funding through policies to develop alternative markets. • Ensure development of SMEs and family business segments by establishing policies that encourage the deepening of venture capital financing for SMEs, including start-ups. • Promote policies to encourage the listing of family-owned businesses. • Introduce market regulations for closely-held private entities.
(b) Coordinate policy initiatives for diversification and innovation of financial products and services	• Develop and implement a FinTech strategy. • Develop policies to further support growth in Islamic finance • Develop the regulatory framework to support capital market renminbi (RMB) products and Islamic RMB products. • Promote sustainable investment and green finance, devise incentives for financial and manufacturing firms to promote green financing. • Enhance cooperation with Qatar Development Bank to foster economic diversification through green financing. • Facilitate the issuance of green bonds. • Promote adoption of environmental and social measures in corporate codes of governance among the regulators.
(c) Strengthen the payments infrastructure and promote the development of modern payment services	• Ensure that the payment and settlement system is continuously upgraded and benchmarked against international best practices. • Enhance the settlement cycle in the capital markets. • Issuance of the settlement finality and collateral laws. • Develop international remittance instruments. • Develop and facilitate modern retail payment services through establishing the legal basis, oversight and related functions.

Strategic goal 3:
Maintaining integrity of and confidence in the financial system

Core objectives	Action point
(a) Strengthen financial stability	• Develop the mechanism for the implementation of FSRCC recommendations. • Develop and enhance the early warning system by using advanced techniques. • Strengthen risk assessment and management capabilities. • Establish a depositor protection framework in the form of deposit insurance scheme. • Create a fund for protection of investors
(b) Promote market efficiency, transparency and governance	• Publication of sanctions and penalties in order to create general preventive effects in the financial sector. • Ensure the availability of high quality and comprehensive data and information to customers and investors. • Undertake sector-wide thematic review of financial institutions' governance arrangements. • Strengthen and improve credit information framework
(c) Ensure consumer and investor protection	• Develop consistent policies and procedures and harmonized consumer/investor dispute resolution mechanism for the financial sector. • Establish a compulsory arbitration mechanism. • Implement recommendations of the Working Group study of Financial Consultancy Services • Create a consolidated register of licensed entities across regulators.
(d) Improve consistency, integrity, and confidentiality of data reporting and supervisory analytics	• Adopt tools on international financial reporting across regulators, as appropriate. • Create a centralized repository of live information on vehicle related insurance, including current policies, history and claims to enable pricing. • Deter financial crime by supporting the NAMLC Strategy on AML/CFT to deliver a best in class AML/CFT framework.
(e) Strengthen cyber security capabilities within the financial sector	• Implement the Financial Sector Information Security Strategy • Enhance regulations applicable to banks and other financial sector institutions • Develop a cyber-security lab, including a comprehensive database of recent threats and challenges for analyses and suggest appropriate response to incipient threats.

Strategic goal 4:
Promoting financial inclusion and financial literacy

Core objectives	Action point
(a) Encourage financial inclusion	• Create a common understanding of financial inclusion for the financial sector. • Implement the National Financial Inclusion and Literacy Strategy. • Encourage financial institutions to provide financial products and services without minimum balance or charges. • Facilitate the introduction of digital transactions to ensure faster, safer and efficient provision of financial services. • Benchmark pricing mechanism within the financial sector to support financial inclusion. • Support participation in national, regional and international initiatives on financial inclusion.
(b) Increase financial literacy	• Support financial education programs at schools and universities, which create an understanding of financial products and services. • Create customer-friendly webpages on financial literacy on regulators' websites to promote better understanding. • Increase engagement with the relevant national stakeholders to promote financial literacy. • Develop campaigns to raise awareness and education on using non-traditional payment services. • Increase public awareness about the importance of cyber security.
(c) Encourage corporate social responsibility	• Encourage regulators to adopt principles and practices that ensure sustainability in their operations. • Encourage listed entities to highlight the corporate social responsibility initiatives undertaken during the year as part of their annual reports.

Strategic goal 5:
Developing human capital

Core objectives	Action point
(a) Promote the financial sector as a career choice	• Collaborate with schools, higher education facilities and other stakeholders to communicate career options within the financial sector. • Support Qatarization initiatives in the financial sector.
(b) Identify and develop future national leaders in financial sector	• Establish a central bank training center to meet human capital needs in the financial sector • Encourage and implement short/ long term foreign education program and professional certificates
(c) Foster organizational excellence	• Identify, acquire, develop, and utilize potential talents at all organizational levels. • Adopt an effective evaluation and monitoring system • Foster a culture of engagement