# **Annual** Review **2009**

qatar
FINANCIAL CENTRE
AUTHORITY

Museum of Islamic Art

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The Qatar Financial Centre (QFC) lies at the heart of Qatar's dynamic economic growth and investment strategy. We aim to help QFC licensed firms generate new and sustainable revenue streams. Together we will create business based on real opportunities for the benefit of Qatar.

The QFC Authority's objective is to contribute to the creation of a progressive and broad-based financial sector in Qatar that is integrated with global financial markets. Our ambition is to be the financial centre of choice in the Middle East.

# Chairman's Statement

2009 was one of the most challenging – and interesting – years in finance, with ongoing pressure on financial systems across the world. Throughout that time there was a sense that the global financial system was facing unprecedented change; change that would re-establish financial prudence at the heart of government and business. Thankfully, as the year drew to a close we began to see some signs of recovery and a new sense of optimism.

The Gulf has been protected from the worst of the global financial crisis thanks to its robust hydrocarbon wealth. This region has remained able to invest and to deliver trade and budget surpluses, although global events have had some effect on our banking and financial sectors.

The central banks and Governments of the Gulf have played a major role in stabilizing their local economies and the challenge now is to re-create the stimulus for trade and investment. Banks, both local and international, have been understandably reluctant to lend and this has slowed the development of essential private and public infrastructure projects. According to Dealogic, only $22.8 billion of syndicated loans, project finance and bonds had been issued in the Middle East by August 2009, compared with $85.5 billion in 2008 and $126.7 billion in 2007.

However, Qatar has weathered this pressure well, supported by the country's very robust economic growth.

In 2009 the State of Qatar launched the Qatar Exchange (QE) with the NYSE bringing a new stability and purpose to the local market. Our corporate tax laws were ratified and put in place, making Qatar one of the most competitive places to do business worldwide and we saw renewed and growing interest in Qatar as a regional hub from a range of new QFC licensed firms.

Earlier this year we announced a new strategy for the QFC, a strategy we believe equips us to play a role on the global financial stage by focusing on our strengths, both now and in the future.

The hub strategies we have developed is designed to aid the ongoing efforts to create a diversified economy for the benefit of the people of Qatar. We firmly believe that by integrating our efforts with those of the established financial community in Qatar we can ensure that the massive growth predicted for the country is something that benefits the community not just today but into the future.

With renewed determination to build the pre-eminent hubs in the region for asset management, captive and re-insurance we believe that Qatar is set to deliver on its promise of becoming a world-class financial centre. The QFC Authority, working hand in hand with the local authorities, banks and financial institutions is ready to deliver on that promise.

**"The Gulf has been protected from the worst of the global financial crisis thanks to revenue from oil and gas in the years preceding."**

**HE Yousef Hussein Kamal**
Minister of Finance and Economy
Chairman, Qatar Financial Centre Authority



# Managing Director's Statement

The year 2009 was also a period of reflection for the Qatar Financial Centre Authority. By the end of the year we had taken the decision to re-align our strategy and approach to market, to be better placed to take advantage of domestic, regional and global opportunities in Asset Management, Reinsurance and Captive Insurance. We firmly believe that we have the strategy, people, mindset and focus to ensure that Qatar, and the QFC, take their rightful place on the financial stage in 2010 and beyond.

For many people 2009 began as a year of worry and difficulty, with that doubt and uncertainty only now beginning to lift in any meaningful way. The damage done to the financial and corporate sector has been deep and the impact widespread. Even within this region, there were many who felt the effects of decisions made elsewhere and in more optimistic times.

Throughout the year we have continued to focus on putting the building blocks in place to ensure that Qatar has the financial services sector it needs to compete regionally and internationally. In June 2009, we launched Qatarlyst, a unique trading platform specifically designed to deliver integrated processing between insurance and reinsurance trading partners, and with the remit of creating a virtual community of excellence for this essential market segment.

We also invested in the development of skills and knowledge with the launch of the Qatar Finance and Business Academy (QFBA) in October, 2009. We firmly believe that in order to achieve our goal of the development of a strong and sustainable financial services sector in and for Qatar we need substantial investment in education and training for our citizens and residents.

At the end of September 2009, we also announced the publication of QFinance. This is a truly inspiring collection of reference material, insight and information from some of the finest minds in the global financial industry and we are proud to be part of the creation of this unique publication and website. As we move into 2010, we are eager to leverage the successes of the previous year and work to establish Qatar as a leading location for financial services.

**"In 2009 the State of Qatar launched the QatarExchange with the NYSE bringing a new stability and purpose to the local market."**

**Mr Abdulrahman Ahmed Al Shaibi**
Managing Director, Qatar Financial Centre Authority
Director of Finance, Qatar Petroleum

# CEO's Statement

In 2008 we celebrated our 100th licensee. In 2009 we continued to grow that number and, more significantly, launched a range of innovations designed to ensure Qatar can take advantage of future opportunities.

In 2009, the Qatar Financial Centre Authority attained a number of developments to ensure the further growth of our financial infrastructure and launched a range of new innovations designed to ensure Qatar is able to take advantage of future opportunities. We saw a lot of positive change in the short space of one calendar year and are now looking forward through 2010 to the challenges and possibilities ahead.

Any organization needs to take stock of its progress, its purpose and its direction on a regular basis. For the QFC, 2009 was a time of review and realignment. In many ways the challenges facing the world as the economic crisis unfurled enabled us to take stock of our own strategic goals and achievements.

Since its inception in 2005, the QFC has achieved a great deal to help build the financial services sector in Qatar. It has helped establish a legal environment for international firms, attracted international blue-chip names and has provided a platform for local firms to help facilitate their international expansion. We contributed to the development of the awareness of Qatar as a potential and viable place for regional financial activities and began the long work of creating a talent pool for this potential and growing local industry.

Our common goal is to continue to build on that success and create a sustainable financial services sector both in and for Qatar. Moving forward our strategic focus will be on three vital sectors – asset management, re-insurance and captive insurance. This targeted approach will enable us to achieve the pre-eminent position in the region within a manageable amount of time, and, in doing so to help provide Qatar the financial services sector to support the exceptional growth of the economy.

The economic growth has led to an incredible amount of infrastructure development within the country. The scale and diversity of the projects, whether we look at the New International Airport Doha, the Qatar Bahrain Causeway or one of the many significant energy projects currently in development, is only the tip of the iceberg for opportunities in financial services.

Through strong leadership from the government, Qatar boasts an enviable stable political and economic environment, with a clear purpose. The Qatar National Vision 2030 clearly shows the breadth of ambition encapsulated in this nation and outlines the planned diversification of the economy away from dependence on hydrocarbons. Financial services play an important role in the creation and expansion of new economic clusters providing tools to help finance the development and better manage risk. This is where the QFC Authority can make a significant contribution.

In 2009 we launched three major and far-reaching initiatives. Qatarlyst is a technology-based reinsurance trade fulfillment system which provides a secure, structured electronic service and will facilitate transaction workflow, the production of documentation and effective management information to insurance firms and brokers locally, regionally and globally. It gives us a solid and tangible foundation from which to build up to a position of pre-eminence in the re-insurance sector in the region.

We also launched two major educational initiatives. The first, Qatar Finance and Business Academy (QFBA), is a specialized education centre based in Doha and developed in partnership with Qatar Foundation. The QFBA supports the government's vision for Qatar and its development as a leading financial services centre through learning, development and research. Students are already learning the complexities of the financial world, and, I hope, taking much insight from our third initiative – QFinance.

However, our commitment to the development of the market here extends beyond our own accomplishments. We remain committed to the promotion of the potential of the financial sector in Qatar and aim to work hand-in-hand with our colleagues in the financial services sector to make this happen. The progress of Qatar Exchange and the continued growth of the domestic banking and insurance sectors show just how much potential there is here in Qatar and we aim to continue to play our part in realizing that potential.

Finally, I would be remiss if I didn't acknowledge the huge debt we owe to Stuart Pearce, who moved to a new role within the QFC Authority in December 2009, having been CEO and Director General since 2004. While CEO, Stuart was a tireless enthusiast for the opportunity encapsulated in the QFC and a consistent promoter of our collective vision and successfully championed the development of the first phase of QFCA's work and oversaw the development of the second phase. We are all delighted that he remains part of the QFC family as a non-Executive Director to QFCA's board and Board Member of QIS.



**"Qatar has an enviable stability of environment and purpose. The Qatar National Vision 2030 clearly shows the breadth of ambition encapsulated in this small nation."**

**Shashank Srivistava**
Acting CEO,
Qatar Financial Centre Authority

# Qatar as a destination for capital

Qatar as a destination for capital

## Qatar following 2009

Despite 2009 being a year of turmoil for many, Qatar has emerged in a strong position both domestically and in a global context. Its economic strength is driven primarily by its energy resources, which make it one of the world's wealthiest countries. Qatar's continued commitment to develop a world class business environment has led to several initiatives to achieve this. Qatar's real GDP doubled between 2003 and 2009, and gross fixed investment in the country was $28bn in 2009, representing over a third of GDP.

In 2009, the Qatari government achieved a budget balance surplus, compared with the vast majority of governments around the world which experienced budget deficits. Qatar is distinctive for its sound banking system and the measures taken over the last year to increase liquidity and support its financial systems.

In 2009, the Qatari government achieved a budget balance surplus – a rarity around the world

## Global Economy and the Crisis

The past few years have been very turbulent for the world economy. The global financial services industry has depended upon a significant public intervention to help stabilize conditions which put the financial system at risk. Given the scale of the rescue, there has been a strong public backlash which has influenced policy makers in the United States, the United Kingdom and Europe.

As a result, many financial regulatory reforms have been proposed across the industry, including co-ordinating regulation globally. In terms of the GCC, if overarching principles were to be put in place, the cost of compliance for companies operating across the GCC could be significantly reduced.

Furthermore, changes in how the industry will be taxed are having a distinct impact on business. Focusing on tackling tax evasion and increasing transparency are beneficial in the long run, but changes in tax policy within the different jurisdictions raises the question of whether firms are located in the most appropriate place.

The industry continues to evolve at a rapid pace which is a positive, but can also result in further complexities. Although financial innovation is important, the market is now more cautious than it was before the global financial crisis.

## The QFCA has made dramatic progress in helping to build the financial services sector in Qatar.

### Financial Services and Capital Markets

The Gulf Cooperation Council (GCC) has weathered the current financial crisis relatively well and Qatar has done exceptionally well as a result of its economic strength. The finance, insurance and real estate sectors are the biggest non-oil contributors to Qatar's GDP. This testifies to the success of its economic diversification strategy in general and the Qatar Financial Centre Authority's (QFCA) dynamic development plans.

The role of the financial sector in Qatar's economy, though subtle, is considerable. The health of the financial sector is an important factor when sovereign budgets and balance sheets across the world have come under pressure. Capital markets are one of the most important enablers of financial products and services that make up a healthy asset management sector.

A successful and thriving marketplace needs both buyers and sellers supported by proper infrastructure. This needs a proactive and competent regulator, encouraging increasingly high standards of transparency and corporate governance, and a vibrant exchange that provides opportunities for the market to interact efficiently and effectively.

### The QFCA and its changing role

Since its inception in 2005, the QFCA has made dramatic progress in helping to build the financial services sector in Qatar. It offers a legal and regulatory environment for international firms, modelled on global best practice, and has attracted many international and local firms to the QFC. The QFCA has positioned Qatar as a strong venue for regional financial activities, supported by extremely strong economic growth, providing a solid foundation from which it can focus its efforts on three key areas.

In-depth analysis has shown the three areas offering Qatar the greatest potential to achieve a pre-eminent position in financial services within the region as Asset Management, Reinsurance and Captive Insurance. The QFCA aims to build a leading-edge financial services marketplace where all participants, both domestic and foreign, benefit from the attractive local market potential and use it as a springboard into other countries in the region. To bring about this change, the QFCA has transitioned into a Sector Development role where its primary objective is to help build a vibrant and globally competitive industry in Qatar.



## Qatar is achieving its aim of becoming a destination for capital.

### Destination of Capital

Qatar is viewed around the world as a source of capital. Foreign investment is currently around 17% of GDP and in recent years Qatar has become accustomed to seeing a steady stream of businessmen and women enter the country to raise funds. Although this has helped secure wealth for future generations, Qatar is now gradually achieving its strategy of becoming a destination for incoming capital, as well as an increasingly sophisticated capital markets issuer.

Companies are recognizing that there are significant and real opportunities to deploy capital within Qatar to receive a sustainable flow of returns. Shell announced in November last year the investment of 21 billion US dollars in two LNG plants.

There are currently $87 billion worth of infrastructure projects underway in Qatar and a further $11 billion worth in the pipeline. Extensive infrastructure projects, coupled with growing populations and incomes have led to a dramatic increase in investment opportunities within the country.

Developments include a new international airport in Doha capable of handling 50 million passengers by 2015, and the expansion of the capacity of the Ras Laffan Port to handle 3,000 liquefied natural gas ships and other carriers each year.

Moreover, Qatar Airlines, the fastest growing airline in the world, aims to treble its fleet to 120 aircrafts by 2015, as well as developing a global cargo service. The airline has placed over $15 billion in aircraft orders since 2007.

It is clear that Qatar is now in a strong position, both financially and in terms of having the necessary infrastructure, to support and sustain growth for the future.

Companies are recognizing that there are significant opportunities to deploy capital within Qatar

# Developing Financial Markets

## Evolving Markets and the Qatar Exchange

Qatar is evolving at a rapid pace as a result of its strategy to build a successful financial services industry. It has laid the foundations to encourage growth of the financial services industry and a number of large scale projects are currently in the pipeline.

Reinvestment of hydrocarbon revenues is driving robust economic growth in Qatar and despite the downturn in the global economy, investable assets in the GCC countries have accumulated, with around US$ 1.6 trillion currently designated for investment in projects across a broad range of sectors in the GCC. In Qatar alone over the next three years, a further US$153 billion worth of projects are due to start. This wealth of activity has led to the development of the capital markets in the GCC and Qatar and has had a huge effect on increasing foreign direct investment.

The Qatar Exchange operates a well established domestic market with an active investor base

## Capital Markets

Compared with those of developed markets, market capitalization as a percentage of GDP is relatively small in the GCC countries. Market capitalisation as a proportion of GDP in the US, China and Luxembourg is 89%, 105% and 157% respectively, while only 67% in the GCC. Financial Services and basic industries account for two thirds of GCC market capitalization, whilst construction and property account for only 7.5%. Oman and Qatar are the only GCC countries recording capitalization growth between 2006 and 2009, with Qatar increasing its share of GCC capitalization from 8% to 12%.

At the heart of any thriving financial services industry is a successful exchange. The Qatar Exchange operates a well established domestic market with an active investor base. The agreement signed in June 2009 between Qatar Holding and NYSE Euronext, the largest exchange operator in the world, was the catalyst for building on those strong domestic roots and transforming the Qatar Exchange into a leading regional and global market.

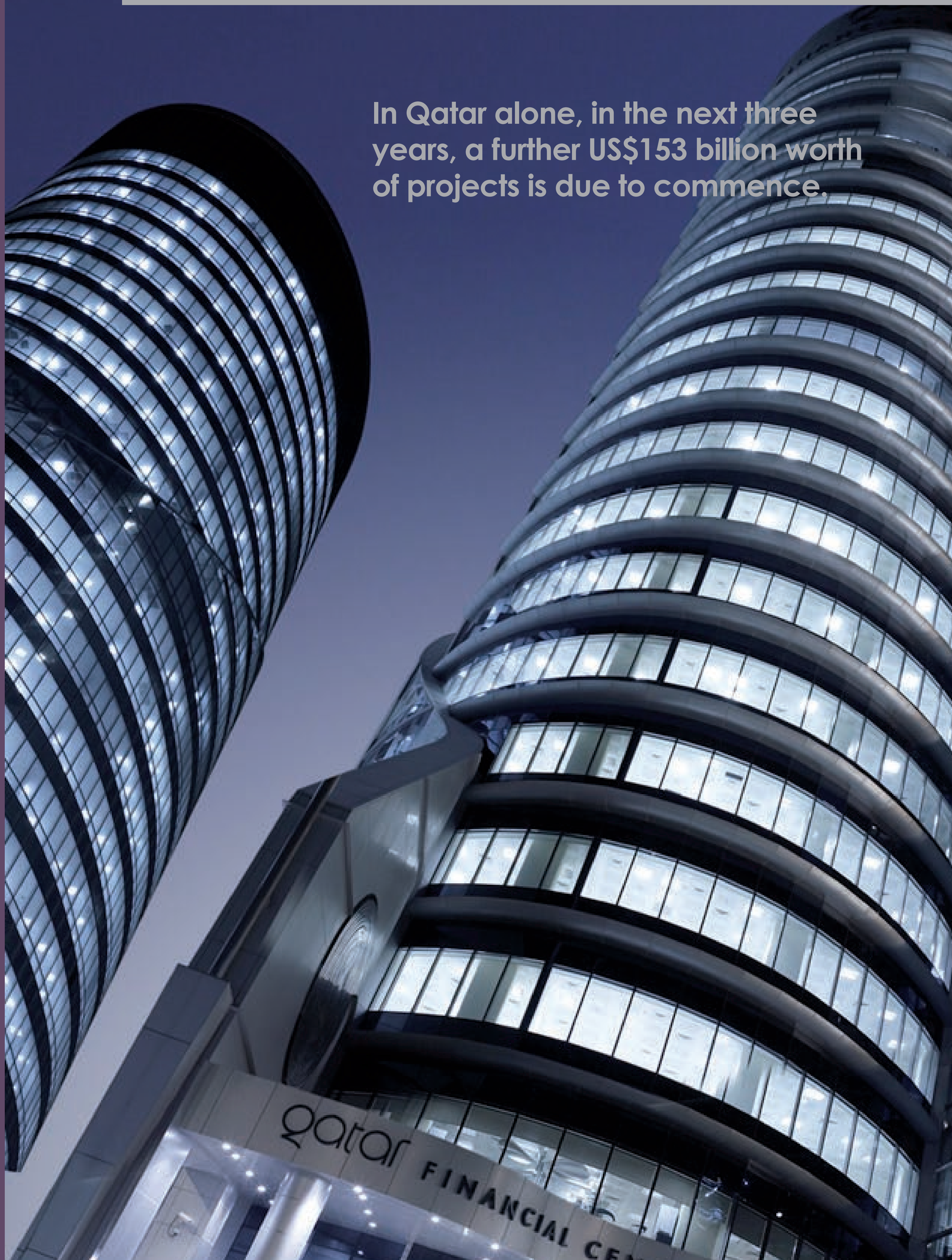
Plans are well underway to develop the Qatar Exchange, which includes introducing NYSE Euronext's Universal Trading Platform. Work is also in progress to commence Bond trading on the exchange later this year as well as Sukuks, Exchange Traded Funds and Derivatives in the near future. This will lead to greater market participation and enhanced disclosure, presenting new opportunities for investors both in Qatar and abroad. In addition, the development of the Exchange will help to raise the profile of the financial services industry in Qatar to a global audience.

Given the far greater willingness around the world to invest in the region, what was once a cautious approach, has now changed to how best to channel these investments and put them to work effectively. Developing a balanced structure in the region's capital markets is then not an end in itself, but a by-product in creating the mechanisms necessary for investment to occur. Just as the presence of oil or gas does not guarantee national wealth, so ample liquidity with no structures through which to invest it does not create long term economic infrastructure.

The Qatar Financial Markets Authority (QFMA) provides an engaging framework to facilitate the development of the industry. The QFMA recently introduced Qatar's first Corporate Governance code in accordance with the international principles and standards in collaboration with the Institute for Corporate Governance.



In Qatar alone, in the next three years, a further US$153 billion worth of projects is due to commence.





# Largest debt deal from an emerging market to date

In 2009, The State of Qatar issued a bond which is the largest debt deal from an emerging market to date, reflecting Qatar's expanding role as an increasingly sophisticated capital markets issuer. Benchmark dollar denominated bonds of 7 billion US dollars were issued in three tranches - 3.5 billion dollars of 5-year bonds, 2.5 billion dollars of 10-year bonds, and 1 billion dollars of 30-year bonds.

This ground-breaking offering established Qatar as the premier borrower in the region, given that this was one of the largest order books ever raised by an emerging market issuer. The deal generated a huge amount of interest - 28 billion US dollars of orders were received, making the issue four times oversubscribed. This was achieved two and a half days after the deal's announcement, and with just two investor conference calls. The size of the deal and the appetite to do business with Qatar are further evidence of market confidence in Qatar and its financial infrastructure.

This bond issuance was the lowest yield ever for a sovereign bond issued by the State of Qatar, despite being issued in November 2009, during continued global financial uncertainty. International Financing Review awarded the issue the "Emerging EMEA Bond of the Year" and Euromoney awarded it the "Middle East Deal of the Year". The deal succeeded not only in its own terms but also in establishing a liquid sovereign curve that encouraged subsequent corporate and bank issuance. Qatar has been able to use the bond proceeds to provide funding for state-owned companies, to invest in the international oil and gas industry and to finance infrastructure projects.

Qatar is now in a strong position to inject capital into companies in need of cash, following the recession, and to raise its global profile even higher this year. Qatari markets are continuing to gain depth and will increasingly become of interest to investors as they seek to diversify their portfolios.

Qatar is keen to continue to work on initiatives to consolidate its position as a hub for business in the Middle East, and will continue to create and adapt legislation to facilitate national and international business conducted in the country.

This ground-breaking offering established Qatar as the premier borrower in the region.

# Developing a 21st century Asset Management business in Qatar

## Strategic Focus of the QFC

The QFCA announced a new strategy at the end of 2009, focusing on the creation of three specific 'hubs' in asset management, reinsurance and captive insurance.

## Asset Management

The QFCA is committed to developing asset management in Qatar and aims to be a Gulf Cooperation Council (GCC) market leader within 10 years. The QFCA is building a leading financial services marketplace where all participants, both domestic and foreign, can benefit from the attractive local market potential. One of the primary economic policy objectives of the Government is to aid Qatar's economic diversification strategy, and the asset management industry is a key part of this strategy.

Qatar has a strong, robust economy, growing capital markets and a huge amount of wealth to be managed. Despite difficult investment markets worldwide, the country's accumulated reserves of wealth and relatively low debt levels in comparison with its regional competitors, continue to underpin the attractiveness of Qatar's economy. The country has been resilient during the financial and economic crisis and Qatar's GDP is forecast to grow by 16.1% in 2010.

Qatar's economy is also increasingly diversified. It achieved a balanced surplus of 8.4% of GDP in 2009 and a higher surplus of 21.1% is forecast in 2010. Featuring the world's largest Sovereign Wealth Funds (SWF) and a huge amount of privately held wealth, the GCC is an exceptional region in which to raise capital. Qatar's high net worth individuals' (HNWI) onshore liquid assets total $106 billion, while the total for assets available to manage in the GCC exceeds $1.2 trillion.

## Growth

The enhanced profile of SWFs has highlighted further potential infrastructure for investment managers to raise capital. 46% of the estimated US$3.9 trillion SWF assets globally were held by SWFs from the Middle East in 2008. Record oil prices have resulted in the creation of new SWFs and the share of Middle Eastern SWFs has grown both in the number and value of transactions from 2003 to 2008. Despite the number of transactions falling, in line with a global reduction in transactions, Middle Eastern SWFs were generally more active than SWFs from the rest of the world in 2009. As the global financial crisis worsened, SWFs investment patterns showed a marked shift towards greater investment in domestic and emerging markets.

The GCC countries witnessed significant growth in HNWIs' and Ultra HNWIs' wealth between 2004 and 2008. Ultra HNWI and HNWI wealth in GCC countries grew to US$1.5 trillion in 2008, an increase of nearly 46% from 2004. The number of ultra HNWIs and HNWIs in the GCC increased by 11% between 2004 and 2008. The population of wealthy individuals from the GCC is estimated to record a 13.5% compound annual growth rate (CAGR) between 2010 and 2013 and a 14.8% increase in liquid assets. This potential for growth, combined with its market resilience, make Qatar an increasingly significant destination for those looking to raise funds.

## Infrastructure

In recent years, Qatar and the MENA region have become progressively more important in terms of becoming key locations in which to deploy capital. Qatar has been largely sheltered from the financial and economic crisis and Qatar's GDP is forecast to grow by 16.1% in 2010. Current infrastructure projects in progress total $630 billion in the GCC and $87 billion in Qatar alone. Over the next three years, planned investment in infrastructure across the GCC is $1.6 trillion, with $130 billion in Qatar.

Despite subdued conditions for project finance globally, Governments in the GCC countries remain committed to development and infrastructure projects. In Qatar, 58% of projects currently underway are infrastructure and construction projects. Energy accounts for a further 30% of projects.

Investors are becoming increasingly interested in the Middle East and North African (MENA) region as a frontier market. Foreign Direct Investment (FDI) into Qatar totalled $5.4 billion in 2009 while Al Rayan Capital recently launched a $1.3 billion GCC Equity fund managed from Doha, demonstrating Doha's ability to launch funds and gather assets.

The Qatari Government and broader community are developing the required infrastructure for a thriving asset management marketplace. The Qatar Exchange (QE) is already a well established domestic market with an active investor base. The agreement signed with NYSE Euronext will transform it into a leading regional and ultimately global exchange, by allowing greater market participation and enhanced disclosure. It will allow for more products, more efficient pricing and better protection for fund managers and investors. QE is developing the NYSE Euronext Universal Trading Platform, bond trading capability, sukuks, ETFs and derivatives.



Developing a 21st century Asset Management business in Qatar

## Ensuring the continuation of a vibrant market

The Qatar Financial Markets Authority (QFMA) provides a framework for development of the asset management industry has recently introduced Qatar's first Corporate Governance Code in accordance with international principles and standards, which will reduce operational and business risk. The QFMA works with the QFC, which provides a secure and efficient business environment within Qatar and regulates its financial structure.

The State of Qatar is establishing a liquid sovereign yield curve that will encourage subsequent corporate and bank debt issuance, essential for vibrant capital markets. Qatar has established a favourable, stable and low tax structure for foreign companies of 10% which also allows for bilateral agreements with other tax regimes, while capital gains tax remains at 0%.

To further aid the development and extension of the asset management industry within Qatar, the QFCRA has proposed a number of measures such as allowing authorized firms to operate foreign funds, establishing a regime for QFC registered retail funds, allowing foreign funds to be marketed to retail customers and allowing the independent entity or custodian of a QFC collective investment fund to perform certain administrative functions for that fund.

These initiatives are moving Qatar towards its vision of a centre where top-tier investment companies, Qatari and global, will choose to conduct business. Qatar has the necessary foundations to build a thriving asset management and has established itself as an excellent place to raise capital business and possesses the strategy, infrastructure and dedication to achieve its global aspirations as well.

# The potential for a thriving insurance and reinsurance business in Qatar

## Exploring the Insurance market in the GCC

The potential for the Insurance market within the Middle East and North African (MENA) region is very promising but there is still work to be done. GCC non-life insurance markets remain relatively small by international standards. According to Swiss Re Sigma, direct premiums earned in the GCC region were US$11 billion in 2008. However, in non-life insurance, penetration rates have increased across the GCC with the exception of Kuwait. Premiums have trebled since 2003 and the potential for further growth is enormous.

In terms of reinsurance, the majority of the GCC non-life reinsurance premiums are ceded out to international reinsurers with regional reinsurers accounting for Gross Written Premiums of US$178 million, or only 6% of the total GCC non-life reinsurance market, valued at just over US$3 billion in Gross Written Premiums in 2008. There is great potential for companies in the GCC reinsurance market. While there are a number of promising regional companies, this accounts for a relatively small share of business with equity below US$300 million.



## Exploring the Insurance market in Qatar

Qatar has shown remarkable resilience in the recent turmoil and uncertainty in global markets, and has a strong economic momentum that is predicted to continue, making it one of the world's fastest growing economies over the next few years. As economic growth is a key determinant of insurance demand, it is anticipated that Qatar's insurance and reinsurance sectors will outperform other markets with a slower pace of economic recovery.

Total Gross Written Premiums for Qatar are forecasted to increase to US$3.23 billion in 2013 from US$1.54 billion in 2008, with an estimated Compound Annual Growth of 16%. Non-life penetration is estimated to increase to 2.10% of GDP in 2013 from 0.87% of GDP in 2008, according to BMI. As such, Qatar will be part of a global shift in the economic balance of power towards the emerging world, especially Brazil, Russia, India and China (BRIC), and although perhaps to a lesser extent, the MENA region. As businesses increase ir exposure to the Middle East and North Africa, the QFCA is confident that more will choose Qatar as a regional base.

The penetration rate in the GCC region is on the rise, having increased from 0.7% in 2000 to 0.9% in 2008. However, this is still only a fraction of the global average of 6.9%. These numbers indicate both some structural impediments to the take-up of insurance and tremendous growth potential as soon as these obstacles are removed. The potential of the insurance market across most of the GCC and Qatar is apparent when the low penetration level is compared with high per capita GDPs. Qatar boasts the highest GDP per capita whilst recording the non-life insurance penetration of a developing country.

The same picture emerges when analyzing insurance density, for example, premium spend per capita. In contrast with GDP per capita levels, the GCC region's average insurance density is below the global average of around US$600. However, the introduction of compulsory lines, a growing awareness of the benefits of insurance and high retail banking penetration coupled with a significant bancassurance potential suggests a narrowing of the gap. The Government's commitment to large scale infrastructure projects will be a powerful driver of demand for insurance products. This provides for a strong and stable outlook for marine, aviation, transport and property.

### The GCC region in general and Qatar in particular, hold significant promise for foreign insurers and reinsurers.

Reinsurance is a major component of the Qatar insurance market, with a US$5 billion business in the region and average cession rates close to 50%. Regional capacity is growing steadily and beginning to challenge the traditional dominance by other cessions primarily London, Zurich or Munich. At the same time, regional insurance companies are placing more emphasis on the cost effectiveness of reinsurance programmes as pressure from shareholders mounts and regulatory requirements change.

The net combined ratios of GCC non-life insurers (about 90% on average over the past few years) indicate a strong level of underwriting profitability. However, low net retained premium revenue of as little as 50% of gross premiums indicates a heavy reliance on international reinsurance support, especially for more complex and larger risks. Large reinsurance levels result in domestic product pricing being driven by global reinsurance cycles and companies.

The QFC allows all types of insurance, reinsurance, captive insurance and other financial services. Financial services institutions operating from the QFC are regulated by the Qatar Financial Centre Regulatory Authority (QFCRA). Base capital requirements amount to US$10 million and US$20 million for direct insurers and reinsurers respectively. For captives, they range from US$150,000 to US$1 million. All entities operating within the QFC can be 100% foreign-owned and in contrast with other regional financial centres, the QFC does not impose any restrictions on insuring domestic risks located within Qatar. Subject to obtaining the necessary approvals, authorized firms are fully permitted to conduct insurance business with retail customers.

The GCC region, and Qatar in particular, hold significant promise for foreign insurers and reinsurers. Driven by the influx of world-class foreign companies, a sound domestic reinsurance cluster is developing in Qatar. It will be boosted further by the strong pipeline of license applications with the Qatar Financial Centre Authority and high-profile initiatives such as Qatarlyst (covered in more detail later in the report). Qatar offers a highly competitive operating cost environment, for example in terms of taxation, commercial real estate and the quality and quantity of air links.

Qatar still has some way to go before it can compete globally, but it has already become an exciting place to do business. The initiatives that the QFCA has put in place are making Qatar increasingly attractive to foreign insurers and reinsurers. The QFCA has an innovative, structured and committed approach to building a global insurance hub in Qatar and the potential for growth throughout the coming year is considerable.


# The opportunity for Captive Insurance

The landscape for captive insurance is very interesting. Established domiciles like Bermuda, Guernsey and the Isle of Man which experienced very low or negative growth between 2002 – 8 have been challenged by new domiciles like Arizona, which grew by 70% over the same period.

QFCA analysis indicates potential for captive formation in Asia and the GCC with 1,496 potential captive parents in Asia, excluding the GCC and 72 potential captive parents within the GCC. While the World Captive industry grew by 4.6% Compound Annual Growth the Asian Captive industry, based on the number of captives, grew by only 2.7% from 2002 to 2008. This, along with the large number of potential captive parents in Asia, demonstrates the opportunity for growth.

Qatar's strong base of real assets and its huge pipeline of large scale infrastructure and investment projects offer tremendous opportunities for the captive insurance sector to develop, particularly as the necessary legislation is already in place.

## Reinsurance captives are gaining in importance

The ongoing credit crisis has propelled risk management into a more prominent position on CEOs' agendas and the liquidity crunch has required them to think even harder about capital efficiency and cash flow management. Captive insurance is one of the methods by which firms in the Middle East may gain access to more cost-efficient insurance cover whilst building sophisticated internal risk management processes.

## Not a new concept in the Gulf

These firms remained at the forefront of the latest risk management processes, thanks to the knowledge and best practice of their European and American partners. However, during the 1990s this sophistication in business practices did not spread into the wider business environment from these firms.

## Rapid economic growth has laid strong foundations for the growth of reinsurance captives

Reinsurance captives will continue to grow in Qatar for a number of reasons. Firstly, the incorporation of "International Financial Legal & Regulatory Frameworks" in Qatar and other jurisdictions in the Middle East has provided the business environment for the incorporation and operation of the captive insurance business. Risk management culture is another key factor, which started taking root in the region as family businesses began to be passed into the hands of a generation educated in the West; and looked to incorporate best practices into their firms. The generation of vibrant capital markets provided firms with an alternative source of fund raising, which was an important step for Qatar businesses.

Foreign investment and partnerships in sectors outside the oil and gas industries have brought greater awareness among local firms of business practices and the standards of sometimes more sophisticated partners. Another important factor is the rise of larger and more complex risks within the GCC , with the regions' countries expected to spend in excess of $2 trillion on infrastructure projects in the next ten years.

As a result of increased education, firms are beginning to understand the limitations of the risk covers available in the region, compared with their own requirements. This risk awareness is an important factor in the use of captives. Finally, the presence of international broking houses in the region, such as Heritage, Marsh, Aon and Willis, mean that risk management services are readily available.

## Benefits to be gained from using reinsurance captives

Firms in the Middle East can use captives to generate significant value for their business. There are distinct benefits to be gained. Firstly, captives offer improved access to the reinsurance market. They also provide a strong incentive to enhance internal risk management, as firms seek to identify, define and quantify their risks based on their own loss history, versus that of the market. Captives offer streamlined claims management, due to improved monitoring and proactive interaction with the claims servicer.

The use of captives increases risk management awareness across the whole of an organization and a risk management culture is promoted as a result. Wider coverage options are another benefit, even allowing for custom covers. Finally, captives result in more efficient capital deployment, due to greater control over insurance cost to invest. Captives are an important component of Qatar's increasing sophistication in the financial marketplace.

QFBA has been created to support the growth of Qatar as a global financial and business hub for the GCC



# Education and the cutting edge of new thinking

QFBA (Qatar Finance and Business Academy) is a learning and development organization designed and launched in 2009. QFBA has been created to support the growth of Qatar as a global financial and business hub for the GCC. One of the keys to this growth is education – business and professional education designed specifically for the requirements of industries, organizations and individuals in the GCC.

QFBA delivers transformational learning – this means creating a community of practitioners, tutors, coaches and academics who work together to deliver a learning environment that provides the intellectual input and ongoing support to deliver real individual and organizational performance change. Learning is not seen as a one-off event – learning is a journey of awareness, understanding, practice and ultimately capability. This means professionals are provided with a range of development support mechanisms (coaching, mentoring, classroom learning, experiential learning etc.) which will support them on their journeys.

QFBA is structured around two core activities: the Open Portfolio programs and Corporate Development. The Open Portfolio programs have been designed around the critical issues that are challenging professionals in the business environment today with specific focus on the opportunities in emerging economies. The portfolio includes a range of internationally accredited programs, identified in response to the needs of the national and regional Regulators. The Corporate Development team works with organizations to design and deliver learning structured around the crucial issues facing the business now and into the future. Typically this will be a combination of personal and organizational development, using learning mechanisms appropriate for the target professional population.

Alongside the Open and Corporate Development programme, QFBA is developing a range of initiatives which will contribute to the business environment. These include the development of a financial services research centre, focused on developing and delivering pragmatic primary data and secondary research, a coaching practice, a financial business English program, an intensive 5 day program structured around financial services terminology and a high potential Qatari program.

**Peter Barrett, Head of Corporate Training, RasGas said:**

"On several occasions, we have had the pleasure of working with QFBA to meet our training and development needs. The team has exceeded our expectations with their ability to provide flexible learning and facilitation solutions to meet the needs of our diverse and professional group of employees. QFBA's approach to training and facilitation leaves a positive impression on our employees and gives me peace of mind that our greatest asset is being provided with a world class experience."

**Quotes from Open programmes participants:**

"It was an excellent decision to participate in QFBA's programs; they have helped me considerably. I am sure my experience with the QFBA will have a positive effect on my chosen career."

***Rouza Johar, Asst. of CC&R Dept, BNP Paribas***

"I enjoyed studying at the QFBA and it added real value to my business experience".

***Noora Al-Naemi, Dealer Islamic Desk, Treasury Department, QNB Al-Islami***

"QFBA is a great place to study. Its program was excellent and useful for both my job and personal life as well."

***Huda Mohd. Aldosari, Assistant Auditor, Internal Audit Directorate, Qatar Foundation***

"Excellent course and a great presenter approach at QFBA. Very relevant, inventive exercises helped illustrate the effectiveness of the course. Everything was well explained and entertaining, even potentially cumbersome topics".

***Naeem Malak, Head of Applications, IT Dep.Q-Chem Ltd***

"QFBA was asked to partner with Enterprise Qatar in the implementation of a series of workshops for the SME initiative. The team who participated showed a true depth of understanding of the issues, and were invaluable in ensuring the groups delivered pertinent and relevant information that will assist in the development of the building blocks for our new SME authority."

***Sheikh Mohammed Abdul-Rahman Al-Thani, Director, Public-Private Partnership Ministry of Business & Trade.***

# Redefing Qatar's Financial Infrastructure

Qatarlyst is designed to streamline and improve insurance transactions and is a global first for the industry

## Qatarlyst

Qatarlyst, the trading name of Qatar Insurance Services (QIS), has developed considerably since its launch in June last year. Qatarlyst is the first global web-based system in the industry and is designed to streamline and improve insurance transactions. Qatarlyst differentiates Qatar and the region from all other insurance centres.

The Qatarlyst system currently supports the placement of Insurance, Facultative and Treaty Reinsurance and Re-Takaful. It offers all the processes required from both a placing and quoting perspective through to binding. This includes the ability to offer insurance contracts to a selected group of (re)insurers with structured data, negotiation on those offers, decline or acceptance of the offer, submission and agreement of endorsement or cancellations to bound quotes and contracts.

Designed to bring together a large community of insurers, brokers and reinsurers, Qatarlyst will allow this community to benefit from real-time information on the system to manage ongoing risk and to analyse and take decisions to new business.

### How is Qatarlyst different?

Accessed via a standard web browser from anywhere in the world, Qatarlyst is not only cost effective, but allows important transactions to be processed in a simple, secure way, which cuts out the risk of error, improves management information and control and saves time for busy brokers and underwriters. In devising the system, QIS worked with leading insurance and reinsurance companies as well as brokers from around the world, to create a solution to address the administrative challenges facing the industry today. Some analysts have predicted that the insurance market in the Gulf will double for Reinsurance and Large Commercial Risks in the next decade, which will make a paperless system such as Qatarlyst even more important.

The platform is now live and has thirty five customers, which means over 100 individual users. QIS is actively working to increase its customer base and to ensure that current customers get the full value from the platform. Qatalyst is such an intuitive system that training requirements are minimal.

The system contains all the documentation for an insurance or reinsurance transaction on the platform. Any changes to these documents are recorded and visible to all users and the system provides an advanced level of reporting, management control and management information.

### Advances

The latest function to be launched is 'Qatarlyst Access', which allows users to send business to non-members using the platform. This is critical for brokers who need to communicate with all insurance markets. Later this year claims and accounting functionalities will also be added to the platform.

"I do believe that Qatarlyst is a big leap forward for the insurance industry in this region and over time it will create immense value to the members. We are happy to have joined early."

***Thomas Alexander, Director, Nasco M.E. Insurance Brokers.***

The operational servers will shortly be moving to Qatar Data Centre, from the United States. Current customers are located in Bahrain, UAE, Kuwait and Qatar and include a good balance of insurance companies, brokers and reinsurers.

**James Sutherland, CEO of Qatarlyst:**

"This is a very exciting time for QIS. The team is focusing on growing our network throughout the region. Our strategy is rolling out as planned and has been very well received by the regional market. We are breaking new ground with this system but with a highly experienced management team and board, who have an excellent knowledge of the market, we are looking towards the year ahead very positively."



# Taxation in the QFCA

Recognising that taxation is a key issue for international business, the Qatar Financial Centre Authority (QFCA) remains committed to providing a first class, transparent, fair and efficiently administered tax regime.

Since its formation, the QFCA has regarded the creation of a business-friendly tax regime as an essential part of its overall strategy. Taxation supports the establishment of the QFCA as an onshore financial centre and the presence of a well structured corporation tax will ensure Qatar is not tainted with a 'tax haven' label in the international community. As well as promoting the international reputation of the QFCA, taxation will provide long term funding for its development.

The tax holiday in the QFC was extended to the end of 2009 and the tax regime, which now has all the necessary Government approvals, was formally enacted and is effective from the beginning of 2010.

The QFC tax regime supports the QFCA's hub strategy by exempting from tax captive insurers, reinsurance business and investment funds. Investment management firms will be subject to tax but 'carried interest' will be regarded as an exempt dividend, to encourage such firms to set up in the QFC.

The QFC tax regulations also include special provisions regarding the taxation of Islamic financial institutions and transactions. These provisions ensure that the tax on these transactions is not greater than the tax on institutions or transactions which are structured conventionally. These provisions are unique in the MENA region.

Companies within the QFC which are not specifically exempt will pay a flat 10% on accounting profits prepared under internationally recognised accounting standards, subject to a small number of tax specific adjustments. There are no withholding taxes in the QFC tax regime, facilitating repatriation of profit.

The State of Qatar has a solid, and rapidly expanding, tax treaty network from which QFC firms will benefit. Of particular interest is the treaty with the UK which was signed in 2009. The treaty network, combined with the availability of unilateral double taxation relief overseas, means that there will be no net cost from QFC taxation for many international firms operating in the QFC.

Compliance costs will be kept to a minimum by providing an efficient administration - an advance rulings regime. Tax returns will be made on a self-assessment basis and enquiries will be conducted within a transparent and fair statutory framework. The QFCA tax department will endeavour to resolve disputes quickly and at minimum cost to the taxpayer. Should litigation become unavoidable, taxpayers have access to a world class judiciary in the form of the Regulatory Tribunal, as the court of first instance, chaired by William Blair QC. The QFC Civil and Commercial Court, presided over by Lord Woolf, formerly the UK's Lord Chief Justice, will hear tax appeals from the Regulatory Tribunal.

The QFCA tax department is committed to providing a first class service to its customers. Internal technical and administrative guidance will be published, a first for the region, and taxpayer's rights and obligations will be clearly set out in a taxpayer's charter which will include details of clear and transparent complaint procedures. The QFCA tax department will also publish its customer service standards so that taxpayers are aware of the level of service they can expect to receive.

The long term success of the QFCA, and the success of the hub strategies, will be better served by a competitive yet robust tax regime than from short term gains arising from positioning the QFC as a tax haven. As the international community moves against harmful tax competition, it has become even more important that firms who locate to the QFC are here to conduct substantial business within Qatar, partaking in and contributing to the local economy.

## The MIA and Business in Qatar

The QFCA and the MIA share a reputation for establishing global standards and promoting Qatar to an international audience.

### The Museum of Islamic Art

As part of its programme for corporate social responsibility, The Qatar Financial Centre Authority (QFCA) is sponsoring the Museum of Islamic Art in Doha for the second year.

The museum has the largest collection of Islamic art in the world and is an important part of cultural life in Doha. It has a unique white geometric structure, which was created by the same architect who designed the glass pyramid at the Louvre in Paris and the National Gallery of Art in Washington DC, I. M Pei. Bringing together the traditional values of Qatar and the modern world of business is an important challenge facing the QFCA and this modern museum is a great representation of the old combined with the new, in the heart of Qatar.

The QFCA and the museum share a reputation for establishing global standards and promoting Qatar to an international audience. As the museum's strategic financial partner, the QFCA 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.



## Foreign Business in Qatar

The QFCA has worked hard to introduce initiatives to encourage businesses to set up in Qatar, which has resulted in an influx of well known international institutions applying for licenses. The aim is to establish Qatar as a global financial centre. Qatar's strong energy based economy, political stability, strong leadership and clear growth strategy has attracted extensive overseas interest.

Qatar's economy is driven predominantly by revenues from natural gas and oil resources. To expand and create a stable future for Qatar, the State of Qatar has diversified strategically. It has removed unnecessary trade restrictions and introduced a series of incentives to encourage foreign investments outside hydrocarbons in financial services, manufacturing and tourism and allowed 100% ownership of; allowing up to 100% ownership distribution, consultative, technical services and IT.

Foreign investment is vital to Qatar's growth. Consequently, corporate income tax has been reduced from 35% to 10 to attract companies to Qatar, and incentives have been introduced such as relaxing regulations governing foreign participation in Qatari economic activities. The cost of living in Doha is low, and there is a large supply of attractive office space in the city. The QFCA supports foreign businesses in Qatar by providing them with unrivalled local knowledge and research as well as facilitating immigration to ensure the full benefits from all that Qatar offers.

### Infrastructure

Infrastructure GDP per capita in Qatar is among the highest in the world and Real GDP is forecast to increase significantly in 2010 to 24%. As part of its diversification programme, the Qatari government has invested considerable amounts in diversifying the economy and strengthening infrastructure. A number of major projects are taking place in Qatar, due to be completed in 2015, which will help make Qatar more accessible to foreign businesses. These include the construction of a new airport, expected to become one of the world's largest, a 45 kilometre bridge connecting Qatar and Bahrain, a new port and 140 kilometre light rail system in Doha.

Qatar intends to bid to host the 2020 Olympics, which would dramatically raise its international profile, have a marked affect on tourism and provide world class sporting facilities for the youth of Qatar to use in t future. In addition, Qatar has also bid to host the 2022 World Cup, which would be the first time the tournament would be held in the Middle East, indicating the region's commitment and potential to host international sporting events.

### Quotes

Leading global professional services firm, KPMG, set up a QFCA registered entity in Doha three years ago.

***Omar Mahmood, a Director at KPMG in Qatar, commented:***

"The Qatari economy has proved to be resilient through the turbulent times that we have witnessed in recent years. The rapid pace of growth of the Qatari economy coupled with its growing status on the global stage, as a result of significant investment from the government, make Qatar a very attractive destination for companies from all over the world. The QFC is an integral part of the overall growth plan of Qatar and the recent streamlining of its strategy, with a specific focus on developing Qatar into a regional insurance and asset management hub, will further define the QFC and shape its future to come."

# Board of Directors and Management

HE Yousef Hussein Kamal
Chairman

HE Yousef Hussein Kamal is the Minister of Finance and Economy and Chairman of the Qatar Financial Centre Authority. He is Chairman of Qatar Financial Market Authority, Chairman of Qatar Steel Company, Chairman of Qatar National Bank, Managing Director of Government of Qatar Supreme Council for Economic Affairs and Investment, and Chairman of Ras Laffan Liquefied Natural Gas Company.

Dr Hussein Ali Al-Abdullah
Director (Non-Executive)

Dr Hussein Ali Al-Abdullah is an Executive Board Member of the Qatar Investment Authority, where he oversees the management and evaluation of the Government of Qatar's Investment Fund in the international and local markets. He is also a Director of the Board of Qatar Airways and of Gulf Investment Corporation of Kuwait.

Abdulrahman Alhmad Al-Shaibi
Managing Director

Abdulrahman Alhmad Al-Shaibi is Head of Qatar Petroleum's Project Finance Group. He is a member of various Executive Committees, and responsible for the ambitious expansion plans of Qatar Petroleum in the LNG sector, petrochemical and non energy sector projects such as aluminium and steel. Mr Al Shaibi is a member of the State's Finance Policy Committee, and a Board member of various other companies including Qatargas, its sister companies and Qatar Steel Company (QASCO).

HE Dr Khaled Bin Mohamad Al-Attiyah
Deputy Chairman

In 2008, Dr. Khalid bin Mohamed Al-Attiyah was appointed Minister of State for International Cooperation. He is responsible for representing Qatar to the global community. In June 2009 he was assigned Minister of State for International Cooperation, his task as Minister of Business and Trade, to ensure that Qatar is capable of trading in the global economy. Minister Al-Attiyah earned two bachelor's degrees; in Air Science and Law. He established a private legal practice in 1995. He also trained as a fighter pilot and served with Qatar's Emiri Air Force. From 2003 until 2008 he served as the President of the National Committee for Human Rights.

# Executive Committee

Shashank Srivastava
Acting CEO and Chief Strategic Development Officer

David Bode
Director of Audit and Risk

Ian Anderson
Director of Finance and Tax

Aida
Chief Administration Officer



Dr. Chris Gibson-Smith
Director (Non-Executive), Chairman Remuneration Committee

Dr. Chris Gibson-Smith is Chairman of the London Stock Exchange and Chairman of the British Land Company. He spent 31 years (including ten in the US) with British Petroleum in a variety of different roles culminating in Group Managing Director for four years.

Dr. Guocang Huan
Director (Non-Executive)

Dr. Guocang Huan is Chief Executive Officer of Primus Pacific Partners, a private equity firm founded with two other partners. He has held senior investment banking positions at JP Morgan & Co., BZW Asia, Citigroup and HSBC. His last position at HSBC was Head of Investment Banking, Asia-Pacific.

Rajat Gupta
Director (Non-Executive)

Rajat Gupta is Senior Partner of McKinsey & Company, the global management consulting firm. From 1994 to 2003, he was Worldwide Managing Director of McKinsey. Mr. Gupta serves as the United Nations Secretary-General's Special Advisor on UN management reform. He is an independent Director on the Board of the Goldman Sachs Group, and is the Chairman of the Board of the Indian School of Business and of the Associates of the Harvard Business School.

Ian Cormack
Director (Non-Executive)

Ian Cormack is a Non-Executive Director of Pearl Assurance Group. He was previously European Chief Executive of AIG Inc, and a founding partner of Cormack Tansy Partners, which provides strategic consulting advice to Boards of financial institutions. Prior to those roles he had a 30 year career at Citigroup/Citibank, leading to Global Industry Head for the Investment Industry.

Stuart Pearce
Director (Non-Executive)

Jon Morton
Director of the Qatar Finance and Business Academy

Licenses issued since 2006

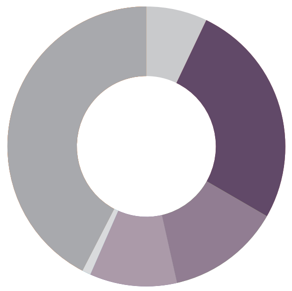
| | |
|---|---|
| BDO JawadHabib Consulting WLL | 12/10/2005 |
| Arab Jordan Investment Bank (Qatar) LLC | 05/12/2005 |
| Qatar Holding LLC | 04/04/2006 |
| Credit Suisse (Qatar) LLC | 01/03/2006 |
| Arab Law Bureau LLP | 20/03/2006 |
| AXA Investment Managers LLC | 23/04/2006 |
| Global Investment House (Qatar) LLC | 28/06/2006 |
| QREIC Sukuk LLC | 10/07/2006 |
| PricewaterhouseCoopers - Qatar LLC | 21/08/2006 |
| Eversheds LLP | 24/08/2006 |
| Eversheds Legal Services (Qatar) LLC | 24/08/2006 |
| Lalive in Qatar LLP | 31/08/2006 |
| Barclays Bank PLC | 10/09/2006 |
| Morgan Stanley & Co International plc | 12/09/2006 |
| Talent Partners in the Gulf Limited | 30/10/2006 |
| International Legal Consultants LLC | 13/11/2006 |
| AXA Insurance (Gulf) BSC | 19/11/2006 |
| Region Holdings LLC | 11/12/2006 |
| EMIRATES NBD PJSC | 12/12/2006 |
| Bank Audi LLC | 21/12/2006 |
| Alpen Capital Investment Bank (Qatar) LLC | 21/12/2006 |
| Clyde & Co LLP | 27/12/2006 |
| International Mercantile Exchange Holdings LLC | 27/12/2006 |
| HFI Middle East LLC | 28/12/2006 |
| Deutsche Bank AG Doha (QFC) Branch | 28/12/2006 |
| Badri and Salim El Meouchi, LLP | 28/12/2006 |
| QIC International LLC | 12/02/2007 |
| CHARTIS MEMSA Insurance Company Limited | 18/02/2007 |
| American Life Insurance Company ("ALICO") | 26/02/2007 |
| Qtel International Investments LLC | 01/03/2007 |
| Sayel M. Daher Law Offices LLC | 11/03/2007 |
| Morison Menon Chartered Accountants LLC | 18/03/2007 |
| Lehman Brothers International (Europe) | 18/03/2007 |
| ICICI Bank Limited | 21/03/2007 |
| Citibank, N.A. | 31/03/2007 |
| Crédit Agricole Suisse (Qatar) LLC | 31/03/2007 |
| Al Rayan Investment LLC | 03/04/2007 |
| The Royal Bank of Scotland plc | 04/04/2007 |
| WongPartnership LLP | 22/04/2007 |
| QINVEST LLC | 30/04/2007 |
| TAIB Bank Qatar LLC | 16/05/2007 |
| Accenture Middle East BV | 20/05/2007 |
| KPMG LLC | 24/05/2007 |
| BMI BANK B.S.C(c) | 28/06/2007 |
| Goldman Sachs International | 09/07/2007 |
| Doha Bank Assurance Company LLC | 16/07/2007 |
| Kestrel Aviation Management LLC | 23/07/2007 |
| GlobeMed Qatar LLC | 08/08/2007 |
| Nasco Karaoglan Qatar LLC | 08/08/2007 |
| Rödl Consulting Middle East LLC | 09/08/2007 |
| CORECAP MERCHANT BANK LLC | 28/08/2007 |
| Qtel International LLC | 28/08/2007 |
| Capstone Australasia LLC | 16/09/2007 |
| Salans LLP | 23/09/2007 |
| SNR Denton & Co | 09/10/2007 |
| Industrial and Commercial Bank of China Limited | 31/01/2008 |
| Zurich International Life Limited | 08/11/2007 |
| Haggie Hepburn Qatar LLC | 05/12/2007 |
| EFG-Hermes Qatar LLC | 13/12/2007 |
| Bank Sarasin-Alpen (Qatar) LLC | 17/02/2008 |
| Sumitomo Mitsui Banking Corporation | 08/03/2008 |
| McNair Chambers LLC | 08/03/2008 |
| Union National Bank | 08/03/2008 |
| Reed Personnel Services Qatar LLC | 13/03/2008 |
| DLA Piper Middle East LLP | 31/03/2008 |
| CCL Qatar LLC | 31/03/2008 |
| BLOM Bank Qatar LLC | 07/04/2008 |
| Cunningham Lindsey Qatar LLC | 19/05/2008 |
| Samba Financial Group | 25/05/2008 |
| Beltone Financial Qatar LLC | 28/05/2008 |
| Allied Advisors LLC | 18/06/2008 |
| Coutts & Co | 19/06/2008 |
| Marsh Qatar LLC | 30/06/2008 |
| Aon Qatar LLC | 22/07/2008 |
| UBS AG | 23/07/2008 |
| State Street Middle East North Africa LLC | 29/07/2008 |
| Latham & Watkins LLP | 18/08/2008 |
| RELIGARE CAPITAL MARKETS PLC | 31/08/2008 |
| Qatar First Investment Bank LLC | 04/09/2008 |
| Al Tamimi & Company International Ltd. | 10/09/2008 |
| MARSH BROKERS LIMITED | 14/09/2008 |
| McKinsey & Company, Inc. Qatar | 18/09/2008 |
| Citigate Dewe Rogerson Limited | 23/09/2008 |
| QNB Capital LLC | 28/09/2008 |
| Qatar Insurance Services LLC | 24/11/2008 |
| First Gulf Bank - QFC Branch | 24/11/2008 |
| Nexus Financial Services WLL | 30/11/2008 |
| Mitsui Sumitomo Insurance Company (Europe) Ltd | 17/12/2008 |
| Dewey & LeBoeuf LLP | 13/01/2009 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 15/01/2009 |
| Moore Stephens Services (Qatar) LLC | 05/04/2009 |
| Bloomberg L.P. – QFC Branch | 30/04/2009 |
| Nomura International plc, QFC Branch | 28/05/2009 |
| QInvest Partners LLC | 14/06/2009 |
| White & Case LLP | 09/07/2009 |
| International Financial Services (Qatar) LLC | 28/07/2009 |
| Allianz Takaful – QFC Branch | 09/08/2009 |
| Pacific Star Doha LLC | 27/08/2009 |
| T'azur Company b.s.c.(c) – QFC Branch | 17/09/2009 |
| Guardian Wealth Management Qatar LLC | 20/10/2009 |
| SEIB Insurance and Reinsurance Company LLC | 21/10/2009 |
| Chedid and Associates Qatar LLC | 21/10/2009 |
| Rothschild (Qatar) LLC | 18/11/2009 |
| Q-Re LLC | 06/12/2009 |



Licenses issued in 2009

| | |
|---|---|
| Mitsui Sumitomo Insurance Company (Europe) Ltd | 17/12/2008 |
| Dewey & LeBoeuf LLP | 13/01/2009 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 15/01/2009 |
| Moore Stephens Services (Qatar) LLC | 05/04/2009 |
| Bloomberg L.P. – QFC Branch | 30/04/2009 |
| Nomura International plc, QFC Branch | 28/05/2009 |
| QInvest Partners LLC | 14/06/2009 |
| White & Case LLP | 09/07/2009 |
| International Financial Services (Qatar) LLC | 28/07/2009 |
| Allianz Takaful – QFC Branch | 09/08/2009 |
| Pacific Star Doha LLC | 27/08/2009 |
| T'azur Company b.s.c.(c) – QFC Branch | 17/09/2009 |
| Guardian Wealth Management Qatar LLC | 20/10/2009 |
| SEIB Insurance and Reinsurance Company LLC | 21/10/2009 |
| Chedid and Associates Qatar LLC | 21/10/2009 |
| Rothschild (Qatar) LLC | 18/11/2009 |
| Q-Re LLC | 06/12/2009 |

Full list at www.qfc.com.qa Public Register



**Licensed firms by type**

- Asset Management 7%
- Bank 26%
- Insurance 14%
- Investment Bank 10%
- SPV 1%
- Non Regulated 42%

**Licensed firms by region**

- Europe 33%
- Asia Pacific 7%
- North America 18%
- Middle East 42%

(refers to all licensed firms)

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