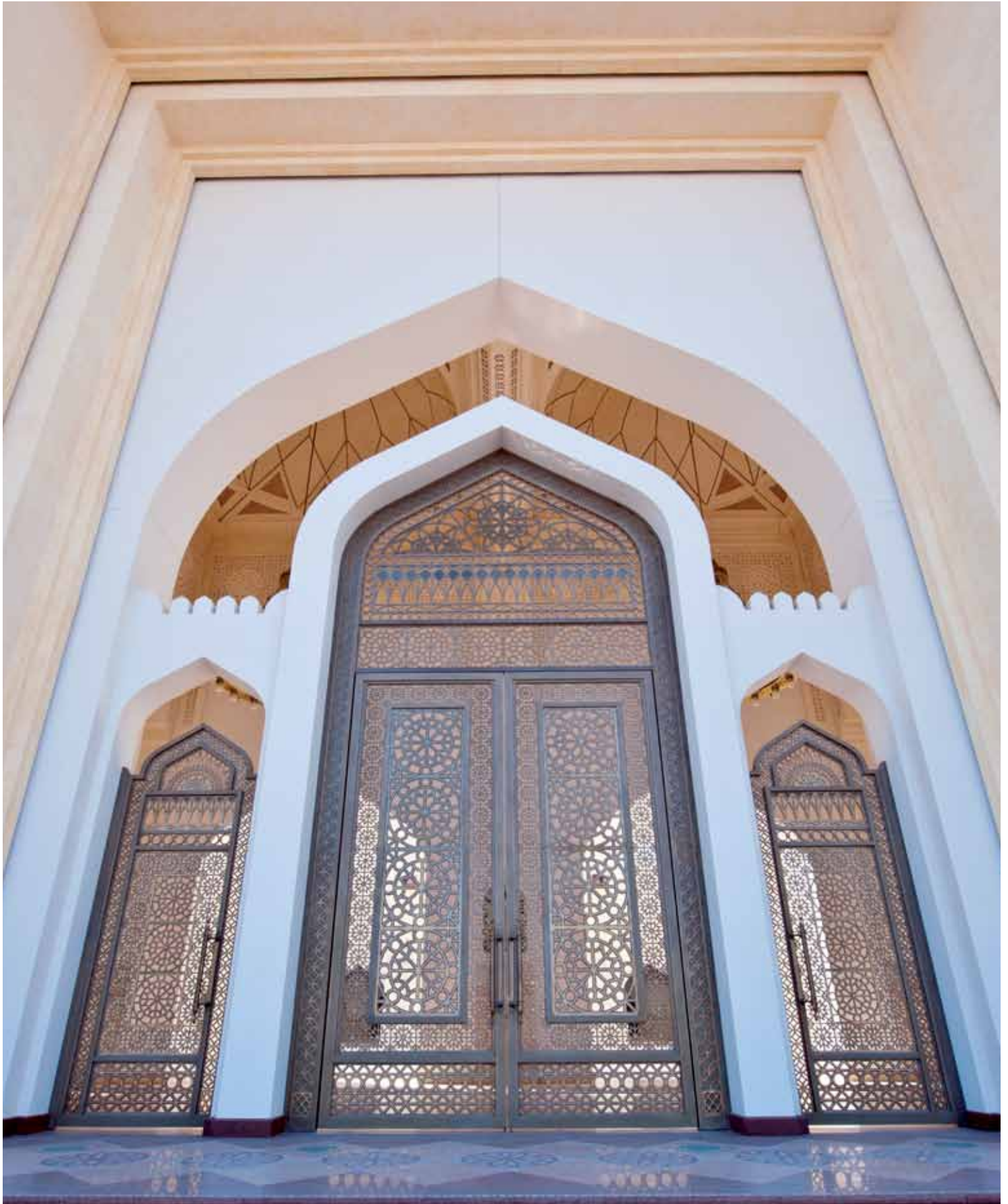




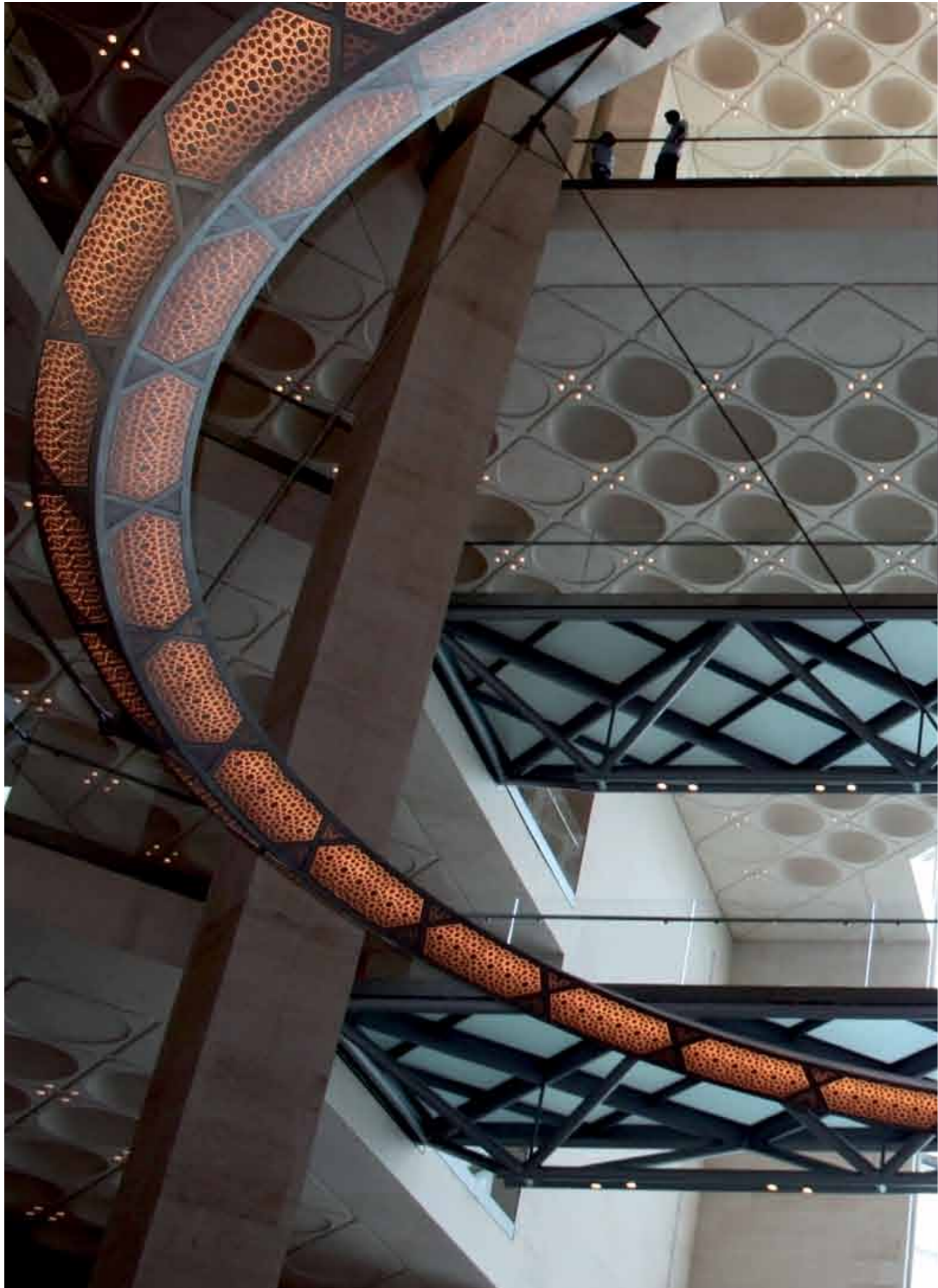
qatar  
FINANCIAL CENTRE  
AUTHORITY

# ANNUAL REVIEW 2010





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## MANAGING DIRECTOR'S MESSAGE



Mr Abdulrahman Ahmed Al Shaibi

Since the outset, our goal at the Qatar Financial Centre (QFC), has been to build a world class financial services environment. We are developing an environment where all participants, both domestic and international, can benefit from the considerable local market potential, a stable economy and a supportive regulatory environment.

Qatar's exceptional GDP growth is driven not only by the booming oil and gas sector but also, increasingly, by the non-hydrocarbon sectors of our economy including financial services.

The Qatar Financial Centre is proving to be an attractive proposition to the local and international financial services community. Demand for financial services is increasing as market entrants see the benefits and Qatari investors choose to keep more of their investments within the region as economic prospects look increasingly attractive.

The State of Qatar, guided by the wise vision of the Emir, His Highness Sheikh Hamad Bin Khalifa Al-Thani, has made a clear commitment, under the 2030 National Vision, to create a modern, diversified and vibrant knowledge-based economy. The continuing development of our financial services sector and the ongoing efforts of the QFC, with the full support of the Government of Qatar, is essential to the achievement of this vision.

We have been working hard to make this vision a reality. We have been refining the business environment and developing the business infrastructure needed to allow and encourage private investors to join us in realising the investment potential of Qatar and the wider region.

Qatar stands on the verge of a new era. Having won the right to host the 2022 Football World Cup, the world is now focusing on the nation's success story – both in the socioeconomicsphere and the financial sector.

2010 was a successful year for us and we look to even greater success in 2011.

## MESSAGE FROM QFC AUTHORITY ACTING CEO



Shashank Srivastava

The QFC Authority is the commercial arm of the QFC and drives the commercial strategy of the QFC. One of the QFC's primary roles, as described under Law No. (7) of 2005 (as amended), is to establish, develop and promote the QFC as a leading location for international finance and business designed to attract international banking, financial services, insurance businesses, corporate head office functions, as well as other business.

The QFC Authority is pursuing a new and visionary approach focusing on the creation of three business hubs – Asset Management, Reinsurance and Captive Insurance.

With the fastest growing economy in one of the world's fastest emerging markets, this hub strategy seeks to leverage Qatar's unique strengths and development opportunities providing access to emerging market returns at developed market risk.

Taking our lead from the State of Qatar's National Vision 2030, the QFC Authority acts as an effective enabler of these three hubs which we believe offer the biggest potential for Qatar to exploit its competitive advantages to achieve a pre-eminent position in financial services.

The first phase of the QFC Authority's development, which aimed to build a broad-based financial services platform, has been highly successful.

As businesses increase their exposure to the Middle East and North Africa, we are confident they will increasingly elect to base their regional operations in Qatar. Since its

inception in 2005, the QFC Authority has issued over 138 licences to firms looking to base themselves in the QFC whilst providing on-going industry support and representation well beyond initial licensing.

It is now time for the QFC, with the backing of the Government of Qatar, to move into the second, exciting phase of development.

The sheer scale of Qatar's public and private infrastructure and industrial investment programmes – which are expected to total more than US\$140 billion over the next five years and within the GCC as a whole are running to US\$1.6 trillion over three years – is creating huge opportunities. The award to Qatar of the rights to host the FIFA World Cup in 2022 further underpins this commitment and is a testament to the progress Qatar has made in opening itself up to the world. The backing of many other non-financial fields including culture, education and sports will provide a unique opportunity to showcase the country whilst providing the impetus for further developments.

All of this is accelerating demand for increasingly sophisticated and tailored financial, capital and risk intermediation services in the country and the region.

A financial services industry cannot develop without the right people being in place, so we have seen significant investment in human capital with the establishment of the Qatar Finance and Business Academy (QFBA). This is a specialised educational academy for the financial sector based in Doha under the auspices of the QFC Authority in partnership with Qatar Foundation. Its overarching objective is to support the growth of Qatar as a leading financial services industry through competency-based learning and continuous professional development.

Our hub strategy and long term vision, supported by the State of Qatar, continues to cement Qatar's position as a financial services hub in the region. By enabling the financial services sector to grow, the QFC Authority is adding value to the economy's wider ecosystem and setting QFC Authority apart from any other GCC financial centres.

## A NEW FOCUS FOR 2010

In 2010 the QFC Authority made strategic changes to its business direction, which helped deliver strong results through the year. The start of this process was an announcement by its Board of Directors in February 2010 which tasked the QFC Authority with creating three business hubs in addition to the wider support for the Qatar financial services sector. The business hubs focus on three core sectors – Asset Management, Reinsurance and Captive Insurance and aim to leverage Qatar's unique strengths and development opportunities providing access to emerging market returns at developed market risk.

Qatar is one of the world's most dynamic and fastest growing economies, even by GCC standards, with the world's third largest reserves of natural gas and an estimated US\$16.7trn in monetisable oil and gas reserves (source: QFC Authority analysis

“Qatar is one of the world's most dynamic and fastest growing economies, even by GCC standards, with the world's third largest reserves of natural gas and an estimated US\$16.7trn in monetisable oil and gas reserves...”

of BP Statistical Review of World Energy, June 2010). The sheer scale of Qatar's public and private infrastructure and industrial investment programmes is creating huge opportunities for the financial services industry in Qatar. The QFC Authority's hub strategy is designed to capitalise on these opportunities.

The new focus is aimed at further solidifying Qatar's place as the region's pre-eminent financial services hub and drawing new players into the market, building on a world class legal, regulatory and business infrastructure, all in an onshore environment. This change in focus marks a new strategic phase for the QFC Authority, and will ensure that it continues to build on its success and creates a sustainable financial services sector both for and in Qatar, in keeping with the diversification goals of the State of Qatar's National Vision for 2030.

## FINANCIAL SERVICES OVERVIEW

Post the uncertainty and volatility of 2009, Qatar's financial services industry has emerged from a position of strength. According to a report commissioned by the QFC Authority and conducted by Dun & Bradstreet in late 2010, the business community remains strongly optimistic about prospects in Qatar. The Qatari economy is estimated to have grown by 16% in real terms in 2010 and is projected to grow by a further 18.6% in 2011 to reach a nominal GDP of US\$157.9 bn (according to the IMF's most recent World Economic Outlook). Contributing 53.8% to the country's nominal GDP in 2009 the non-hydrocarbon sector overtook the hydrocarbon sector for the first time, while the gas sector overtook oil as the single largest contributor to the economy.

Qatar's stable macroeconomic environment, high quality institutional framework and the government's diversification policies have helped the country to achieve a ranking of 17 in the World Economic Forum's Global Competitiveness Index for 2010-11, the highest rank in the MENA region.

Despite a reduction in Foreign Direct Investment (FDI) inflow into many countries in the region in the last 12 months, and globally following the global credit crunch, FDI inflow into Qatar from 2008 to 2009 actually increased by a remarkable 112%.

The financial services sector in Qatar is not just growing at a rapid pace but demand is also accelerating for increasingly sophisticated and tailored financial, capital and risk intermediation services in the country. This continues to open avenues for asset management, and insurance and banking services, with increased demand for commercial banking, project finance, investment banking, private banking and Islamic finance, as well as fostering the growth of capital markets. The rapid growth of Doha as a financial centre is clear when looking at the Global Financial Centres Index, the leading benchmark to compare the competitiveness of 75 financial

centres around the world. In the last two years the rating gap between Dubai and Qatar has been halved and Qatar is now just two ranking places below Dubai.

Following a number of successful Qatari Government bond issues in 2009, 2010 saw the Qatar Investment Bank (QIB) successfully place a US\$750m debut Sukuk with investor demand totalling US\$6bn, while telecoms company Qtel issued US\$1.5bn of bonds which were more than 10 times over-subscribed leading to a second 2010 issuance of US\$1.25bn. Strong investor appetite for high quality debt instruments has led to a number of other leading corporate entities, including Qatar National Bank (QNB) and Qatari Diar, to express their intention to issue bonds in the near future.

“ The Qatari economy is estimated to have grown by 16% in real terms in 2010 and is projected to grow by a further 18.6% in 2011 to reach a nominal GDP of US\$157.9 bn... ”

The Qatar stock market, with 43 listed companies, rose nearly 25% in 2010 making it the best performing market among all the GCC and Middle Eastern exchanges. Meanwhile the Qatar Exchange in partnership with NYSE Euronext continues to develop the scope of the market, and launched the Universal Trading Platform in 2010. The introduction of this platform means that Qatar's cash equities exchange now operates with the same state-of-the-art technology as NYSE Euronext. This platform forms an important piece of trading infrastructure as the QFC Authority works to expand the capabilities of the financial market. Plans are already underway to commence bond trading on the Qatar Exchange in 2011 and more sophisticated derivative product trading expected to follow in due

course. This will lead to greater market participation, enhanced disclosure and deeper, more liquid markets, thereby creating new opportunities for Qatar investors.

The rapid evolution of Qatar's financial infrastructure and the continued development of its capital markets have been mirrored by a number of regulatory changes. The legal and regulatory landscape has had to develop at the same pace, if not even faster, than the growth of Qatar's financial sector to meet the increasing demands of the market. Within the last year the Qatar Financial Centre Regulatory Authority (QFCRA) has issued two consultation papers on the asset management industry and a further paper on the captive insurance industry. These consultation papers, along with other measures, aim to

further strengthen market oversight as well as enhance the infrastructure needed to allow and encourage investors to crystallise the investment potential of Qatar and the wider region.

Integral to these changes will be the introduction of a single regulator, which is currently going through a period of careful study and development. Unifying the regulatory roles of the Qatar Central Bank, the QFCRA and the Qatar Financial Markets Authority will strengthen the oversight and regulation of financial services activities in Qatar. This in turn will inspire greater confidence amongst international investors, whilst potentially spurring exciting new growth opportunities for both domestic and international financial services providers in Qatar.

## ASSET MANAGEMENT OVERVIEW



Qatar's fast economic growth, increasing wealth and robust regulatory regime continue to make it one of the most attractive fund management markets in the region.

In 2010 the global economic recovery led to a better year for the asset management industry. Although in its infancy by global standards, the Middle East is at the very centre of that growth fuelled by strong liquidity as a result of robust oil and gas revenues, a growing maturity among investors, increasing government investment and the development of regulatory regimes. The National Bank of Abu Dhabi GCC Mutual Fund Index 2010 identified 308 locally incorporated funds (with assets under management of US\$29.3 billion) in the GCC, 311 local origin company sponsored funds (with assets under management of US\$28.2 billion), and 283 funds with the GCC or one of the constituent markets as their geographic focus (with assets under management of US\$28.3 billion) as at June 2010. McKinsey & Company has estimated that asset management revenues in the GCC region will increase by 10-15% annually from 2005 to 2015.

There are a number of factors driving the growth of the asset management industry in Qatar and the region. The GCC countries have one of the world's highest savings rates, estimated at 39% of GDP in 2009, significantly higher than the world average of 22% (source: EIU). Qatar at 37% (source: EIU) continues to have one of the highest savings rates among the GCC countries.

Middle Eastern Sovereign Wealth Funds (SWFs) also provide opportunities for investment managers to raise

capital. In 2009, 37% of the estimated US\$3.9trn SWF assets globally were held by SWFs from the Middle East. GCC SWFs have grown their asset bases significantly over the last few years to an estimated US\$1.38trn, accounting for half of all foreign assets held by the GCC, while Qatar's SWF, the Qatar Investment Authority (QIA), had assets totalling circa US\$85bn according to the SWF institution.

Banks, private and institutional investors are looking to diversify their investment portfolios into other asset classes and reduce their allocation to real estate sector, which suffered during the global financial crisis.

Developments in Asset Management continued throughout the year including initiatives to accelerate the growth of the retail and institutional asset management industry. In December 2010, the QFCRA published revised Rules to extend the existing collective investment schemes regime and to develop the Qatar into an asset management hub for the region.

The Rules contain a number of key changes in areas including:

- The operation of a non-QFC scheme;
- A retail regime for QFC schemes;
- The marketing of non-QFC Authority retail schemes; and
- An extension to the functions that can be carried out by the independent entity of a scheme;
- The introduction of separate private placement schemes rules dealing with specialist schemes (including private equity funds).

## CAPTIVE INSURANCE OVERVIEW

The QFC Authority's hub strategy positions Qatar as the pre-eminent captive insurance centre between Europe and South Asia with ambitions to be one of the world's top 20 financial hubs. The captive insurance market in Qatar is expected to grow rapidly during the next few years spurred by the expectation of over US\$140bn on infrastructure spending in the country through to 2015, with captive insurance increasingly becoming an alternative risk transfer mechanism for large infrastructure projects.

Another factor driving the market is improvement in corporate risk management standards which favour

GCC region and there is scope for up to 70 more and the QFC Authority will continue to issue licences to captive insurance managers as well as captive insurance companies.

To spur the development of the nascent Captives sector, the QFC allows 100% foreign ownership of financial services firms with neither restrictions on insuring risks nor foreign currency trading, while captive insurance companies also benefit from tax exempt status within the QFC. Under QFC Authority rules, the base capital requirements for captives range from US\$150,000 to US\$1m.

“ The captive insurance market in Qatar is expected to grow rapidly during the next few years spurred by the expectation of over US\$140bn on infrastructure spending in the country through to 2015... ”

increased risk retention through captive solutions, the introduction of company insurance covers and the increased pressure by capital markets for more efficient capital management.

In August 2010, the QFC Authority granted Kane LLC a licence to establish its captive management operations in the QFC, demonstrating the benefits of the hub strategy and a willingness to grant international captive managers access to the domestic market. There are currently eight captive insurance companies in the

In response to international developments, such as the European Solvency II Directive, and an increase in demand for captive solutions, the QFCRA has published a captive consultation paper in 2010 and in early 2011.

A series of proposals to review the existing captive regulatory framework in Qatar have been developed and these will provide the basis for a state-of-the-art regulatory framework in which international captive managers will be able to conduct business. The final regulations are expected to be published in the second half of 2011 or in 2012.

## REINSURANCE OVERVIEW

The QFC Authority has been active in reaching out to reinsurance companies to showcase the opportunity which exists in Qatar. Qatar has strong potential to be the Middle East's leading reinsurance centre. Extensive infrastructure investments coupled with growing populations and incomes underpin a dramatic increase in insurable assets in the GCC region. Though the Qatari insurance market is in its relative infancy, it is growing rapidly. Between 2005 and 2008 the insurance market in the GCC grew by an annual compound rate of 30%, second only to China at 33%.

Business Monitor International expects Qatar's insurance premiums to treble to US\$2.8bn from 2009 to 2014, partly driven by growing demand for personal insurance lines and also the need to insure multi-billion dollar infrastructure projects being undertaken in Qatar. This will gain further momentum once the Qatar 2022 World Cup investments start taking place.

As demand for insurance grows, so does the need for reinsurance. At present the Qatari market, in keeping with the broader GCC, relies heavily on international reinsurance support, especially for the more complex and large risks. In 2009 some 57% of Gross Written Premiums (GWP) in Qatar was ceded to reinsurance firms, most of which operate outside Qatar and the GCC.

In the QFC Authority's 'GCC Reinsurance Barometer' survey of the leading international and regional firms in the market, which began in 2010, reinsurance exposure is expected to increase faster than the GCC countries' GDP over the next 12-24 months.

To take advantage of the region's extraordinary potential, a growing number of the world's leading reinsurance companies and brokers are establishing a presence in Qatar including AXA, Marsh, Alico, Mitsui Sumitomo, Zurich FS and Allianz which have already established offices at QFC alongside major local firms including QIC, Qatar General, Al Khaleej, Doha Insurance Company and Qatar Islamic Insurance.

Qatarlyst S.P. C, a of Qatar Insurance Services LLC (itself a QFC licensed firm and 100% owned by the QFC Authority) is developing its insurance web-based risk trading platform as it seeks to bring Qatar to the forefront of the dynamic insurance risk trading market.

“ Business Monitor International expects Qatar's insurance premiums to treble to US\$2.8bn from 2009 to 2014, partly driven by growing demand for personal insurance lines and also the need to insure multi-billion dollar infrastructure projects being undertaken in Qatar. ”





## QFC'S TAX REGIME – TRANSPARENT AND COMPETITIVE

2010 was a landmark year for QFC, and one of the highlights was the implementation of the QFC Authority's taxation regime. The regime has been designed as part of the QFC's plan to provide an attractive environment for financial services firms to invest in Qatar, providing clarity of law and transparency of administration, while ensuring that firms contribute to the tax income of Qatar.

Qatar has one of the friendliest tax regimes in the world. The QFC regime has been structured to create an attractive and internationally competitive fiscal environment for the conduct of business activities.

There are also specific rules for Islamic Finance transactions to ensure equality of tax treatment with conventional finance transactions.

The new regime was developed over 3 years and involved close cooperation with the Ministry of Economy and Finance, and the financial services industry in Qatar. It compares favourably with many other financial centres which often have higher rates of tax or have other charges, fees and taxes on turnover rather than profits.

As part of the QFC's determination to give certainty of tax treatment for QFC firms, an advance transaction ruling scheme has been incorporated into the regime.

“ The QFC regime has been structured to create an attractive and internationally competitive fiscal environment for the conduct of business activities. ”

Apart from certain special categories of businesses, QFC licensed firms will be subject to a 10% corporation tax to be charged on all locally-sourced profits. This low rate of tax is an attractive proposition for both local firms, with international ambitions, and multinational firms which are considering to establish a presence in Qatar. Additionally QFC- firms benefit from the extensive network of double taxation treaties which exist between Qatar and other countries including the UK, France, India, Russia, Malaysia and Singapore as well as inclusion in any future taxation treaties to be negotiated by the Government of Qatar.

Tax returns and payment are due six months after the end of each accounting period and the new regime is being administered on a self-assessment basis.

As part of the education campaign for the new regime, the QFC's taxation experts conducted seminars and presentations covering the details of the new regulations, and the practical aspects of completing returns and paying tax. A series of guidance notes covering the Tax Department's interpretation of specific areas of the regulations are published on the QFC website to assist firms in making their tax returns.

## QFC CONTINUES TO ATTRACT QUALITY COMPANIES

The firms represent a cross section of the financial services industry and this shows that Qatar is an attractive place to do business.

In October 2010 Matrix ME Alignment Fund Management LLC became the first regulated property investment fund management firm operating in the QFC. The firm will now be based in the only fully regulated onshore jurisdiction for Funds in the GCC and is in a position to engage in both onshore and offshore property investment activities in Qatar and the wider region.

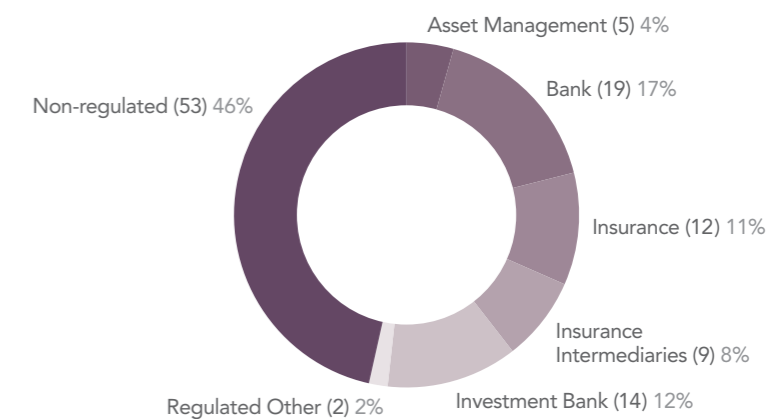
In August 2010, Kane LLC became the first firm authorised to provide a range of captive insurance management activities in the QFC.

The authorisation comes in line with the QFCRA's recent release of a consultation paper on a series of proposals designed to develop the QFC as an insurance and captive hub for the region.

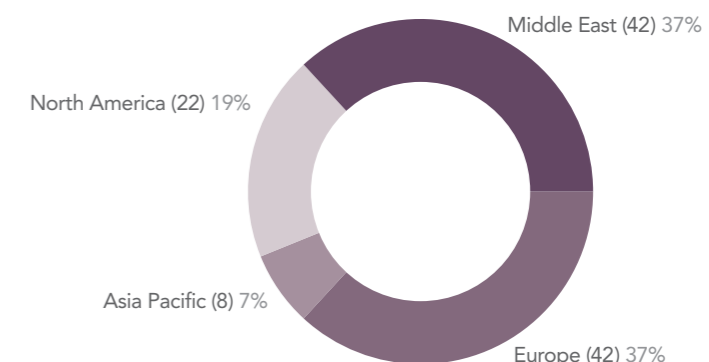
International law firm Allen & Overy was granted a licence in QFC in February 2010, highlighting the fact that Qatar is becoming a place of global significance in the provision of legal services.

February 2010 also saw the granting of licences to the New York Stock Exchange (NYSE Qatar LLC), the QFC's first stock exchange company and international consulting firm, Booz & Company.

### QFC LICENSED FIRMS BY TYPE



### QFC LICENSED FIRMS BY REGION



## REPORTS, RESEARCH AND PUBLICATIONS

### QUANTUM

QUANTUM, which is published on a quarterly basis by the QFC Authority, brings a global perspective in its analysis of significant international and regional trends in the financial services industry.

It aims to be thought provoking, to encourage debate and to enable leading decision makers to present arguments and challenge conventional wisdoms. The contributors include senior market practitioners, analysts, academics and journalists, all of whom have significant wealth of experience in analysing the key issues in the financial services sector.

### MEED INFRASTRUCTURE INVESTMENT REPORT 2010

In December 2010, in conjunction with business information provider MEED, the QFC Authority released a report on the infrastructure investment opportunities in Qatar.

Authored by MEED Insight, one of the most interesting trends to have emerged from the GCC projects boom over the past 10 years, the report explores development of public-private partnerships (PPPs), projects funded and operated through a partnership between the government and the private sector. The adoption of the PPP model for the projects sector has led to a natural growth in the project finance sector as companies have sought to obtain credit for project development from the banking community. From 2005 to August 2010, more than US\$70bn worth of infrastructure schemes in the region have secured funding via various forms of project financing.

Another compelling statistic revealed in the report was that the value of major infrastructure projects under construction in Qatar in 2010 was over US\$55bn. This provides long term optimism of future growth. The report confirms that Qatar's infrastructure market is unique within the GCC as the vast majority of the investments being made are in the development of non-real estate sectors, such as the US\$35bn ear-marked for an extensive metro and overland national railway network.

### THE GLOBAL FINANCIAL CENTRE INDEX

The Global Financial Centres Index (GFCI), produced by the Z/Yen Group, was first published in March 2007. The GFCI approach provides profiles, ratings and rankings for 75 financial centres, drawing on two separate sources of data – instrumental factors (external indices) and assessments by financial services professionals in an online survey.

The 8th GFCI report published in H2 2010 showed that Qatar ranked 34 in the world, and in the region is second only to Dubai which was ranked at 28. The gap between Dubai and Qatar has been closing fast and it is anticipated that Qatar will eventually become the leading financial centre in the Middle East.

The QFC Authority has entered into a three year sponsorship of the report.

### ECONOMIST INTELLIGENCE UNIT REPORTS

The QFC Authority continued its partnership with the Economist Intelligence Unit, releasing an important look at the GCC's non-oil growth over the next five years. The report, released in December 2010, showed that non-oil growth was expected to increase by 5.1% over the next 10 years.

The report assessed the motivations for diversifying away from oil and gas and identified the most promising non-oil sectors out of a range of sectors currently being pursued. As well as looking at the most likely scenario for diversification, the report also highlights the risks to the economy and to business if the region does not become less dependent on oil and gas.

Two further reports were produced through the year covering:

- March 2010 – Resources for the Future
- October 2010 – Broadening the economy

### BUSINESS OPTIMISM INDEX

In 2010 the QFC Authority in partnership with Dun and Bradstreet (D&B), one of the world's premier financial data and business information provider, and widely recognised as one of the world's leading business knowledge providers, continued to publish the well regarded and much anticipated Business Optimism Index.

Business optimism indices are commonly used to get a better understanding of the growth expectations of the business community and its response to current developments within an economy. Issued quarterly, the D&B's Business Optimism Index for Qatar is based on an extensive survey conducted amongst the Qatari business community.

According to the final quarter report, the business community remains optimistic about prospects in the Qatar economy; the economy being somewhat insulated from the mixed signals on economic growth being portrayed around the world.

### QFINANCE

Launched in 2009 QFINANCE is the most comprehensive original resource of its kind. It has a database of more than a million words, covering a huge range of finance-related topics, with over 300 best-practice, thought-leadership and viewpoint essays that distil and summarise the most important aspects of finance. It includes the thoughts of finance leaders and experts on the crucial issues and challenges facing finance managers, entrepreneurs and business executives.

Created by Bloomsbury Publishing and the QFC Authority, QFINANCE online provides finance professionals, academics, students, journalists and writers worldwide with free access to the huge breadth and depth of its content, together with compelling additional daily content updates and functionality. [www.qfinance.com](http://www.qfinance.com)

### THE REINSURANCE BAROMETER

The QFC Authority commissioned new research into reinsurance in the GCC and aims to establish the first regular report monitoring the development of the sector in the region. The GCC Reinsurance Barometer will provide a unique source of data about the regional market.

Interviews were conducted on behalf of the QFC Authority by Dr Kai-Uwe Schanz, of Alms & Company, a Zurich-based reinsurance consultancy. A total of 28 companies participated, represented by senior management responsible for the GCC Region.

### NATIONAL BANK OF ABU DHABI GCC MUTUAL FUND INDEX 2010

In June the NBAD GCC Mutual Fund Index 2010 was published. The QFC Authority was a lead sponsor of what is seen as a benchmark report into the development of the Asset Management industry in the region.

The Index tracks the development of GCC funds against global trends and distribution. It identifies the market drivers and influencers which fund managers and investors need to be aware of.

## CONFERENCES AND EVENTS

### MULTAQA 2010 – CHARTING THE COURSE POST CRISIS

Qatar's growing insurance hub was the venue for the MultaQa Conference 2010, which provided thought leadership in a range of topics important to the international insurance and reinsurance community. This was the fourth year of MultaQa, which gained added significance from the QFC Authority's recently announced new strategic focus on captive insurance, reinsurance and asset management.

MultaQa Qatar 2010, held from 6th to 8th March at Sharq Village and Spa in Doha, continued to reinforce the Government of Qatar's and the QFC Authority's long term objectives to establish the country as an international destination for insurance capital.

Hosted by the QFC Authority, in partnership with Global Reinsurance, MultaQa put the spotlight on Qatar's rapid rise as a hub for international insurance and reinsurance. More than 240 insurance experts, 75% of which from the GCC region, attended.

### 5TH ANNUAL CITY AND GULF CO-OPERATION COUNCIL COUNTRIES CONFERENCE

Held in London in July 2010, the conference focussed on growth prospects in the GCC region following the global economic turbulence. The conference also examined ways in which the City of London the GCC countries could further co-operate.

QFC Authority Acting CEO addressed the daylong event about Qatar's growing stature in the regional economy.

### FUNDFORUM

Held in Bahrain in October 2010, the QFC Authority sponsored FundForum Middle East, which brought together leaders in the asset management industry from across the region.

The event heard from industry experts and took stock of events in 2010, discussing the future shape of the asset and wealth management business in the region.

### GCC FAMILIES IN BUSINESS FORUM 2010

The GCC Family Business Forum 2010, in its 2nd edition, was the ideal conference in the Gulf Region for networking, discussions and debates on the dynamics of family businesses. The forum aims to discuss and resolve local and international issues that face family businesses.

Held in Doha, the forum featured presentations and panel discussions by expert speakers with plenty of case studies, interactive dialogue and networking opportunities. The event targets various groups, including CEOs, owners, board members of leading Arab family owned businesses as well as legal and financial advisors.

### REINSURANCE SUMMIT

QFC Authority was sponsor of the Fourth Annual Reinsurance Summit which looked at key issues and trends in this fast growing industry. Held in Zurich, Switzerland, on the 1st - 2nd June, the conference was attended by all the main global reinsurance companies and addressed issues such as recovery from the global financial crisis and whether new products are needed to cater to the changing market place.

The conference also identified the potential of markets, including the Middle East, where significant investment and infrastructure projects are creating new opportunities for the industry.

### INTERNATIONAL TAX INVESTMENT CENTER TAX FORUM

For the first time in the Middle East and North Africa, the International Tax and Investment Centre (ITIC) conducted a tax forum under the auspices of the Ministry of Economy and Finance of the State of Qatar. The event was organised by the ITIC jointly with the QFC.

The MENA Tax Forum took place in Doha in October 2010 and brought together representatives from the public and private sectors to discuss international tax topics of interest to the region.

### INTERNATIONAL MONETARY FUND AND WORLD BANK ANNUAL MEETINGS

In conjunction with the International Monetary Fund (IMF) and the World Bank annual meetings, Qatari Banks hosted a reception at the Four Seasons Hotel in Washington D.C. on 8th October, 2010. His Excellency Yousef Hussain Kamal, the Minister of Economy and Finance and His Excellency Sheikh Abdullah Bin Saud Al Thani, Governor of Qatar's Central Bank headed the Qatari delegation at the reception.

The Qatari Banks' reception is held each year to provide an opportunity for multilateral economic discussions and exchange of ideas between officials representing the Qatari, GCC and international banks and policymakers.

### INVEST IN QATAR – FRANCE

Qatar continues to be a destination of interest to overseas investors. The QFC Authority was part of a delegation to Paris, France for two days in March 2010 for the Fifth Finance and Investment in Qatar Conference designed to showcase the country's strong investment climate and supportive government.

Under the patronage, and in the presence, of His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani, the Prime Minister and Minister for Foreign Affairs, the forum's objective was to bring together major Qatari and French companies, trade institutions, government officials and policy makers who share a desire to focus on topics of key interest for both countries.

The delegates included senior industry leaders and government officials from Qatar, France and Europe from the oil, gas, nuclear energy, finance, infrastructure and real estate, culture, tourism, healthcare, sports and education sectors.

### QATAR FINANCE AND BUSINESS ACADEMY – DEVELOPING FUTURE LEADERS

In 2010 QFBA launched "Aspirations for Success" – a 12-month leadership programme aimed at developing the skills required of future financial leaders in Qatar.

"Aspirations for Success" is an initiative by the QFC Authority and QFBA to underpin and enhance Qatar's economic growth by creating a talent pool of leaders in the financial services industry. The new programme supports the aims and objectives laid out in the Qatar National Vision 2030 which seeks to build a modern, vibrant knowledge based economy.

### ROUNDTABLES

The QFC Authority continued to set the agenda for the financial services industry in Qatar and the region. In October 2010, the QFC Authority hosted the Asset Management Roundtable, bringing together experts and fund managers from Qatar to discuss issues facing the industry in coming years.

The QFC Authority also hosted roundtable events in London and Hong Kong, with leading organisations in the asset management field, and one in Monaco at the premier annual industry gathering of senior executives in reinsurance.

In partnership with Funds Europe, the QFC Authority ran a series of thought leadership panels in London in October and December 2010. The panel discussions looked at the global issues driving and shaping the funds industry from the perspective of the Chief Operating Officer and Chief Executive Officer respectively.

Participants included senior representatives from Schroders, HSBC, State Street Global Advisors, Russell Investments, Citi, Allianz Global Investors, Janus Capital, Newton, T Rowe Price, J P Morgan, First State Investments, BNP Paribas, F & C, East Capital and Barings.

### QFC CIVIL AND COMMERCIAL COURT AND REGULATORY TRIBUNAL

With the opening of the new QFC Civil and Commercial Court, and QFC Regulatory Tribunal, both located in the QFC Tower 2, in December 2010 by the Prime Minister, His Excellency, Sheikh Hamad Bin Jassim Bin Jabor Al-Thani Qatar now has a world-class centre for commercial dispute resolution.

The courts boast internationally renowned independent Judges of the Court and Tribunal including its President The Right Honourable Lord Woolf of Barnes and Dr Hassan Al Sayed, former Dean of the College of Law at Qatar University.

The Court hears civil and commercial disputes arising from transactions, contracts, arrangements or incidences taking place in or from the QFC but its jurisdiction, laid down in Law No. (7) of 2005 (as amended) theoretically allows the Court to hear disputes unconnected with the QFC if the litigants choose to refer the matter to the Court.

The Civil and Commercial Court is a Qatari court and forms part of Qatar's court system, with judgments that are enforceable. The Court provides parties with an integrated dispute resolution facility, is open to all, and has systems and procedures in place to ensure that cases will be dealt with efficiently and in an economic and speedy manner.

Qatari and regional companies can save both time and money by resolving their disputes in the QFC, rather than abroad, whilst still enjoying the same style and high quality of service.

Apart from traditional litigation through the Civil & Commercial Court, the President of the Civil and Commercial Court and the QFC Judiciary actively encourage other forms of alternative dispute resolution (ADR) such as arbitration and mediation to name a few.



### QATAR INSURANCE SERVICES ACQUIRED RI3K

In 2010 Qatar Insurance Services LLC (QIS), a QFC licensed firm and a wholly owned subsidiary of the QFC Authority, set up in the State of Qatar a new subsidiary called Qatarlyst S.P.C, which is a technology based insurance and reinsurance trading platform. Qatarlyst S.P.C. provides the Qatarlyst web-based platform to customers in Qatar, the Middle East Region and beyond. In order to meet the growing demand of its customers, Qatarlyst is opening branches in the United Arab Emirates and the Kingdom of Bahrain.

In the same year, QIS also acquired RI3K Limited, the London based pioneer and innovator of technology that supports paperless transactions for the commercial insurance and reinsurance industry.

The combination of Qatarlyst and RI3K will help to accelerate the development of the QFC in its declared ambition to become a leading hub for reinsurance in the GCC region and beyond.

This acquisition also gives Qatar the opportunity to help to meet London's insurance market needs for enhanced paperless trading and establish an international presence.

This was seen as a transformational deal for Qatarlyst, expanding its international reach and enhancing its service offering to London and beyond, creating additional opportunities for growth and providing a quantum leap in the number of members served to more than 330.

## COMMUNITY ENGAGEMENT INITIATIVES

The QFC Authority continues to play an active role within the Qatari community through a range of initiatives and sponsorship of key institutions.



### CULTURE

As part of its programme for corporate social responsibility (CSR), the QFC Authority sponsored the Museum of Islamic Art in Doha for its third year. The museum has the largest collection of Islamic art in the world and is an important part of cultural life in Doha. Bringing together the traditional values of Qatar and the modern world of business is an important challenge facing the QFC Authority and this modern museum is a great representation of the old combined with the new, in the heart of Doha.

The QFC Authority and the museum share a reputation for establishing global standards and promoting Qatar and its rich diversity to an international audience. As the museum's strategic financial partner, the QFC Authority and its partners and staff benefit from a close association with the museum and are proud to continue this partnership throughout this year and next.

### EDUCATION

The QFC Authority shares Qatar's commitment to education as the key to social advancement and building a knowledge-based economy.

The QFC Authority is a Board-level Member Sponsor of INJAZ Qatar, a non-profit organisation which prepares and inspires youth to succeed in the global economy and bridges the gap between student needs and those of the

business community. Launched in Qatar in 2007, INJAZ Qatar is part of INJAZ al-Arab, the only organisation in the MENA region which aims to equip students with practical business-related skills as part of the regular education curriculum. INJAZ's activities in Qatar focus on teaching work readiness, entrepreneurship and financial literacy skills to students from grades eight through to 12. This was extended to university students for the first time in 2010 through the partnership with Qatar University and the introduction of the 'Banks in Action' programme which focuses on the next generation of Qatar's financial leaders. The QFC Authority is proud to be a sponsor of Qatar's INJAZ program and our staff volunteer in the program which seeks to promote the finance industry as a career as well as work towards giving students in Qatar financial literacy skills.

### COMMUNITY

As part of the QFC Authority's overall CSR programme, and in line with its commitment to the local community, a Ramadan Charitable Donation Initiative was launched in 2010. The initiative raised money for the Eid Bin Muhammad Al-Thani Charitable Institution, which caters for less fortunate citizens in Qatar. All the QFC Authority subsidiaries and related entities and licensed companies were asked to contribute to the initiative and all donations given were matched by the QFC Authority.

## QFC AUTHORITY IN THE NEWS

“ One of our key goals as an organisation is to contribute to the development of young Qatari talent, in alignment with the Qatar National Vision 2030. ”

### SUMMER INTERNSHIP PROGRAM

One of our key goals as an organisation is to contribute to the development of young Qatari talent, in alignment with the Qatar National Vision 2030.

The QFC Authority Training and Development Division conducts four to six week internships every summer from June to August inclusive giving participants a thorough understanding of how the QFC works and the financial services industry in Qatar.

University students who will be graduating within one to two years and majoring in a subject of relevance to our work should apply before 1st of June of the respective year to have their application considered. Also, high schools students are considered for this program.

## OUR PEOPLE



### KEY APPOINTMENTS

The QFC Authority continued to build its leadership team in 2010 with the appointment in August 2010 of Mr Yousuf Al-Jaida as Director, Strategic Development, responsible for Asset Management and Banking

His past experience managing institutional wealth gives him unique insights on how to further develop the financial services industry in Qatar and is helping the QFC Authority to move into a new phase.

Mr Al-Jaida is responsible for the QFC Authority's strategic development in Asset Management and Banking sectors following the announcement in early 2010 of its new three hub strategy focusing on the areas of Asset Management, Captive insurance, and Reinsurance.

A Qatari national, Mr Al-Jaida holds strong financial experience across a variety of roles. Most recently, Mr Al-Jaida was Head of Indirect Investment at the Qatar General Retirement and Pension Authority, which included overseeing the management of hedge fund, private equity, real estate, fixed income and equity portfolio investments.

Prior to this, Mr Al-Jaida's experience included engineering project work for Qatar Petroleum and Dolphin Energy, as well as managing various real-estate projects in Qatar.



**Sayanti Basu**  
*Procurement Officer*

Sayanti joined the QFC Authority as Procurement Officer in 2009 after working in similar roles in India.

"Currently I am part of a two member team handling procurement activities for all products and services for QFC Authority, QFBA, QFCJ and QIS," Sayanti explains.

The Procurement team works on purchasing activities for essential goods and services ranging from insurance, fit-outs, hardware, software, marketing, printing, leasing etc. for the QFC Authority and its Group subsidiaries and divisions.

My work profile gives me the advantage of working with vendors across the globe", says Sayanti who says one of the biggest challenges for the team is the shortage of vendors in Qatar who can cater to their niche requirements.

"She mentions one of her biggest achievements in 2010 was bringing in savings through Strategic Procurement across various services and commodities.

"2011 looks like a very promising year with Qatar being forecasted to record GCC's highest growth rate largely due to the funding allocated by Qatar in education, transport and health," Sayanti says of the year ahead.

"Keeping in mind the QFC Authority's common goal to create a substantial financial service sector with strategic focus on asset management, re-insurance and captive insurance, as part of the Procurement team my objective and goal for 2011 is to strive towards support of this plan by adopting selective procurement strategies."



**Mohamed Abdullah Al Remeihi**  
*Immigration and Government Affairs Officer*

Mohamed's role is perhaps one of the most crucial within the QFC Authority.

"I am the first contact point for customers applying for immigration requests, enquiries, complaints and feedback," Mohamed says of his role that he has held at the QFC Authority since 2009.

He also manages the immigration helpdesk, coordinates with the Ministry of the Interior for customer requests, and processes all immigration requests.

"I also guide new customers through all government requirements and what necessary steps should be taken," he says.

Mohamed says 2010 was a big year for not just the QFC Authority, but his department.

"Besides adding valuable suggestions on immigration services, I trained on the Seibel system and covered the customer services area. Managing both roles in immigration and customer services professionally and efficiently has gained me 'Employee of the month'," he says.

"Playing both roles as an immigration and helpdesk officer was challenging; however, I have learned new skills and gained more experience due to this challenge and I am looking forward to new opportunities."

In 2011, Mohamed is working towards the centralisation of helpdesk process in order to be more efficient and focused, and adding new immigration services to the QFC service guide to obtain the highest level of customer satisfaction.

## WHAT OUR STAFF SAY



**Ashraf Lafi**  
*Head of Systems*

Ashraf's role at the QFC Authority is to deliver the internal users, customers and subsidiaries Information Technology (IT) requirements at a set service level and cost that is both sustainable and competitive.

He lists one of his biggest achievements in 2010 as working with his team to ensure there were no IT service interruptions at the QFC Authority.

"We provided up to date IT services to the QFC Authority business community, QFC firms and the QFC Authority's subsidiaries," Ashraf says. "I also managed IT system team projects from small to large scale and met deadlines to achieve the promised results."

"The biggest challenge in 2010 was the capacity and manpower planning to support the new subsidiaries and IT systems requirements especially the Enterprise Resource Planning (ERP) system, merging of new acquired units and expansion of existing units."

For the coming year, Ashraf says more challenges lie ahead as the QFC Authority continues to cement its role in the regional financial services marketplace. He says part of this is enhancing the QFC Authority and subsidiaries user's technology and security skills and promoting available services.

"In 2011 I'm looking forward to enhancing the delivery of leading-edge information technology services to QFC Authority and its subsidiaries," he says. "Also, leading the execution of IT system projects to ensure our systems infrastructure and solutions are both technology and business focused."

### **LEGAL DISCLAIMER**

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