QFC
مركز قطر للمال

YOUR GUIDE TO THE

QATAR FINANCIAL CENTRE



QFC
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01

AN INTRODUCTION TO QFC

Foreword

Qatar has one of the world's fastest-growing economies, projected to grow by 2.9 per cent in 2025 and 6.1 per cent in 2026[1]. The country has the 13th highest GDP per capita at well over USD 76,000[2] in 2024. It has strong population growth, consistent solid credit ratings and has achieved budget surpluses for many years.

Qatar is focused on achieving sustainable growth through robust economic diversification and increased global participation. The State has outlined its long-term growth strategy in the Qatar National Vision 2030, centred around four key pillars: Environmental, Human, Social, and Economic Development. This strategy blueprint underscores the State's commitment to creating an advanced society capable of sustaining its development and providing a high standard of living for its people.

To attract foreign investment into Qatar, the Qatar Government has issued laws to create a favourable business environment for foreign investors. Amongst these is Law No. 7 of 2005, creating the Qatar Financial Centre (QFC).

[1] *https://www.imf.org/en/countries/qat*

[2] *https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=QA&most_recent_value_desc=true*

What is the QFC?

The QFC is an onshore business and financial centre located in Doha, established to drive Qatar's economic growth and diversification and to provide an attractive platform for firms that want to establish and do business in and from Qatar and the region. Initially set up to provide domestic and international firms with a broad range of financial services related to banking, asset management and insurance businesses, the QFC has evolved over the years to align with Qatar's economic objectives and prevailing opportunities in the Qatari market.

The QFC provides a transparent regulatory environment and competitive value proposition. It offers its own legal, regulatory, tax and business infrastructure, which allows up to 100% foreign ownership, unlimited repatriation of profits and a competitive rate of 10% corporate tax on locally sourced profits.

Since the QFC is not a separate geographical zone, all entities in the QFC operate on a fully onshore basis with the ability to access and do business in the local market from over 81 designated locations with no restrictions on the currency in which they can trade. A QFC firm may transact business with customers locally, regionally or internationally. However, a QFC firm may not engage in any financial activities that are prohibited by the QFCA or QFCRA, regardless of its customer's location.

The QFC Law prescribes a range of activities that may be conducted in or from the QFC, described as "Permitted Activities". A range of corporate vehicles and arrangements for investing and holding assets or managing business interests and operations is also available.

What laws apply in the QFC?

One of the key differences between incorporating an entity in the QFC as opposed to within the State of Qatar is that QFC entities are required to comply with the QFC regulations and rules, and QFC-regulated entities undertaking financial services in the QFC are required to comply with the QFC's Financial Services Regulations. Certain QFC entities are also required to comply with the requirements of the Qatar Central Bank and the Qatar Financial Markets Authority.

The QFC's legal system is based on common law and is separate from the laws of the State of Qatar. However, certain State laws are still applicable to QFC entities, including Law No. 11 of 2004 establishing the Penal Code and Law No. 20 of 2019 on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT Law), which are both applicable to all entities in the QFC.

The QFC has developed a comprehensive set of regulations and rules for businesses, which cover several areas, including:

- Contracts
- Financial services
- Insolvency
- Immigration
- Employment
- Data protection
- Tax

These regulations and rules can be found at www.qfc.qa/en/laws-and-regulations

Tax in the QFC

Special regime zones, such as the QFC, may be easily confused with offshore tax jurisdictions, commonly known as 'tax havens', which have been under increasing international scrutiny in recent years, putting pressure on corporations, funds, and other investment structures to move away from such jurisdictions.

It is important to note that the QFC has differentiated itself as an onshore jurisdiction with an attractive tax regime and a cost-effective operating environment.

The QFC tax regime is characterised by two key features: carefully designed tax incentives and a high degree of transparency and certainty, with all relevant materials available online, as well as access to an efficient ruling service.

The key incentives and benefits of the QFC's tax regime include the following:

- A moderate corporate tax rate of 10% on locally sourced profits
- Tax exemptions for holding companies on most common income streams, i.e., dividends and capital gains
- Tax exemptions for passive (i.e., investment) holding companies
- Tax exemptions for qualifying Special Purpose Companies (SPCs), including those used in structuring Islamic Finance transactions
- Absence of withholding tax on outbound payments
- Absence of income tax, wealth tax or Zakat
- Absence of VAT[3]
- Access to a wide and efficient network of double taxation agreements with over 80 jurisdictions

The granting of these incentives is contingent upon QFC firms fulfilling several requirements related to economic substance, as per international tax standards.

In relation to transparency and certainty, the QFC regime offers an efficient advance ruling service whereby the QFCA issues binding rulings on the tax treatment of specific transactions/ arrangements, allowing QFC firms a high degree of certainty on their tax liabilities. Some of these rulings may be exchanged with other jurisdictions in accordance with international standards.

In addition, the QFC publishes its entire in-house tax guidance, the 'QFC Tax Manual', online, available to the public to help taxpayers and their agents understand QFC's tax rules and regulations and to provide a higher degree of clarity, transparency and certainty.

Please refer to Chapter Nine for more details on the QFC's tax regime.

[3] *Note, however, that in 2016 Qatar entered with the other GCC member States into a unified agreement to introduce VAT*



02

STRUCTURE OF THE QFC

QFC Bodies

The QFC comprises four independent bodies:

- The QFC Authority (QFCA)
- The QFC Regulatory Authority (QFCRA)
- Qatar International Court and Dispute Resolution Centre (QICDRC), comprising two independent judicial bodies: The Civil and Commercial Court and the Regulatory Tribunal.

Qatar Financial Centre Authority (QFCA)

The QFCA is responsible for managing the commercial and strategic aspects of the QFC. It was established by the QFC Law to undertake a variety of functions, including commercial strategy and business development for the QFC. The QFCA carries out the following main objectives and responsibilities:

- **Establishing, developing and promoting the QFC**
- **Managing and maintaining the QFC legal and tax environment**
- **Determining the terms and conditions for the issuance of licences for the entities carrying out permitted activities in or from the QFC**
- **Providing assistance and services to QFC entities through the set-up process and beyond**

Qatar Financial Centre Regulatory Authority (QFCRA)

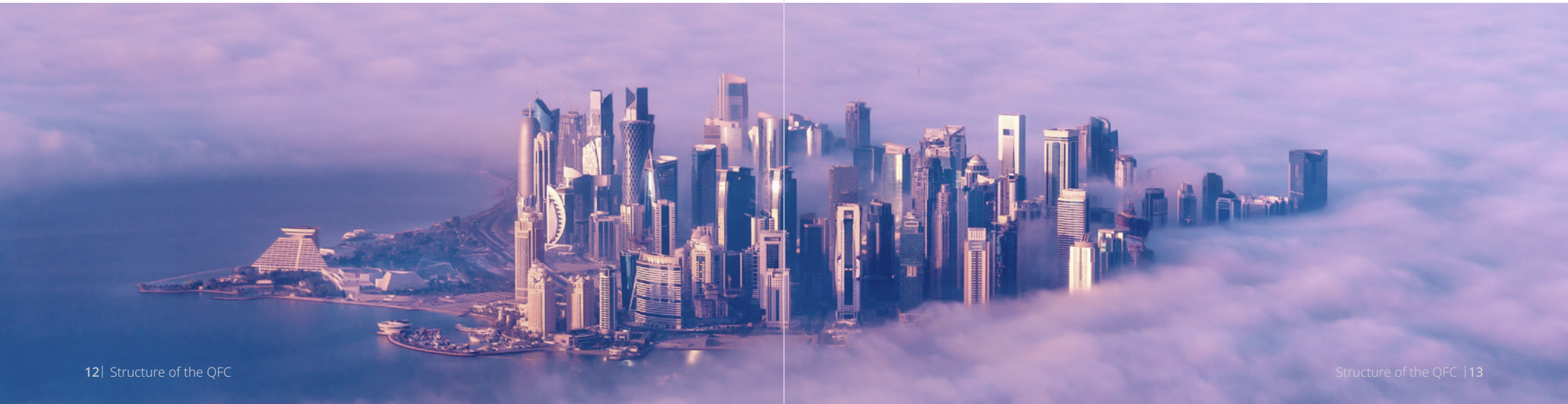
The QFCRA is an independent body established under the QFC Law, which authorises and supervises financial services firms that conduct regulated activities in or from the QFC.

Qatar International Court and Dispute Resolution Centre

The Qatar International Court and Dispute Resolution Centre (QICDRC) was established by QFC Law No. 2 of 2009 (amending certain provisions of the Qatar Financial Centre (QFC) Law) as part of the State of Qatar's initiative to establish the QFC as a world-class international financial centre.

It was designed to have international standards in dispute resolution and to be an integral part of the strategy of the QFC to attract international business and financial services into Qatar. The QICDRC provides a modern, specialist Civil and Commercial Court and Regulatory Tribunal designed to hear cases quickly, economically and in front of internationally renowned, independent judges.

The QICDRC's remit was expanded in 2021 to include the Qatar Free Zone within its jurisdiction.



03

THE LEGAL FRAMEWORK

QFC Law

The QFC Law contains a number of provisions covering key aspects of the QFC including:

- The QFC Board, its make-up, powers and authorities
- The QFCA, its objectives and powers
- The Companies Registration Office
- The QFCRA, the Regulatory Tribunal and the Civil and Commercial Court
- Powers to make regulations
- Permitted activities within the QFC
- Licensing of operations
- Revenues of QFCA
- Taxation

The Chairman of the QFCA, in his capacity as Minister of Commerce and Industry, has the power to enact regulations that are administered by the QFCA, including any appropriate amendments or modifications. Certain regulations of high importance – such as those concerning the QFCRA, the Qatar Civil and Commercial Court and the QFC Regulatory Tribunal – require the consent of the Council of Ministers before being enacted.

Interaction with other laws

As mentioned earlier, the criminal laws and sanctions of the State of Qatar apply in the QFC. Pursuant to article 18 of the QFC Law, however, the conduct of any business in the QFC in accordance with the approval, authorisation or license issued under the QFC Law and in compliance with QFC Regulations shall not constitute an offence or be a breach of any criminal or other law applicable in the State.

Article 18(3) of the QFC Law provides that QFC laws and regulations shall apply to contracts, transactions and arrangements conducted by entities established in or operating from the QFC, with parties or entities located in the QFC or the State but outside the QFC, unless the parties agree otherwise.

Moreover, article 18(4) of the QFC Law authorises the QFCA to issue visas, permits and other documents relating to or required for employment in or doing business with or in the QFC and requires all State authorities to accept them.

QFC Permitted Activities

The QFC Law prescribes a range of activities, described as "Permitted Activities", which may be conducted in or from the QFC. Within the range of Permitted Activities, there are two sub-classifications: Non-Regulated Activities and Regulated Activities. The QFC Law requires all firms wishing to conduct Permitted Activities in or from the QFC to obtain a licence from the QFCA.



QFC Regulations

The QFC Regulations establish the legal framework, including legal and business infrastructure, for those doing business in the QFC. Each of the QFCA, the QFCRA, the Regulatory Tribunal and Civil and Commercial Court has the power to prepare and submit to the Minister of Commerce and Industry any regulations, and the Minister is empowered to enact the same in certain circumstances with the consent of the Council of Ministers. The Minister is also empowered to enact amendments and modifications to, and may repeal, existing regulations.

The QFC Regulations govern the following matters:

- The formation, registration, operation, rights and obligations of companies, partnerships and other entities incorporated in or operating in or from the QFC
- The creation of QFC institutions and their respective management, objectives, duties, functions, powers and constitutions
- Matters relating to the QFCRA, the Regulatory Tribunal and the Civil and Commercial Court
- Banking, financial and insurance-related activities carried out in or from the QFC
- Contract and agency and regulations relating to trusts applicable in the QFC
- The jurisdiction of courts and arbitrators in and outside Qatar in connection with activities carried out in the QFC and the enforcement of contractual provisions
- The giving and taking of security
- Immigration and employment of, and the issue of visas and other permits to, persons working in or visiting the QFC
- Prohibitions on money laundering and other financial improprieties
- Privacy and the protection of private information
- Intellectual property rights

The QFC Financial Service Regulations (FSR) are the primary regulations which define the management, objectives, duties, functions, powers and constitution of the QFCRA and set forth the prudential and compliance regime for QFC entities carrying out Regulated Activities (as discussed in Chapter Six).

QFCA Rules

The QFCA Rules contain rules made and guidance issued by the QFCA. These rules expand on the provisions of the QFC Regulations. The QFCA Rules apply to all licensed firms, whether conducting Regulated Activities or not.

QFCRA Rules

The QFCRA Rules and the guidance issued by the QFCRA with respect to the operations of authorised QFC firms expand on matters contained in the FSR. Such rules include the Anti-Money Laundering and Combating Terrorist Financing Rules, Investment and Banking Rules, Insurance Business Rules, Collective Investment Schemes Rules and the Islamic Finance Rules, amongst several others.

04

FORMS OF LEGAL ENTITIES AND ARRANGEMENTS THAT CAN BE ESTABLISHED IN THE QFC

Establishment of entities in the QFC

The QFC allows for the establishment of entities with up to 100% foreign ownership, including:

i. Limited liability companies
ii. Special companies, including holding companies, special purpose companies and investment clubs
iii. Foundations
iv. Trusts
v. Branches of a non-QFC company
vi. Partnerships (including limited partnerships and general partnerships)
vii. Limited liability partnerships

Forms of Legal Entities

Limited Liability Company

One or more persons may apply for the incorporation of a Limited Liability Company (LLC) for the purpose of carrying on a business of the kind permitted by the QFC Law.

A QFC LLC is a separate legal entity with limited liability. It must have a minimum of one member, which can be of any nationality acceptable to the QFCA. There is no minimum share capital for an LLC conducting Non-Regulated Activities, and the share capital may be in any denominated currency acceptable to the Companies Registration Office (CRO). A QFC LLC shall at all times have a registered office situated in a QFCA-approved premises and shall carry out its business from such registered office.

Limited Liability Partnership

Two or more persons may apply for the incorporation of a Limited Liability Partnership (LLP) under the Limited Liability Partnerships Regulations 2005 for the purpose of carrying on a business of a kind permitted by the QFC Law.

A QFC LLP is a separate legal entity governed by a Limited Liability Partnership agreement with a predetermined liability limit. There must be a minimum of two or more members of any nationality to enter into a Limited Liability Partnership agreement. There is no minimum share capital for LLPs conducting Non-Regulated Activities, and each member of an LLP shall be liable to contribute to its assets in the event of its being wound up, to the extent the member has agreed to make such a contribution. An LLP shall at all times have a registered office situated in a QFCA-approved premises and shall carry out its business from such registered office.

General Partnership

Two or more persons may establish a General Partnership, which is a partnership but not a limited partnership, under the QFC Partnership Regulations.

A QFC General Partnership is not a separate legal entity; it is a partnership between two or more persons carrying on business together. Each of the partners in a General Partnership has unlimited liability and is personally liable jointly and severally with other partners for the partnership's debts and liabilities. Partners are required to enter into a partnership agreement, and no partner may be required to contribute capital to the partnership. An address for the service of each partner must be disclosed, and proper accounts and accounting records must be kept and be available.

Limited Partnership

A Limited Partnership is a partnership comprising at least one general partner and at least one limited partner and may be established in the QFC under the QFC Partnership Regulations.

A QFC Limited Partnership is not a separate legal entity. A general partner has unlimited liability, and a limited partner has limited liability, provided it does not take part in the management of the partnership business and affairs. Partners will sign and file with the CRO an incorporation document and a limited partnership agreement, and no partner may be required to contribute capital to the partnership. A Limited Partnership shall at all times have a registered office in a location approved by the QFCA, file their annual returns and have their accounts audited and filed with the CRO.

Branch of a non-QFC company or non-QFC Limited Liability Partnership

A non-QFC company or non-QFC Limited Liability Partnership can register as a branch with the CRO in accordance with the relevant regulations to establish a legal presence within the QFC. The non-QFC company or non-QFC Limited Liability Partnership will be the applicant and is principally liable for the compliance or non-compliance of the registered branch.

A branch must appoint and retain a principal representative in the QFC who is authorised to accept service of documents or notices and undertake any function permitted by the Companies Regulations. It must have a principal place of business in a QFCA-approved premises and is required to file with the CRO notices of any changes to the principal representative, place of business, constitutional documents of the non-QFC company and directors of the non-QFC company.

Every branch must keep proper accounting records available for inspection by directors and auditors of the non-QFC company.

05

NON-REGULATED ACTIVITIES

Non-Regulated Activities

QFC entities are permitted to conduct a wide range of activities outside the sphere of what are classified as Regulated Activities. As explained above, these are generally known as Non-Regulated Activities. Non-Regulated Activities include professional and business services, corporate and holding structures, structures for families and individuals, fintechs and token service providers.

Corporate Solutions

The QFC offers a number of specialised corporate entities and structures that cater to the corporate sector, i.e., businesses that require entities or structures to carry on either passive or active management or corporate functions. This would include, by way of example, mergers or acquisitions, holding or disposing of assets, owning subsidiaries, securitisation, raising funds, investment schemes, and management and treasury functions.

These entities can hold assets and liabilities and can be relatively inexpensive to create and maintain while offering possible taxation, regulatory and confidentiality benefits.

These specialised entities can cater to the needs of companies in any industry, including financial services, construction, healthcare and energy, and are available to Qataris, foreigners, existing businesses in Qatar or new enterprises to Qatar.

Special Purpose Companies

A Special Purpose Company is a company incorporated under the QFC's Special Companies Regulations and registered by the CRO as a "Special Purpose Company".

They can be established to carry out a wide range of activities to support the execution of a transaction or series of transactions.

A Special Purpose Company must appoint and retain a QFCA-approved "support services provider". The QFCA currently has several approved support services providers on its register. A support services provider can provide one or more of the following services:

- Services as a registered agent, director, company secretary or similar officer
- A registered office, place of business or address

Holding Companies

A QFC holding company is designed to hold assets for itself or its shareholders. A QFC holding company may carry on one or more of the following activities:

- Holding and maintaining one or more subsidiaries
- Granting any type of security interest over its assets for its own benefit or for the benefit of any of its subsidiaries
- Providing an indemnity, guarantee or similar support to any third party for its own benefit or for the benefit of any of its subsidiaries
- The acquisition, holding or disposal of any interest in any asset, whether tangible or intangible, for its own benefit or for the benefit of any of its subsidiaries
- Providing any type of loan or other form of financing to any other member of its group
- Any ancillary activities

Corporate Headquarters

International and Qatari companies can establish their corporate headquarters in the QFC. Headquarters are a company's home base and the focal point for planning, decision making and regulatory activities. In the QFC, registered corporate headquarters may carry out the following types of activities for a corporate group:

- Strategic planning
- Financial planning
- Marketing and corporate communications
- Treasury management and operations
- Managing human resources
- Centralised procurement
- Managing global operations and providing other shared services

International and Qatari companies alike can establish their management functions in the QFC. Management functions in the QFC are permitted as a central regional platform, providing strategic management and intra-group support services and facilitating the transfer of profits to the corporate headquarters.

Corporate Treasury Functions

Corporate treasury functions and support operations, including funding administration, foreign-exchange risk management, cash management and investment services can be undertaken in the QFC as a Non-Regulated Activity.



High-Net-Worth Individuals and Family Offices

In addition to special purpose companies and holding companies, the QFC offers structures that high-net-worth families and individuals can utilise to enable them to manage, preserve and grow their assets and business interests. There are several specialised structures available in the QFC that can be utilised by families and individuals for this purpose, including:

Single Family Office

Foundations

Trusts

Single Family Office

A Single Family Office is a body corporate established in the QFC for the sole purpose of providing services and carrying on activities in relation to a "Single Family" in accordance with the QFC's Single Family Office Regulations. A Single Family is a family made up of a group of individuals, all of whom are the bloodline descendants of a common ancestor or their spouses (including widows and widowers, whether or not remarried.)

A Single Family Office must have a registered office situated in the QFC and carry on its principal business activity at or from the registered office.

A Single Family Office provides services to a Single Family in relation to one or more of the following activities:

- Investment and financial activities or services
- Management of investments, money and other assets
- Arranging or providing custodian or fiduciary services
- Accounting
- Acquisition, transfer, disposal or distribution of assets or property
- Provision, formation, operation and administration of a family fiduciary structure or entity
- Acting as directors, partners or in a similar capacity in relation to family fiduciary structure, entity or trust
- Other services falling within the Permitted Activities specified in Schedule 3 of the QFC Law

Foundations

QFC Foundations have the capacity, rights, and privileges of a natural person. A foundation can be used for succession planning, asset protection and even employee share plans. Foundations are managed by a "Council" and shall not be established for charitable purposes. Foundations must also appoint an "Enforcer" who will ensure that the Council carries out its functions and acts in the best interests of the Foundation.

Trusts

The QFC provides for trust structures not ordinarily available in civil law jurisdictions. A QFC trust is not a licensed entity but must be registered with the QFC. Trusts can operate a business or hold and manage assets in the same manner that a person or a legal entity can do with beneficial interests distinct from legal interests. Trusts can be used for several purposes and are commonly used in inheritance and family asset planning and supporting charitable initiatives. Trust beneficiaries will have rights or interests in assets that are not owned by them. A beneficiary can be either a person or an entity. Trustees are individuals or entities that administer a trust according to the trust's objectives or the beneficiary's interests.

Further details of the types of activities which can constitute Non-Regulated Activities are set out in the Non-Regulated Activities Rules which can be found at https://qfcra-en.thomsonreuters.com/rulebook/non-regulated-activities-rules

Fintech

Types of licenses the QFC offers for FinTech companies/firms

The QFC offers a specific license for Financial Technology (FinTech) firms services, categorised under Financial Technology (FinTech) Services.

How QFC define FinTech

An establishment engaged in providing technology-enabled innovation in financial services that could result in new business models, applications, processes or products with an associated material effect on financial markets and institutions and the provision of financial services.

Fintech activities that may be conducted in or from the QFC

The following non-regulated activities are currently permitted:

Cybersecurity Solutions

- Providing cybersecurity solutions and advising on cybersecurity in the context of FinTech services.

API Services

- Offering Application Programming Interfaces (APIs) over the internet tailored to services.

Cloud Computing Solutions

- Delivering cloud computing solutions specifically for FinTech services.

Algorithm-Based Financial Tools

- Developing tools for algorithm-based portfolio management, personal finance management, and budgeting.

Ancillary Services

- Supporting ancillary services deemed necessary for the provision of FinTech services, as determined by the QFCA.

Blockchain and Distributed Ledger Technologies

- Developing and promoting blockchain-based technologies through distributed ledger technology applications for FinTech.

Real-Time Transaction Platforms

- Providing platforms to facilitate real-time transacting capabilities, including e-commerce, for internet-connected devices.

Innovative Computing Resources

- Offering innovative delivery methods for computing resources such as data storage, software processing, and email handling

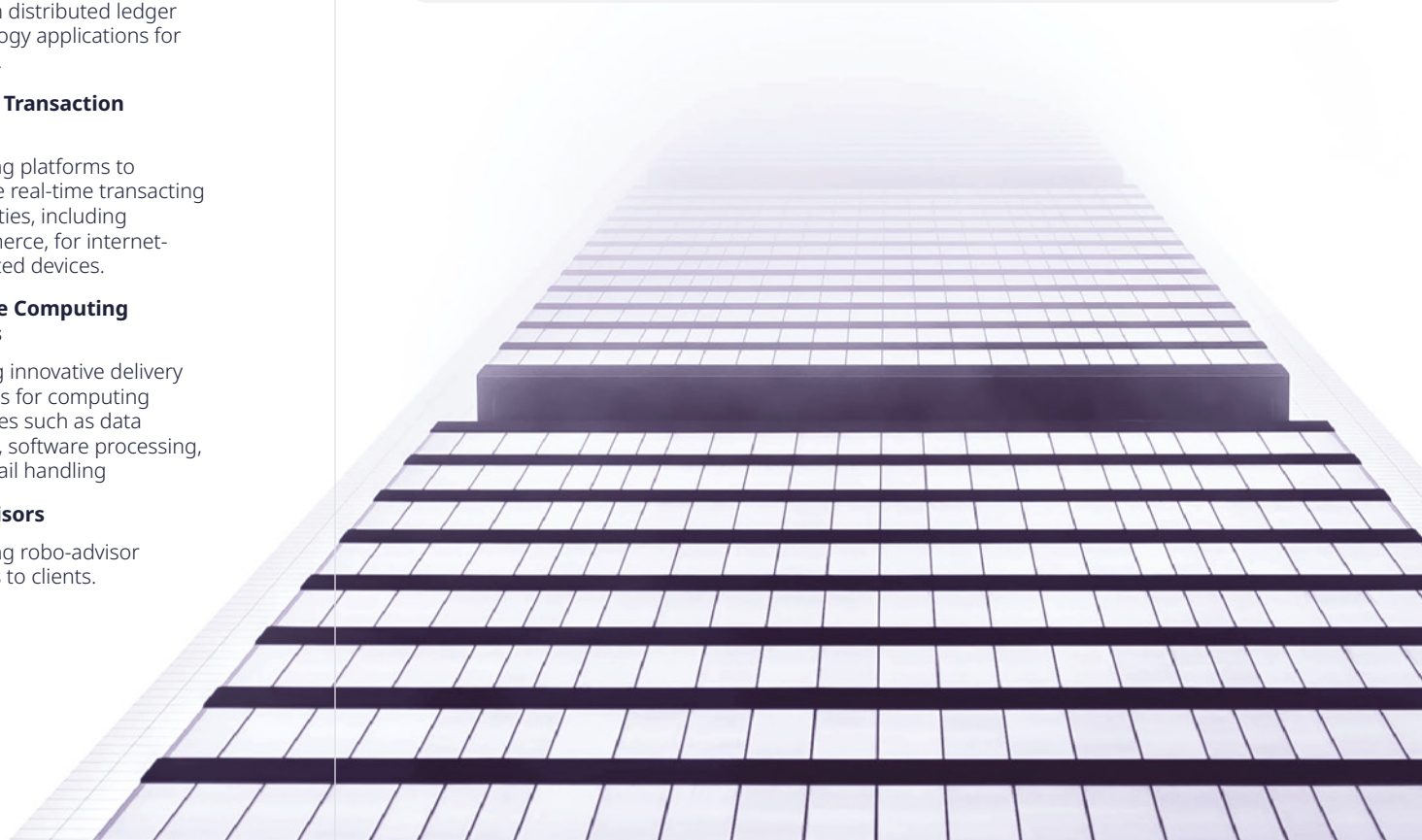
Robo-Advisors

- Providing robo-advisor services to clients.

Restricted activities and activities requiring additional authorisation

Entities with a FinTech Services License under the QFC can only conduct B2B business model and are restricted from engaging in activities such as accepting deposits, providing or arranging credit facilities, dealing in or arranging deals in investments, managing investments, and advising on investments without additional authorisation. Other restricted activities include providing or arranging custody services, effecting or carrying out insurance contracts, operating collective investment funds, and establishing representative offices. These activities require explicit approval from the QFC Regulatory Authority (QFCRA) to ensure compliance with regulatory standards.

Entities with a FinTech Services License under the QFC must also be aware that certain activities fall under the regulation of the Qatar Central Bank, such as those governed by the Payment Services Regulations (PSR). These include providing payment services, issuing payment instruments, electronic money etc. Any entity engaging in these activities must comply with the Qatar Central Bank's specific regulatory requirements and obtain the necessary authorisations to operate legally.



Application Process

Obtaining a licence from the QFCA to carry on FinTech Activities

1 Expression of Interest and Consultation

You can initiate your expression of interest in setting up an entity under the QFC by completing the 'Start Your Setup' form. At this stage, we encourage you to review the QFC, QFCRA, and other relevant regulations for self-assessment. Based on your plans and business operations, we will determine whether your operations are aligned with 'QFC Permitted Activities'.

2 Complete Online application

If your proposed business operations align with the non-regulated fintech activities permitted under the QFC, a link will be shared with you to access our secure QFC portal, where you can complete an online "Application for Registration and License".

Applicants submit their business case to the QFC by providing the following details:

- The name of the proposed firm
- Permitted activities of the proposed firm
- Description of activities and business model
- Share capital and shareholder details
- Financial projections
- Registered office address
- Details of directors, secretary, and senior executive function
- Ultimate beneficial ownership details
- Constitutional documents of the proposed firm

This process ensures that all necessary information is gathered to assess the suitability of the proposed entity.

3 Review & Incorporation and Licensing

The QFCA will review the information provided in the Application Form and assess the suitability of the applicant to be granted a licence (and associated registration, if sought). The application process is interactive and may involve correspondences, meetings and reports from third parties.

Once approved by FSO, the application is routed to CRO for incorporation and licensing. The CRO may, at its discretion, request further information on the proposed firm or reject the application as part of the manual verification process. If approved, the firm's incorporation documents will be issued, allowing the proposed firm to conduct business immediately.

Application Submission, Fees and Processing

The Application fee for an entity that wishes to carry out Non-Regulated Activities is USD 500, inclusive of one business activity. The fee for any additional business activity is USD 50 per activity. Annual fees are entity-dependent but vary between USD 500 and USD 5,000 plus any additional business activity fees.

All QFC-licensed firms are required to have a registered office located on QFC designated premises. The application for incorporation and licensing allows applicants to select a registered office address in designated business premises. If the applicant is considering premises that are not designated, it will need to contact the QFCA to discuss the possibility of applying for the premises to be designated as a QFC-approved location.

Compliance with QFC requirements

All licensed firms should establish a compliance function in order to maintain compliance with the applicable rules and regulations. The major compliance areas include:

General conduct: The licensed firm shall ensure it remains "fit and proper", complies with any applicable regulations and rules and conducts itself at all times in a manner that reflects and promotes the spirit, purpose and objectives of the QFC, and does not harm or hinder the QFCA in achieving its objectives, strategies and priorities.

Disclosure of licensed status: A licensed firm must take reasonable care to ensure that its status as a firm licensed by the QFCA is disclosed in all business documents in connection with the carrying on of Non-Regulated Activities.

Reporting: Generally, a licensed firm will have to provide annual financial statements and auditor's annual reports within four months of the end of its financial year. Licensed firms that hold client money shall provide an annual client money auditor's report within four months of the end of its financial year.

Record-keeping: A licensed firm must maintain appropriate records of matters and dealings, including accounting records, policies and procedures and other documentation such that they are able to be reproduced within three business days. Records and documents must be maintained by the licensed firm for at least six years.

Control: A licensed firm must provide information on holders of controlling interests in the form and manner required by the QFCA and establish and maintain systems and controls to keep advised and monitor changes in control.

Accounting and auditing: A licensed firm must maintain the accounting records, financial accounts and statements and auditor's reports required under the Companies Regulations, the Limited Liability Partnership Regulations, the QFCA Rules and any other applicable regulations.

Registered functions: A licensed firm must have one individual to carry on the following registered functions: a Senior Executive function and, if applicable, the Money Laundering Reporting Officer and the Designated Representative function and provide details of the same to the QFCA.

Fitness and propriety: A licensed firm must make reasonable enquiries as to an individual's fitness and propriety to carry out a registered function, taking into account the individual's honesty, integrity and reputation, competence and capability and financial soundness.

Competence, training and supervision: A licensed firm must implement appropriate procedures to ensure an individual assessed as competent to carry out a registered function remains competent.

Professional services: The provision of legal, accountancy services, tax services, ship broking and agency services, credit rating services and classification services are subject to special compliance rules and exclusions.



06

REGULATED ACTIVITIES

Role of the QFCRA

The QFCRA is the independent regulator responsible for authorising and regulating firms operating in or from the QFC that conduct Regulated Activities. Non-regulated firms that fall within the definition of "designated non-financial businesses or professions" (DNFBP) are also regulated by the QFCRA for the purposes of compliance with anti-money laundering (AML) regulations.

The QFCRA's objectives include the promotion and maintenance of efficiency, transparency, integrity and confidence in the QFC, as well as the maintenance of financial stability and reduction of systemic risks. It also seeks to develop financial awareness and protection for customers and investors.

To meet these objectives, the QFCRA has a broad range of regulatory powers to authorise, supervise and, where necessary, prevent, detect and restrain conduct that may cause damage to the reputation or integrity of the QFC.

What regulated activities may be conducted in or from the QFC?

The following regulated activities are currently permitted and authorised by the QFCRA:

Banking

- Corporate/Wholesale Banking
- Investment Banking
- Private Banking & Wealth Management

Asset Management & Funds

- Collective Investment Schemes (UCITS and Qualified Investor type)
- Professional Investor Funds
- Private Equity
- Venture Capital

Insurance/Reinsurance

- Insurance & Reinsurance Underwriting
- Insurance & Reinsurance Brokerage
- Captive Insurance

Islamic Finance

- Islamic Banking and Sharia-Compliant Finance
- Islamic Insurance
- Islamic Investment Management

Alternative Finance

- Aviation Finance
- Shipping Finance
- Captive Leasing

Fund Administration, Fund Advisory and Fiduciary Businesses

Representative Offices

Regulated Activities in the QFC

The following activities are deemed to fall within the ambit of the Financial Services Regulations (FSR) and are Regulated Activities requiring authorisation by the QFCRA:

- Accepting deposits
- Providing credit facilities
- Dealing in investments
- Arranging deals in investments
- Arranging credit facilities
- Advising on investments
- Operating a collective investment fund
- Providing custody services
- Arranging the provision of custody services
- Effecting contracts of insurance
- Carrying out contracts of insurance
- Managing investments
- Operating a representative office

Authorisation

Firms wanting to conduct Regulated Activities will need to be authorised by the QFCRA in addition to obtaining a licence from the QFCA. The QFCRA's rules provide for an Authorised Firm to be established in the QFC as either an incorporated entity or a branch.

A firm may only conduct those Regulated Activities for which it has been granted authorisation. These are set out in the Authorised Firm's scope of authorisation, which may be viewed on the public register available at the QFCRA's website at www.qfcra.com.

The Application Process

The QFC operates an application process for those seeking to apply to the CRO to incorporate or register in the QFC and to obtain a licence from the QFCA and authorisation, if needed, from the QFCRA.

To that end, the QFC application forms require the applicant to provide sufficient information to enable the QFC to determine whether a licence or an authorisation is required and to allow the CRO to process applications to incorporate or register in the QFC.

To start the process, a firm or individual submits a Regulatory Business Plan (RBP) to the QFC's Financial Services Sector (FSS). The RBP represents a key document that underpins an application for authorisation to conduct Regulated Activities in or from the QFC. A comprehensive RBP will assist the FSS in reviewing whether the applicant's proposed business is a strategic fit for the QFC and whether the proposed activities are permitted in the QFC.

Upon a successful review of the RBP, applicants seeking authorisation by the QFCRA to conduct Regulated Activities will be invited to complete a more formal application that requires applicants to provide, among other things, greater detail on the firm's compliance arrangements, information on the firm's IT systems, financial information about the firm and details regarding AML systems and business continuity plans. The applicant must also apply to the CRO to establish a legal presence within the QFC either as an incorporated entity or branch office.

The QFCRA would expect to hold a pre-application meeting to discuss the proposed business of applicants seeking authorisation and answer any questions that the applicants might have in relation to the authorisation process.

Upon authorisation, there would normally be a list of items that a firm will be required to undertake before being allowed to commence operations (for example, recruitment of staff, establishing a place of business and updating systems and processes where necessary). This will be agreed with the applicant before the authorisation is approved.



Branches

An application to be authorised as a branch requires certain additional criteria to be addressed. This includes a jurisdiction review of the applicant firm's home country and the country from which the firm is proposing to branch if that is different. The review assists the QFCRA in forming an opinion on whether the country is one from which a branch would be considered acceptable.

Reviews contain an analysis of the relevant jurisdiction's compliance with the Basel Committee on Banking Supervision (Basel Committee) Core Principles or International Association of Insurance Supervisors (IAIS) Insurance Core Principles, as applicable, together with consideration of any findings from the latest IMF and World Bank Financial Sector Assessment Program review and other resources. Additionally, the QFCRA considers a variety of factors specific to the applicant. For banking firms, these factors include, but are not limited to the proposed liquidity management of the branch. For insurance firms, the scope of approval in the home state, governance and operational structure of the applicant firm, and staffing proposals and reporting lines are all considered.

The QFCRA will then determine whether or not it will permit the applicant to establish a branch. In making this determination, in line with its statutory objectives, the QFCRA also has regard to what is in the best interests of the QFC, its customers and other stakeholders.

Timing for assessment of applications varies. The jurisdiction review is undertaken at the same time as the review of an applicant's draft application. If a particular jurisdiction is regarded by the QFCRA as likely to pose challenges to an applicant's plans to establish a branch, this will be communicated at the earliest opportunity to enable the applicant to reassess its proposed structure and revise the application accordingly.

The QFC policy with regard to branches is available from the QFCRA's website at www.qfcra.com.

Supervision

In line with international best practice, the QFCRA is committed to pursuing a risk-based approach to supervision that involves monitoring of financial information and regular on-site and off-site risk assessments. The QFCRA continues to be guided in its work by the various international supervisory standards such as those set out by the Basel Committee, IAIS and International Organisation of Securities Commissions (IOSCO).

A risk-based approach to supervision ensures the QFCRA focuses on those areas which present the greatest risk to its regulatory objectives. Key elements of the QFCRA's approach are to:

- Maintain close relationships with Authorised Firms, including directors and senior management who bear the primary responsibility for meeting the prudential and compliance responsibilities of the firms concerned
- Engage with other regulators to ensure that international efforts at supervision and regulation are coordinated and coherent, aiming to avoid undue duplication
- Focus on monitoring enhancements to the international supervisory standards laid down by the Basel Committee, IAIS and IOSCO
- Engage in periodic risk assessments of firms using methodology drawn from its extensive international supervisory experience
- Initiate thematic reviews covering areas such as AML, risk management and governance, in addition to the ongoing supervisory coverage of individual firms

QFCRA Rules

The QFCRA Rules are the regulatory requirements that apply to Authorised Firms conducting Regulated Activities in the QFC. These are largely contained in a suite of rulebooks that the QFCRA has issued covering specific industry sectors, as well as rulebooks of general application. The QFCRA Rules support Qatar's strategy for financial regulation, which is to have a robust and efficient financial regulatory framework that supports economic prosperity, safeguards financial stability, and is aligned with international best practice.

The QFCRA follows a comprehensive public consultation process on any amendments or additions to these rulebooks, including through consultation papers and hosting town hall meetings, where comments are invited from the public. The rulebooks are available online on the QFCRA's website at www.qfcra.com.

Banking business in the QFC

Banking business conducted in or from the QFC comprises the activities of deposit taking, providing credit facilities and dealing in investments as principal. An Authorised Firm whose scope of authorisation permits it to conduct any of these activities is a banking business firm.

The prudential requirements for banking business firms in the QFC are contained in the Banking Business Prudential Rules 2014 (BANK). These reflect the standards articulated in the International Regulatory Framework for Banks (Basel III), the Basel Accords and the Basel Committee Core Principles.

For Authorised Firms conducting Islamic banking business or Islamic investment business, the relevant prudential requirements are contained in the Islamic Banking Prudential Rules 2015 (IBANK).

As a policy matter, banking business in the QFC is restricted to wholesale banking only, i.e., banking business with or for retail customers resident in Qatar is prohibited.

Insurance business in the QFC

Firms must be authorised to conduct insurance, reinsurance and insurance mediation business in or from the QFC. Insurance business is comprised of the activities of effecting a contract of insurance and carrying out a contract of insurance. Insurance mediation business activities are arranging a contract of insurance, advising clients on contracts of insurance, acting as an agent on behalf of other persons in relation to buying or selling contracts of insurance or assisting in the performance of a contract of insurance.

The principal components of the QFCRA's regulatory framework relating to insurance and insurance mediation business in the QFC are the Insurance Business Rules 2006 (PINS), Captive Insurance Business Rules 2011 (CAPI), Insurance Mediation Business Rules 2011 (IMEB) and Customer and Investor Protection Rules 2019 (CIPR).

Types of Insurance Business

Authorised firms can carry on insurance and insurance mediation business across a wide range of general insurance and long-term insurance contracts as outlined in Part 3 of Schedule 3 to the FSR.

In general terms, this means a firm can seek authorisation from the QFCRA to carry on the following types of insurance business (or insurance mediation business) in or from the QFC:

- Retail and commercial general and long-term insurance
- Reinsurance (both general and long-term insurance)
- All types of Takaful (Islamic insurance)
- Captive insurance (including captive insurance management and conducting insurance business from a protected cell company (PCC)

Takaful

Takaful business relates to insurance business that is carried out using Shari'a-compliant structures. Takaful insurers are subject to the additional prudential requirements set out in Chapter Seven of PINS, as well as rules specific to Islamic financial institutions (outlined below).

Captive Insurance Business

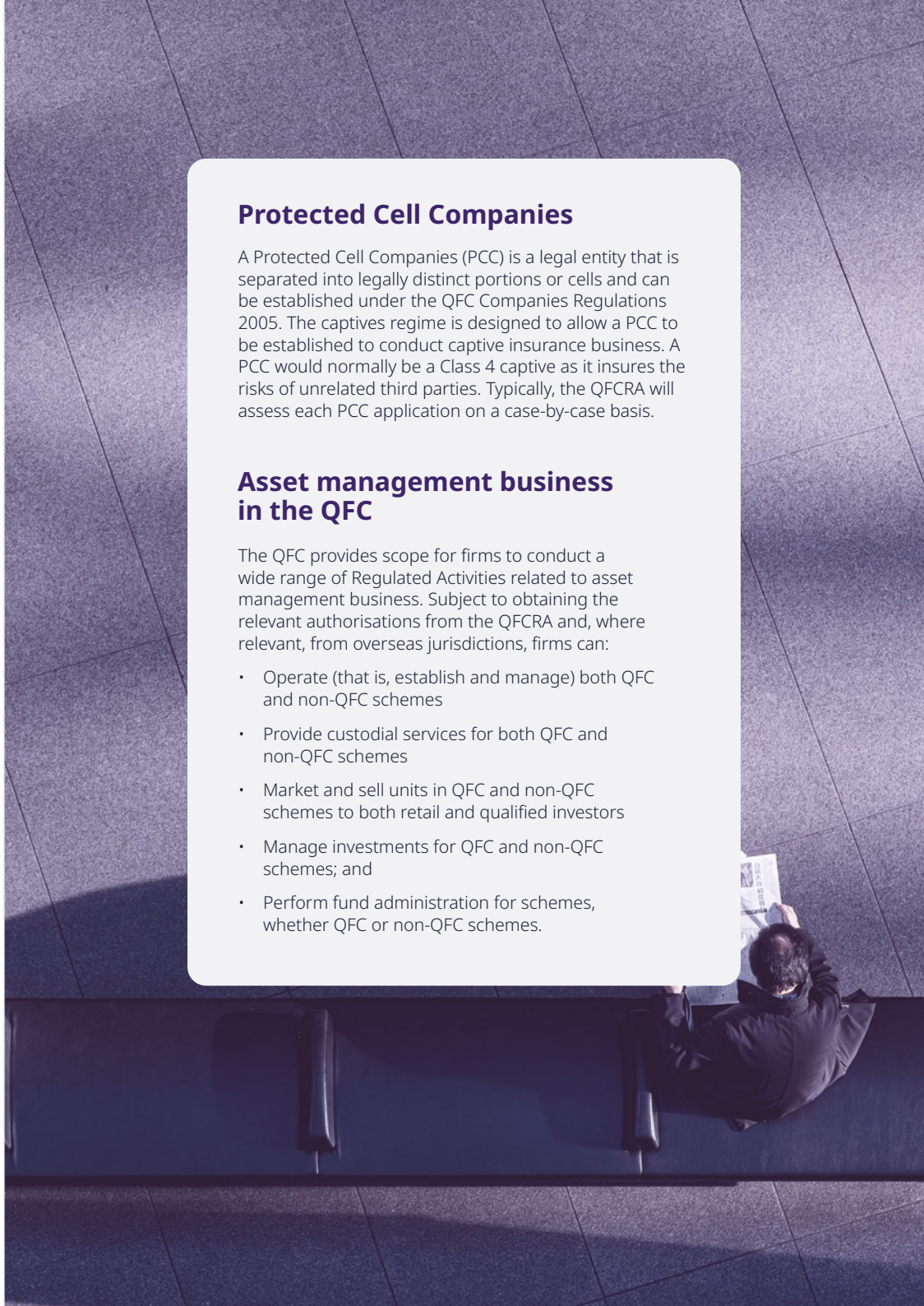
The QFC's captive insurance regime is set out in CAPI, while the captive insurance management regime is in IMEB. CAPI sets out four categories of captive insurance companies that can be authorised in the QFC:

Class 1 Captives, which are permitted to only carry out contracts of insurance in respect of risks related to the operations of its owner and affiliates

Class 2 Captives, which are permitted to carry out contracts of insurance primarily for their owners and affiliates but can underwrite up to 20% of gross written premiums from third party risks from business or operations closely linked to the group to which the captive belongs

Class 3 Captives, which are permitted to carry out contracts of insurance in respect of risks related to or arising out of the business of persons who engage in similar activities (e.g., associated captives)

Class 4 Captives, which are captives that do not meet the requirements of Class 1, Class 2 or Class 3. A Class 4 captive is assessed based on factors such as the interests of shareholders, expert knowledge of shareholders, the business rationale for making the entity a captive insurer and the use or non-use of the entity as a risk management tool



Protected Cell Companies

A Protected Cell Companies (PCC) is a legal entity that is separated into legally distinct portions or cells and can be established under the QFC Companies Regulations 2005. The captives regime is designed to allow a PCC to be established to conduct captive insurance business. A PCC would normally be a Class 4 captive as it insures the risks of unrelated third parties. Typically, the QFCRA will assess each PCC application on a case-by-case basis.

Asset management business in the QFC

The QFC provides scope for firms to conduct a wide range of Regulated Activities related to asset management business. Subject to obtaining the relevant authorisations from the QFCRA and, where relevant, from overseas jurisdictions, firms can:

- Operate (that is, establish and manage) both QFC and non-QFC schemes
- Provide custodial services for both QFC and non-QFC schemes
- Market and sell units in QFC and non-QFC schemes to both retail and qualified investors
- Manage investments for QFC and non-QFC schemes; and
- Perform fund administration for schemes, whether QFC or non-QFC schemes.

QFC Schemes (Domestic Funds)

A QFC scheme is a collective investment scheme that is established in the QFC under either the Collective Investment Scheme Rules 2010 (COLL) or Professional Investor Fund Rules 2022 (PROF).

COLL sets out a range of QFC scheme structures and fund types, including:

- Umbrella schemes and sub-schemes
- Shari'a compliant schemes
- Property funds (including Real Estate Investment Trusts)
- Money market funds
- Feeder fund of funds



Types of QFC Schemes

Schemes registered under COLL can be a retail investor scheme or qualified investor scheme.

Retail investor schemes provide greater levels of investor protection modelled on the European Union (EU) Directive for Undertakings for Collective Investment Schemes in Transferable Securities (UCITS). It provides retail customers with a wide range of investment options that appropriately balance returns against risk while ensuring the investment remains liquid.

Qualified investor schemes still provide the investor with a reasonable degree of protection in terms of disclosure obligations, investment and leveraging options and governance arrangements. However, in recognition of the fact that these schemes are designed for those investors able to assess as well as bear greater degrees of risk, the requirements are more flexible and principles-based.

Funds registered under PROF are designed for more sophisticated investors (such as banks, mutual funds, insurance companies, pension funds and certain individual professional investors) wishing to participate in more specialised funds, such as hedge funds and private equity funds. They cannot be offered to the public and should not have more than 199 unit holders.

Both retail schemes and qualified investor schemes must be open-ended schemes, while professional investor funds may be established as either open or closed-ended.

Legal Structure of QFC Schemes

Collective investment schemes can be established in the QFC using one of the following legal forms: collective investment companies, collective investment partnerships or collective investment trusts. PROF funds can be established as a QFC company or QFC limited partnership.

The only restriction in the QFC on the type of legal form that can be used is in relation to retail schemes established in the QFC, which must take either the form of a company or trust.

Non-QFC Schemes (Foreign Funds)

A non-QFC scheme is a collective investment scheme that is not established in the QFC.

Only an Authorised Firm with the requisite licenses from the QFCRA may seek authorisation from the QFCRA to operate non-QFC schemes, although this is at the discretion of the QFCRA. Operators are subject to the requirements of the jurisdiction in which they are seeking to establish and manage the non-QFC fund. Non-QFC schemes largely fall outside the scope of the COLL and PROF.

Regulatory framework

QFC retail and qualified investor schemes and professional investor funds are subject to different regulatory requirements that reflect the nature and risk profile and the types of investors the scheme or fund is seeking to attract. The requirements that are specific to operating schemes in the QFC are contained in COLL and PROF and address areas such as:

- Constitutional documents and prospectuses
- Investor relations
- Investments and borrowing
- Dealing
- Valuation and pricing
- Functions and responsibilities of the operator and independent entity
- Accounting and reporting obligations

Operating a QFC and non-QFC scheme

QFC schemes may only be established and managed by a firm authorised in the QFC to operate a collective investment scheme. Professional investor funds can be established and managed by a firm authorised to operate a collective investment scheme in the QFC or by a State Fund Manager with an appropriate license from the Qatar Central Bank or Qatar Financial Markets Authority. Before an application for registration of a QFC scheme can be considered, the QFCRA must be satisfied with the operator of the proposed scheme. The QFCRA considers the operator to be the mind and management behind the establishment of the scheme; it determines the legal form, investment policy and locations where the scheme will be sold. The operator will also, as applicable, select and appoint the administrator, the independent entity (responsible for providing custody of the scheme's property and - for COLL schemes - overseeing the operator to ensure it is managing the scheme in accordance with the requirements of the COLL), investment manager and distributor of the scheme.

Firms may also seek authorisation from the QFCRA to operate non-QFC schemes, although this will be at the discretion of the QFCRA. Operators would, of course, be subject to the requirements of the jurisdiction in which they were seeking to establish and manage the non-QFC fund.

An Islamic financial institution in the QFC is an Authorised Firm that conducts all of its business in accordance with Shari'a. The policy of the QFCRA is to not authorise firms to operate an Islamic window.

Aside from the prudential requirements for Islamic financial institutions contained in IBANK and PINS, the following requirements also apply and are contained in the Governance and Controlled Functions Rules 2020 (CTRL), Islamic Finance Rules 2005 (ISFI) and Investment Management and Advisory Rules 2014 (INMA).



Requirements to have Shari'a supervisory board

An Islamic financial institution must establish and maintain policies, procedures, systems and controls to ensure that its business is conducted in accordance with Shari'a principles. Moreover, an Islamic financial institution must appoint a Shari'a supervisory board and ensure its members are competent to perform their duties and functions as supervisory board members by taking into account their qualifications and experience to hold such an appointment. No member of the Shari'a supervisory board can be a director or a controller of the Islamic financial institution.

Documentation must be kept and maintained by the Islamic financial institution in respect of its policy on the methodology of appointments, dismissals or changes made to its Shari'a supervisory board, including the process through which the suitability of the Shari'a supervisory board members will be considered and the remuneration of the members.

Reasonable steps must be taken by the Islamic financial institution to ensure that each Shari'a supervisory board member is independent of and not subject to any conflict of interest in connection with their post on the Shari'a supervisory board.

Disclosure

An Islamic financial institution must disclose to its clients that it is an Islamic financial institution and that its business must be conducted in accordance with Shari'a, subject to the opinions of the members of its Shari'a supervisory board. Such disclosure must be made prior to the conducting of Islamic financial business with a client and updated whenever such information changes.

Record-keeping

Records of assessment of competence of Shari'a supervisory board members and agreed terms of engagement of each member of the Shari'a supervisory board must be retained by the Islamic financial institution for at least six years following the date of cessation of each Shari'a supervisory board member's engagement.

Profit-Sharing Investment Accounts

Where an Islamic financial institution provides a profit-sharing investment account, it must adhere to certain responsibilities in relation to policies, warnings, provisions, reserves, terms of business, and financial and other periodic statements. The scope of these obligations depends on whether the firm is offering a restricted or unrestricted profit-sharing investment account and includes, for example, a requirement to warn the investment account holder of a restricted profit-sharing investment account that it bears the risk of loss and that it would not be able to recover that loss from the firm, except in case of negligence, misconduct or breach of contract on the part of the firm.



QFCRA Rules of General Application

In addition to the requirements applying to specific business sectors, the QFCRA has issued rules of general application to all Authorised Firms. These rulebooks cover a range of areas, including, but not limited to:

- Principles relating to the conduct, operation and financial standing of an Authorised Firm, as well as its dealings with the QFCRA
- The governance framework of an Authorised Firm
- The internal controls, assurance and risk management frameworks of an Authorised Firm
- Requirements relating to individuals performing a Controlled Function (see below) or customer facing function (CFF) for an Authorised Firm, including their conduct and the firm's assessment of their fitness and propriety, competency and suitability to perform in the role
- AML and combating the financing of terrorism (CTFT) requirements



Principles of Conduct

The General Rules 2005 (GENE) set out 13 principles relating to the conduct, operation and financial standing Authorised Firms are required to meet when undertaking Regulated Activities in or from the QFC:

- Observe high standards of integrity in the conduct of its business
- Act with due skill, care and diligence in the conduct of its business
- Ensure that its affairs are managed effectively by its senior management
- Have effective systems and controls, including risk management systems and adequate human and technological resources
- Maintain adequate financial resources
- Observe proper standards of market conduct
- Have due regard to its customers' interests and must treat them fairly
- Due regard to the information needs of its clients, and must communicate information to them in a way that is clear, fair and not misleading
- Manage conflicts of interest fairly, both between itself and its customers and between one customer and another, and must organise its affairs in such a way that conflicts can be identified
- Faithfully discharge a responsibility of trust toward a customer. In doing so, it must take reasonable care to ensure the suitability of its advice and discretionary decisions for a customer who is entitled to rely upon the firm's judgment
- Arrange adequate protections for its customers' assets when it is responsible for them in accordance with the responsibility it has accepted
- Ensure that information of a confidential nature received in the course of dealings with its customers is treated in an appropriate manner
- Deal with all relevant regulators in an open and cooperative manner and must keep the QFCRA promptly informed of anything relating to the firm of which the authority would reasonably expect notice

The set of principles is not an exhaustive list but should be seen as an indication of the standards expected by the QFCRA. An Authorised Firm's failure to comply adequately with the principles is likely to affect the QFCRA's assessment of the firm's fitness and propriety. A breach of the principles could form the basis of enforcement action by the QFCRA.

GENE also addresses matters such as communications with the QFCRA (including notices), fees, waivers and modifications, record keeping, controllers and accounting and auditing requirements.

Governance Framework

QFCRA requirements relating to an Authorised Firm's governance framework (which are in addition to QFCA Regulations and rules relating to corporate governance) are contained in CTRL. The governance framework deals with the relationships between an Authorised Firm's board, its senior management, depositors, policyholders, clients and other stakeholders. GENE sets out corporate governance principles as well as the general and specific obligations of the governing body.

Internal controls, assurance and the risk management framework

Other important aspects of corporate governance are the separation of functions within the firm and the accountabilities for the internal control and assurance functions. These are also addressed in CTRL, as well as more specific requirements relating to internal control and assurance functions (internal audit, actuarial, risk management and compliance), outsourcing and requirements specific to Islamic financial institutions (outlined previously).

Controlled functions and authorised individuals

Based on the above frameworks, the QFCRA has identified the following as Controlled Functions of an Authorised Firm:

- Non-executive governance function
- Executive governance function
- Senior executive function
- Finance function
- Senior management function
- Money laundering reporting officer (MLRO) function
- Risk management function
- Compliance oversight function
- Internal audit function
- Actuarial function (for insurers)

Only individuals approved by the QFCRA can perform a Controlled Function for an Authorised Firm. These individuals are referred to as Approved Individuals, and the QFCRA maintains a public register of current and former Approved Individuals, available on its website - www.qfcra.com.

The Individuals (Assessment, Training and Competency) Rules 2014 (INDI) sets out the requirements relating to Approved Individuals (as well as individuals performing in a CFF role for an Authorised Firm).

The Authorised Firm must be satisfied that the individual is competent and fit to perform the Controlled Function or CFF, taking into account a number of factors, including the nature, scale and complexity of the firm's business, the products and services offered by the firm and the firm's clients.

Individuals who perform a Controlled Function or CFF need to have the appropriate level of skill, knowledge and experience. Authorised Firms must also establish training and competency programmes for these individuals.

Finally, INDI sets out principles of conduct for individuals who perform a Controlled Function or CFF for an Authorised Firm. These principles (which are not an exhaustive list of the standards expected by the QFCRA) are that the individual must:

- Act with integrity at all times
- Act with due skill, care and diligence
- Observe appropriate standards of market conduct
- Deal with the QFCRA in an open and cooperative manner and must disclose appropriately to the authority any information of which the authority would reasonably expect to be informed
- If a member of the firm's senior management, give appropriate priority to their management responsibilities and ensure that the business for which they are responsible:
  - Is effectively supervised and controlled
  - Complies with the requirements of the regulatory system

The QFCRA imposes certain requirements and restrictions on individuals who exercise Controlled Functions, including that Approved Individuals exercising the following functions, should be ordinarily resident in Qatar:

- The senior executive function
- For a QFC bank or insurer, the risk management function, compliance oversight function and MLRO function (except for a captive insurer)

Anti-money Laundering (AML) and Combating the Financing of Terrorism (CFT) Regime

One of the statutory objectives of the QFCRA is to minimise the extent to which the business carried on by a person conducting Regulated Activities can be used for the purposes of or in connection with financial crime. To meet this objective, the QFCRA has an AML/CFT framework to ensure Authorised Firms have robust and appropriate systems, controls and procedures to detect and prevent the incidence of financial crime.

The QFC Anti-Money Laundering and Combating Terrorist Financing Rules 2019 (AML/CFT Rules) applies to all Authorised Firms other than general insurers. General insurers are subject to the Anti-Money Laundering and Combating the Financing of Terrorism (General Insurance) Rules 2019 (AMLG).

The rules have been designed to be in accordance with the State of Qatar's Law on Combating Money Laundering and Terrorism Financing (AML/CFT Law) and aligned with the Financial Action Task Force's global recommendations and standards. In addition, relevant Qatari criminal laws in relation to this subject continue to apply in the QFC.

Requirements for a firm in connection with AML/CFT

The rules contain six principles to which a firm is expected to adhere:

- The governing body of a firm is responsible for approving the policies, procedures, systems and controls necessary to ensure the effective prevention of money laundering and terrorism financing. The firm's senior management is responsible for implementing these and adequately addressing the requirements of the AML/CFT Law, QFC AML/CFT Rules and AMLG Rules, as applicable to the type of firm.
- A firm must adopt a risk-based approach to the applicable AML rules and their requirements.
- A firm must know each of its customers to the extent appropriate for the customer's risk profile.
- A firm must have effective measures in place to ensure that there is internal and external reporting whenever money laundering or terrorist financing is known or suspected.
- A firm must have adequate screening procedures to ensure high standards when appointing or employing officers and employees and have appropriate ongoing AML/CFT training programmes for its officers and employees.
- A firm must be able to provide documentary evidence of its compliance with the requirements of the AML/CFT Law and the applicable AML rules.

Other key requirements include, but are not limited to:

- A firm must ensure that there is at all times an MLRO and deputy MLRO for the firm. The MLRO is responsible for, amongst other things, oversight of the implementation of the firm's AML/CFT policies, procedures, systems and controls, including the operation of the firm's risk-based approach.
- Every firm is required to know each of its customers to the extent appropriate for the customer's risk profile and to have the necessary customer identification documentation, data and information to evidence this.
- All firms are expected to maintain records to provide documentary evidence of their compliance with the requirements of the AML/CFT Law and the applicable QFC AML/CFT rules.

Suspicious transaction reports

The Qatar Financial Information Unit is an administrative body established pursuant to the AML/CFT Law. Suspicious transaction reports play a crucial role in the fight against money laundering and terrorist financing. A firm is required to report suspicious transactions to the Qatar Financial Information Unit and to cooperate effectively with the Qatar Financial Information Unit and law enforcement agencies in relation to suspicious transaction reports made to the Qatar Financial Information Unit. In that regard, the firm is expected to have procedures and controls in place to make reports of suspicious transactions to the Qatar Financial Information Unit and notify the QFCRA of the same.



07

COMPANIES REGISTRATION OFFICE

Companies Registration Office

The Companies Registration Office (CRO) is responsible for:

- Incorporating and registering entities in the QFC
- Maintaining the CRO public register
- Receiving and processing periodic and other CRO filings and notifications
- Deregistration of QFC entities

These functions are overseen by the QFCA, which maintains a publicly available register that contains details of the firms it licences. This register can be searched on the QFC website.

CRO Compliance Matters

During the course of its life in the QFC, a QFC firm must make a variety of filings with the CRO. The nature of these filings will depend on the type of legal entity that has been established.

Some filings are "time-driven" and must be made on an annual basis, and some are "event-driven" and will arise when circumstances relating to the entity/firm change. The CRO has published a number of guides to assist firms in this regard.

In order for the CRO to maintain an up-to-date public register, any failure to complete these filings within the required time limits will constitute a breach of the applicable regulations and may attract a financial penalty.

Limited Liability Companies and Limited Liability Partnerships

Annual return: Each year, an LLC or LLP must complete an annual return. The annual return is a snapshot of general information about the LLC or LLP, including (where applicable) information on, amongst other things, its name, directors, secretary, members, shareholders, business activities, registered office and auditors at the date of the annual return.

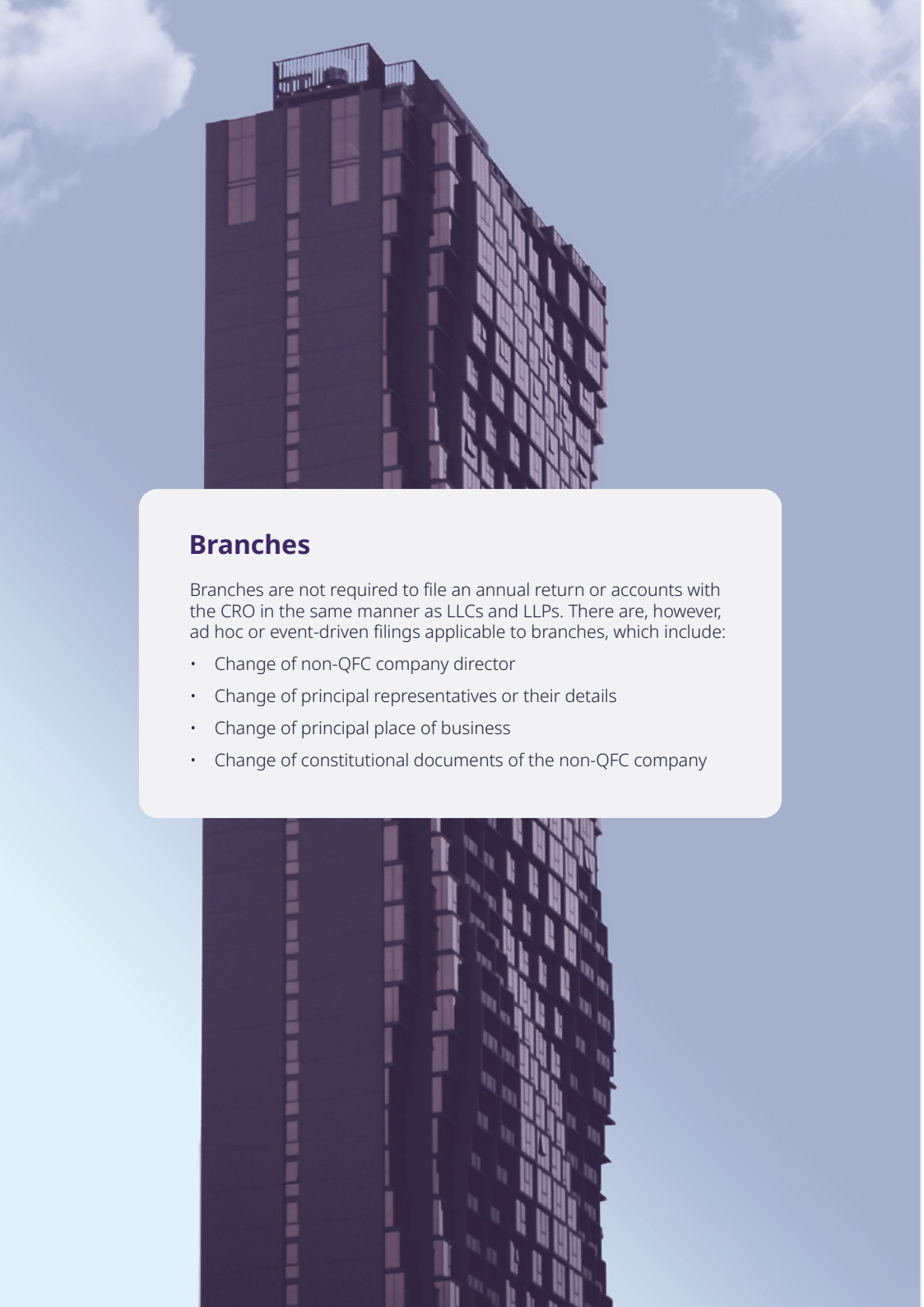
Every LLC or LLP must submit an annual return to the CRO at least once in every 12-month period. The LLC's directors or LLP's members are responsible for ensuring that they deliver the annual return.

Audited accounts: Each year, all QFC LLCs and LLPs must prepare a set of accounts. Within four calendar months of the financial year-end, the accounts must be prepared, audited by a QFC-approved auditor and approved by the members of the LLC or the LLP, and, in the case of an LLC, by the entity's directors. The LLC or LLP must file a copy of the accounts with the CRO within 21 days of the approval of the members. Firms which are collective investment funds registered with the QFCRA or Special Purpose Companies and Holding Companies which are either passive or ultimately wholly owned by State of Qatar are exempt from this requirement.

Ad hoc or event-driven filings: When an event occurs whereby an LLC or an LLP's particular circumstances change, this results in the requirement to make a notification to the CRO. Such events may include:

- Change of directors or their details (in the case of an LLC)
- Change of company secretaries or their details (in the case of an LLC)
- Change of registered office
- Appointment and change of auditor
- Change of name
- Change of financial year-end
- Allotment of shares (in the case of an LLC)
- Change of member (in the case of an LLP)
- Alteration of authorised share capital (in case of an LLC)





Branches

Branches are not required to file an annual return or accounts with the CRO in the same manner as LLCs and LLPs. There are, however, ad hoc or event-driven filings applicable to branches, which include:

- Change of non-QFC company director
- Change of principal representatives or their details
- Change of principal place of business
- Change of constitutional documents of the non-QFC company

Beneficial Ownership

All QFC firms/entities incorporated and/or registered in the QFC are required to identify and verify the identity of:

- The firm/entity's beneficial owners
- Beneficial owners of corporate directors within the beneficial ownership structure of the proposed firm/entity
- Nominators of their nominee shareholders and nominee directors, if any, and their beneficial owners

QFC firms must file the Beneficial Owner Information and the Nominee Particulars with the CRO:

i. At the time of incorporation/registration

ii. Within 30 days of any change to the information previously provided

iii. Whenever required by the QFCA or the CRO, in writing

The above requirements are subject to certain exemptions, as provided in the Qatar Financial Centre Authority Rules (QFCA Rules). More details of the QFC's Beneficial Ownership regime can be found in General Rule 8A of the QFCA Rules.

08

EMPLOYMENT AND IMMIGRATION LAW

Employments and Immigration Law

Employment in the QFC is governed by the provisions of the QFC Employment Regulations No.10 of 2006 as amended (Employment Regulations). The Employment Regulations set out the minimum standards, requirements and conditions of employment in the QFC. The Employment Regulations also established the Employment Standards Office (ESO) as the statutory body responsible for the administration of the Employment Regulations.



Sponsorship and immigration of employees

Sponsorship and immigration matters in the QFC are governed by the QFC Immigration Regulations No.11 of 2006 (Immigration Regulations).

The QFC Immigration Office administers the Immigration Regulations and determines its own procedures and management.

The QFC Immigration Office is in charge of receiving and processing all visas, sponsorships and residence permit applications for QFC employees and their family members.

The QFC Immigration Office liaises with the Immigration Department of the Ministry of Interior in order to secure sponsorship of expatriate employees for QFC firms. Unlike firms outside the QFC, firms in the QFC do not have to seek approval from the Labour Department for the employment of expatriates.

Employment contracts

Employment relationships may be for a fixed term or for an unlimited duration.

Under the Employment Regulations, the parties are required to enter into a written employment agreement, which must include the following:

- The name of the employer and the employee
- The date of commencement of employment
- The employee's salary or method of calculation of salary
- The intervals at which the salary is paid
- The job title or job description
- Whether the employment is for a specified fixed term or an unlimited duration
- The place of work
- Any terms or conditions relating to hours of work and annual and sick leave
- Reference to any disciplinary rules and/or grievance procedures applicable to the employee
- Any other matter that may be prescribed in any rule, policy or order issued under the Employment Regulations

Although employment contracts are not required to be lodged with any authority, the ESO provides a service for the attestation of employment agreements upon request, free-of-charge.

Employment Terms

Probation period

The Employment Regulations provide that employees may be subject to a probation for a period of up to six months and, during such period, the employment can be terminated by providing not less than two weeks' notice.

Termination of employment

Termination of employment can be done by giving the contractual notice agreed upon in the employment agreement or, if not provided, the notice set out in the Employment Regulations or without notice in all circumstances stated in the Employment Regulations, namely when the employee:

- Is in material breach of the employment contract or the Employment Regulations
- Has provided false documents or certificates
- Has committed a mistake that has resulted in substantial financial losses to the employer
- Has violated more than one instruction related to the safety of other employees and the establishment
- Has committed several breaches of his or her employment contract or the Employment Regulations which do not individually constitute a material breach and the employer has previously warned the employee in writing
- Has divulged secrets of the employer
- Has been found intoxicated or under the influence of illegal narcotics during his/her work time
- Physically assaulted the employer or other employees
- Has been absent without a justification for more than seven consecutive days or for more than 15 days in the aggregate in a 12-month period
- Has been found guilty by a local court of a crime
- In all other circumstances stated in Article 24 of the Employment Regulations

In case of termination of employment, the employer must pay all outstanding wages and other amounts within 30 days after the termination of the employment relationship.

Discrimination

The Employment Regulations prohibit discrimination against employees on the following grounds:

- **Sex**
- **Marital status**
- **Race**
- **Nationality**
- **Religion**
- **Mental or physical disability**

Payment of wages

The employer has the obligation to pay the salary to the employee at least on a monthly basis and provide a written itemised pay statement that includes the amounts of any variable or fixed deductions from the employees' wages, and the purposes for which they are made. The employer must also maintain a payroll record and other registers as stated in Article 14 of the Employment Regulations.

Sick leave

Employees are entitled to a maximum of 60 days of paid sick leave in each 12 months, in accordance with Article 38 of the Employment Regulations, after which the employer is entitled to terminate the employment in writing without notice.

Public holidays

The employee is entitled to the following paid holidays each year:

- Three working days for **Eid El-Fitr**
- Three working days for **Eid Al-Adha**
- One working day for the **Qatar National Day**
- One working day for **National Sport Day**
- Three working days to be specified by the employer
- Any other day declared by the State as a public holiday and announced by the QFC Authority as applicable to the QFC

Maternity leave

Female employees who have completed one year of service with the employer are entitled to paid maternity leave for 14 weeks. The maternity pay is calculated as follows:

- Full pay for the first seven weeks of maternity leave
- Half pay for the subsequent seven weeks of maternity leave

Employees who have not completed one year of service with the employer will be entitled to unpaid maternity leave for the same period of 14 weeks. The maternity rights granted under the Employment Regulations also apply to a female employee adopting a child under three months old.

Health and disability insurance

The employer must provide insurance coverage for health and disability income as well as work-related injuries in the manner prescribed in rules, policies or orders issued under the Employment Regulations.

Employment Standards Office (ESO)

The Employment Standards Office (ESO) is an independent and impartial institution of the Qatar Financial Centre established pursuant to Article 6 of the QFC Law to administer and enforce the QFC Employment Regulations and to deal with all employment matters in the QFC.

The role of the ESO encompasses the promotion of fair labour practices and a compliant environment to prevent contraventions of the regulations and workplace disputes.

The ESO's three main functional areas of activity include:

- **Dispute Prevention,** under which the ESO provides employers and employees with advisory services and technical guidance to comply with the QFC's employment standards
- **Compliance Monitoring,** which includes labour inspections and workplace investigations
- **Dispute Resolution,** through which the Commission for Conciliation and Adjudication (CCA) provides conciliation services to try to resolve disputes through a consensus-based approach

The ESO embodies a unique administrative employment dispute resolution centre operating under International Labour Organization (ILO) standards, providing conciliation and adjudication services free of charge to resolve workplace conflicts through conciliators certified by the International Training Centre of the ILO.

09

TAX IN THE QFC

TAX IN THE QFC

The QFC tax regime applies to all QFC-licensed firms and draws from international best practices and other sophisticated tax regimes. However, particular care has been taken to ensure that the regime is not overly burdensome or as extensive or costly as in those jurisdictions that are primarily concerned with maximising tax collection.

Tax Regime

The QFC tax regime's key features include:

- A moderate corporation tax rate of only 10% on locally-sourced profits
- Extensive tax exemptions for qualifying activities and income streams
- Absence of withholding tax on payments made to recipients outside of Qatar
- Access to Qatar's extensive tax treaty network of over 80 double tax treaties
- Absence of personal income tax, wealth tax, zakat, goods or services tax or VAT

The QFC tax regime is enacted by way of the QFC Tax Regulations (2010).

Taxable Profits

Taxable profits are classified as 'locally-sourced' if they arise in or derive from Qatar sources. They are not considered locally-sourced if they arise from:

- Services used outside Qatar (subject to conditions)
- Immovable property outside Qatar
- A QFC firm's permanent establishment outside Qatar

Passive interest income arises where the borrowing is not substantially undertaken by or through a permanent establishment of the borrower in Qatar, whether the borrower is a resident or non-resident.

Profit is generally calculated by reference to the Generally Accepted Accounting Principles (GAAP) and most items of expenditure are tax-deductible (including pre-trading expenses incurred in Qatar).

Non-deductible items include debt waivers between associated persons, overseas tax payments unless there was a valid election to treat the overseas tax paid as expense, fines, general provisions, distributions, and expenditure incurred in getting a QFC licence or generating income that is exempt from tax (for example, bad debts associated with lending that has produced passive interest income considered as non-local source).

There are no capital allowance provisions, but tax deductions are allowed for commercially calculated depreciation and amortisation charges that are disclosed in the financial statements for (respectively) tangible and acquired intangible fixed assets. However, depreciation for certain specified assets and amortisation of an intangible fixed asset acquired from a connected person may be limited.

Tax Reliefs and Losses

Some businesses, including investment managers, reinsurers, captive insurers and Qatari-owned businesses (i.e., at least 90% owned by Qatari nationals), benefit from a concessionary tax rate of 0% (subject to conditions). This ensures that qualifying QFC-established businesses pay no more tax than comparable businesses established in the State of Qatar. Dividend receipts, returns on public treasury bonds and capital gains relating to the disposal of a qualifying shareholding (broadly, where at least 10% interest is held for a continuous period of at least six months without view to resale) are also tax-free.

The profits of most QFC Holding Companies, Special Purpose Companies and investment funds (including those which invest in property) are exempt from tax. Profits of Single Family Offices (SFOs) may generally be exempt when they qualify as a Special Investment Fund. In addition, the managing entity may benefit from the concessionary rate (0%) that is available to Investment Managers where they meet the applicable conditions. Also, Qatari-owned SFOs may benefit from the 0% concessionary rate.

Tax losses may be carried forward to be set off against future profits without any time limits but cannot be carried back. Group relief is also available for QFC companies with a 75% ownership relationship. In addition, newly set-up businesses in the QFC can apply for a cash tax credit for tax losses incurred in the first two years of start-up operations, subject to qualifying criteria and specified limits.

Tax Compliance

The QFC tax regime is a self-assessment system, which means that QFC taxpayers file their own tax returns, calculate their own tax based on the tax return and remit any tax due to the QFC Tax Department. The QFC Tax Department has the right to assess and enquire into the return, but if no enquiry is raised within 12 months of the return being filed, the taxpayer can regard its return/self-assessment as being agreed.

The QFC tax regime offers an advance ruling service whereby the taxpayer requests and the QFC Tax Department issues a ruling setting out the tax treatment of a specific transaction/arrangement entered into or contemplated. Where the arrangement is already entered into, the ruling request must be submitted at least 60 days prior to the filing due date of the accounting period in which the arrangement was undertaken. As per Article 104 of the QFC Tax Regulations, the ruling service shall be provided in an "efficient and timely" manner. Currently, there is a target turn-around time of 30 days to respond to a ruling request. This timeline is observed by the QFC Tax Department to the extent that all required information is provided on time. The service is fee-based.

The ruling remains valid for its term and is binding only on the QFC Tax Department, provided that the firm does not substantially deviate from the facts set out in the ruling application. If the firm is unhappy with the ruling given, it can simply discard it and prepare its tax return on any other suitable basis. The QFC Tax Department, on the other hand, has the right to open an enquiry into the return and adjust the tax liability as appropriate. The QFC firm may request a review of the decision or appeal the same before the QFC Regulatory Tribunal and (ultimately) the QFC Civil and Commercial Court.

Furthermore, in an apparent first for the Middle East and North African region, the QFC Tax Department has also published its entire in-house tax guidance manual (QFC Tax Manual) online. This is intended to help QFC taxpayers and their agents understand the QFC Tax Regulations and Rules and prepare their tax returns easily and accurately.

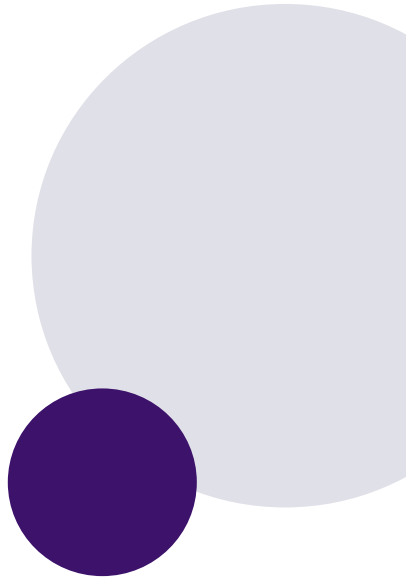
Transfer Pricing

There is a transfer pricing regime that imposes requirements on associated entities to treat transactions between them at an arm's length basis, similar to what would be found in other advanced jurisdictions.

In addition, in order to deal with thin capitalisation, the QFC Tax Department provides safe harbour debt-to-equity ratios of 2:1 for non-financial institutions and 4:1 for financial institutions which are non-statutory and non-binding.

Avoidance

Unlike other jurisdictions, including the State of Qatar, the QFC tax regime does not contain a general anti-avoidance rule; however, there are targeted anti-avoidance provisions which are applicable in specific circumstances to ensure that tax concessions or exemptions are not misused.



Some Specific Features

The following features of the regime are worth highlighting in relation to specific types of entities in the QFC.

Holding Companies

Relevant tax features include:

- No capital duties on equity investments or received dividends
- Profits from most holding companies are eligible for exemption
- A participation exemption applies to gains on disposals of shares
- No withholding tax on outbound payments of dividends, interest, royalties, management fees, etc.

Special Purpose Companies

Special Purpose Companies can be used to support a variety of activities in the field of asset financing, including managing financial assets, acting as a guarantor, holding assets as security, or any other activity required to support an asset finance transaction. This can include facilitating Islamic Finance transactions such as sukuk.

Most Special Purpose Companies are eligible for tax-exempt status.

Single Family Offices

Single Family Offices are established as non-regulated entities to manage the business, investments and wealth of a single family. A Single Family Office may provide a wide range of services to a single family, ranging from managing investments, accounting and administrative services, acting as trustee, director or partner on behalf of a single family, to organising a philanthropic or charitable strategy for the family.

Qatari-owned Single Family Offices can apply for a 0% concessionary rate, subject to meeting specific criteria.

Single Family Offices may also be eligible for the exemption available to Special Investment Funds where they meet the applicable conditions.

In addition, the entity managing the office may avail of the 0% concessionary rate that is applicable to Investment Managers to the extent they meet the relevant conditions.



International Landscape

The QFC tax regime has evolved since its introduction as it is designed to support the development of new businesses in the QFC.

Two principles have guided the design and amendment of the tax regime so far: (i) to provide fit-for-purpose tax incentives addressing investors' needs to remain competitive and attractive, and (ii) to comply with international tax standards to avoid adverse classifications. This approach allowed the QFC to strike the right balance between attractiveness and compliance with international standards.

As a result, the QFC tax regime successfully undertook all international assessments and peer reviews, including by the Organization for Economic Cooperation and Development (OECD), and has been recognised as a "credible, robust and transparent" tax regime.

10

QFC COURTS

QFC COURTS

The QFC Law introduced two judicial bodies into the QFC: the Qatar Civil and Commercial Court (Court) and the Regulatory Tribunal. With the QFC Law having created what is effectively a new legal system within Qatar, which broadly applies to those conducting business in the QFC, it was considered necessary to create appropriate judicial bodies staffed by expert judges from a range of jurisdictions to settle disputes which arise amongst the entities which make up the QFC and those who do business there.

Jurisdiction

The jurisdiction of both the Court and the Regulatory Tribunal is set out in Article 8 of the QFC Law as amended by Decree No. 21 of 2017 and Law No. 15 of 2021. The Court, which comprises both a First Instance Circuit and an Appellate Division, has the jurisdiction to hear:

- Civil and commercial disputes arising from transactions, contracts, arrangements or incidents taking place in or from the QFC between entities established in the QFC
- Civil and commercial disputes arising between the QFC authorities or institutions and the entities established in the QFC
- Civil and commercial disputes arising between entities established in the QFC and contractors and employees of such QFC entities, unless the parties agree otherwise
- Civil and commercial disputes arising from transactions, contracts or arrangements taking place between entities established within the QFC and residents of the State of Qatar or entities established in the State but outside the QFC, unless the parties agree otherwise
- Civil and commercial disputes related to other entities, which are assigned to it by a law

The Regulatory Tribunal has the jurisdiction to hear appeals raised by individuals and corporate bodies against decisions of the QFCA, the QFCRA and other QFC institutions and appeals relating to the withdrawal or suspension of licences of companies registered within the Qatar Free Zones.

Both the Court and the Regulatory Tribunal have their own set of regulations and procedural rules which parties to proceedings must follow.

Judges

Both the Court and the Regulatory Tribunal are made up of judges of international repute. When the two bodies were first established, the Court was led by its President, Lord Woolf of Barnes, a former Lord Chief Justice of England and Wales, and the Regulatory Tribunal by Sir William Blair, a former High Court judge of England and Wales. The current President of the Court is Lord Thomas of Cwmgiedd, another former Lord Chief Justice of England and Wales. Sir William Blair still heads the Regulatory Tribunal as its Chairman.

In addition, the Court and the Regulatory Tribunal are supported by a number of other eminent judges and legal practitioners from a variety of countries: Qatar, Kuwait, China, England and Wales, Scotland, France, Hong Kong, Singapore, South Africa, Cyprus, the United States, India and New Zealand.

Judicial appointments are governed by Schedules 5 and 6 to the QFC Law, but generally speaking, judges are appointed for a renewable term of five years. Prior to undertaking any judicial work, judges take an Oath of Office and an Oath of Allegiance to His Highness the Emir, in whose name all judgments of the Court and Regulatory Tribunal are issued. Furthermore, judges subscribe to a Judicial Code of Conduct, the cornerstones of which are independence, impartiality, integrity and propriety.

Workload

The workload of the Court, whilst initially light, has increased exponentially in recent years.

The Regulatory Tribunal, a more limited jurisdiction compared to the Court, typically hears a handful of cases each year. These are usually appeals by either individuals or firms against the decisions of the QFCRA and the CRO.



Commencing proceedings in the Court

Proceedings are commenced by the issue of a claim form, which the Registry, headed by the Registrar, issues on behalf of the Court. A party (Claimant) who wishes to have a claim form issued must complete the claim form, ensuring that it contains all the necessary information required by the Regulations and Procedural Rules of the Court (Court's Regulations). This includes the names and contact details of the parties to the dispute, the nature of the dispute, the basis upon which it is alleged the Court has jurisdiction, the legal basis for the claim and the remedy sought. If the Registry is satisfied that the claim form has been fully completed, it will date and stamp the claim form and return a copy of it to the Claimant. Claims should now be filed through the Court's case management system, eCourt, which is a vehicle through which the Registry issues and manages claims and through which claims progress paperless.

A claim form is valid for service for four months from the date of its issue, and it is the Claimant's responsibility to ensure that the claim form is served on the Defendant in accordance with the Court's Regulations. Methods of service include personal service, delivery to the party's home address or registered office address, fax, or by any method that has been agreed by the parties or directed by the Court, acting by the Registrar. Once the claim form has been served on the Defendant, the Claimant must notify the Registry as to the date and manner of its service.

Once a party (Defendant) has been served with a claim form, they have 28 days in which to file and serve a defence or an indication that it admits the claim, whether in full or in part. Any defence or admission to a claim must be filed with the Registry and served on the Claimant. If the Defendant wishes to challenge the jurisdiction of the Court to determine the case, it has 14 days from service of the Claim Form in which to do so. The Defendant must explain why it believes the Court does not have the jurisdiction to hear the matter. Such information must be filed with the Registry and served on the Claimant.

The Claimant may file and serve a reply to the Defence or jurisdictional if it wishes to do so. The Registrar will set a timetable for such reply.

Once all the pleadings have been filed and served, the Registrar and/or the Court will give directions as to the future management of the case. Directions may relate to such matters as the disclosure of documents, the filing of witness statements and whether or not expert evidence may be required, as well as aspects of the hearing, such as the estimated duration and procedure to be followed.

Through Practice Direction No. 1 of 2022, the Court established a Small Claims procedure which provides for an expedited timetable for claims up to and including a value of QAR 100,000. The Registrar can allocate appropriate claims to the Small Claims track. In such cases, the claim form is valid for seven days, and a defendant must respond to a claim form within 14 days of deemed service. These cases are ordinarily determined on the papers without a hearing.

Commencing proceedings in the Regulatory Tribunal

If a party (Appellant) is appealing a decision of the QFCA, QFCRA or other QFC institution, it must file an appeal notice with the Registry within 60 days from the date when the decision that is sought to be challenged is published in the relevant gazette (if applicable); or within 60 days from the date when an Appellant is notified by an official notice in writing; or where a decision is a failure or omission to notify a decision, within 60 days of the deemed date of the decision. A copy of the appeal notice must be served on the relevant QFC institution no later than seven days after it is filed with the Registry. The appeal notice must contain all the necessary information required by the Regulations and Procedural Rules of the Regulatory Tribunal (Tribunal Regulations), including the full details of the Appellant, the decision which the Appellant wishes to challenge, the basis upon which the Regulatory Tribunal is said to have jurisdiction, the grounds upon which the challenge is based, the remedy sought, as well as any other information relevant to the determination of the appeal.

The QFC institution concerned then has 28 days in which to file and serve a response which must, amongst other things, include the reasons for the QFC institution's decision as well as identify any relevant law or regulations upon which that decision was reached. The Appellant is then given a further 28 days in which to file and serve a reply identifying, in particular, any matters contained within the response which the Appellant disputes.

The Registrar and/or the Regulatory Tribunal will then give directions as to the future management of the case.

Hearings and judgments

Hearings before the Court and Regulatory Tribunal are conducted in public. Listings and other information about hearings are also available on the QICDRC's website. Hearings are usually live-streamed via the QICDRC website and recorded, unless the Court or Regulatory Tribunal orders otherwise.

Proceedings before both bodies will usually be conducted in English, although they can be conducted in Arabic should the parties so wish. In addition, and in the event that a witness needs to give evidence in any other language, the Registry will ensure that a suitably qualified interpreter is made available free of charge.

Parties may represent themselves before the Court or Regulatory Tribunal or may instruct a suitably qualified lawyer. Absent any direction from the President of the Court, any qualified lawyer who is entitled to appear before a superior court, whether in the State of Qatar or any other jurisdiction, shall have rights of audience before the Court and Regulatory Tribunal.

Both the Court and the Regulatory Tribunal shall conduct hearings in such manner as they consider to be most suitable, given the issues raised by the dispute or appeal in order to facilitate the just, expeditious and economical determination of the dispute.

Hearings (or parts of them) may take place by video or audio link at the request of the parties and/or following a direction of the Registrar or of the Court or Regulatory Tribunal. Both entities now make full use of technology to ensure that hearings are conducted cost-effectively, and remote hearings are now common where appropriate.

Similarly, transcription services can be made available for the benefit of the parties although the parties may have to bear the cost of this if the Court or Regulatory Tribunal considers that the provision of such services is unnecessary.

Judgments of the Court and decisions of the Regulatory Tribunal become effective from the moment they are issued. Once the judgments have been distributed to the parties, they are made available in both English and Arabic on the QICDRC website.

Appeals

Judgments of the Court and decisions of the Regulatory Tribunal are usually considered final. There is, however, an Appellate Division which hears appeals from both First Instance judgments of the Court and decisions of the Regulatory Tribunal. Like proceedings before the Court and Regulatory Tribunal, appeals are heard before a panel of three judges, which usually comprises the President plus two other judges. There is, however, no automatic right of appeal. Permission of the Appellate Division must be sought in order to bring an appeal, and the Court will only grant permission where there are 'substantial grounds for considering that a judgment or decision is erroneous and there is a significant risk that it will result in serious injustice'. A decision to refuse permission to appeal is final, as is any other judgment of the Appellate Division.

Costs

Both the Court and Regulatory Tribunal have broad powers in relation to the issue of costs. The general rule for cases before the Court is that the unsuccessful party will pay the costs of the successful party, whereas, in proceedings before the Regulatory Tribunal, it will not normally be the case that any award of costs is made.

Both bodies may make awards of costs to be assessed if these have not been agreed upon. If the parties are unable to reach an agreement as to the appropriate amount to be paid, the assessment will be made by the Registrar, whose decision on the matter will be final unless a party seeks to challenge it before the Court or Regulatory Tribunal.

Enforcement

The Court and Regulatory Tribunal have the power to enforce their own judgments and to deal with contraventions of their judgments through the imposition of fines or any other order considered necessary in the interests of justice. The Enforcement Judge is primarily responsible for enforcing judgments of both bodies and has wide powers to ensure that judgments of the Court and Regulatory Tribunal are complied with.



Other forms of dispute resolution

Arbitration

In addition to its litigation and appellate jurisdiction, the Court also has jurisdiction to determine certain matters in accordance with the QFC Arbitration Regulations and the State of Qatar Law No. 2 of 2017 promulgating the Civil and Commercial Arbitration Law, which allows parties to choose the First Instance Circuit of the Court as the "Competent Court" for the purposes of that Law. The arbitration regime within the QFC is outside the scope of this Chapter but, in short, where parties choose to seat an arbitration within the QFC, the Court may be called upon to exercise functions such as:

- Issuing interim measures
- Appointing arbitrators
- Determining challenges to the appointment of arbitrators or otherwise terminating the appointment of an arbitrator
- Consolidating arbitration proceedings or determining applications for joinder
- Determining jurisdictional challenges
- Enforcing interim measures
- Assisting the arbitral panel in taking evidence
- Determining applications for the setting aside of awards
- Matters relating to the enforcement of awards

Where a party has a query which relates to the Court's jurisdiction over a QFC-seated arbitration, such query should be referred to the Registrar.

Mediation

The Registrar can assist parties who wish to mediate a dispute by providing parties with the details of accredited mediators, including judicial mediators, whom the parties may then seek to appoint. In 2020, Qatar ratified the Singapore Convention (also known as the United Nations Convention on International Settlement Agreements Resulting from Mediation), which establishes a framework for the enforcement of international settlement agreements resulting from mediation.

11

DATA PROTECTION OFFICE

Data Protection within the QFC is governed by the provisions of the Data Protection Regulations and Rules 2021. The Data Protection Regulations created the Data Protection Office as an independent institution of the QFC, and the role of Data Protection Commissioner, responsible for administration and overseeing compliance with the Data Protection Regulations.

The Data Protection Regulations and Rules 2021

The Regulations, supported by the Rules, set out the principles and obligations which firms, either as Data Controllers or Data Processors, in the QFC must comply. The principles provide a framework for compliance and leave the exact details of how these will be implemented to individual firms. Firms must apply these principles to their Personal Data Processing operations and must be able to demonstrate objectively that they have complied with them. The Regulations also place specific obligations on firms, such as providing information to Data Subjects (the individuals whose data they process) on how their Personal Data is processed and reporting Personal Data Breaches to the Data Protection Office.

Key requirements under the Regulations

Data Controllers and Data Processors

The Regulations set out six core Principles which Data Controllers must demonstrate compliance with:

- Principle 1: Lawfulness, fairness and transparency
- Principle 2: Specific purpose
- Principle 3: Data minimisation
- Principle 4: Accuracy
- Principle 5: Storage limitation
- Principle 6: Integrity and confidentiality of Processing

Lawful Basis for Processing Personal Data

The Regulations set out the following lawful basis under which Personal Data Processing must be based:

- Consent of the Data Subject
- Where the Processing is necessary to perform or enter into a contract
- Where there is an obligation imposed by law to Process the Personal Data
- In the vital interest of the Data Subject, where they are unable to consent to the Processing
- Where Processing is in the public interest
- Where Processing is by the QFC body in the performance of its functions
- For the purposes of the legitimate interests of the Data Controller or another Person to whom the data are disclosed

Data Controllers and Data Processors

A Data Controller determines the purposes and means of the Processing of Personal Data, whilst a Data Processor undertakes Processing of Personal Data on behalf of a Data Controller.

Data Controllers must put in place systems and controls necessary to demonstrate compliance with the Regulations. In addition, Data Controllers must ensure they:

- Implement requirements for data protection by design and by default
- Undertake and document data protection impact assessments where necessary
- Have the required agreement in place when engaging Data Processors
- Have a documented record of all the Personal Data Processing operations
- Report Personal Data Breaches within 72 hours to the Data Protection Office

Transparency

Data Controllers must provide Data Subjects with transparent information, often referred to as a privacy notice, on what information they collect, how they are using it, and their rights regarding their Personal Data. This is referred to as the 'right to be informed' and provides Data Subjects with key information on how their data is Processed. This information must be provided at the time when personal data is first collected.

Individual Rights

The Regulations set out the following rights individuals have in relation to their Personal Data:

- The right of access
- The right to rectification
- The right to erasure
- The right to restrict processing
- The right to data portability
- The right to object
- Rights in relation to automated decision-making and profiling

Transferring Personal Data Outside the QFC

Transfers of Personal Data outside the QFC are permitted once the jurisdiction to which the Personal Data is being transferred offers an adequate level of protection for that Personal Data compared to the QFC; this also applies to any transfers outside the QFC to onshore Qatar. The QFC's Data Protection Office has published a list of adequate jurisdictions for this purpose.

Where a jurisdiction is not on the list, firms may proceed with the transfer only where one of the conditions below apply.

- Appropriate safeguards, such as the use of the QFC's standard contractual clauses
- Specific derogations, such as per the explicit consent of the Data Subject
- In limited circumstances, such as on receipt of a permit from the Data Protection Office



Data Protection Office

The Data Protection Office is established as an independent institution of the QFC to administer and enforce the QFC Data Protection Regulations and Rules 2021. Established pursuant to Article 6 of the QFC Law, the Data Protection Office administers and enforces the QFC Data Protection Regulations and Rules 2021 within the QFC. The Data Protection Office is led by the Data Protection Commissioner and provides support, advice, and guidance to the QFC community on all data protection matters, as well as adjudicating complaints, investigating alleged contraventions of the Regulations, and issuing financial penalties, if required.

Power of the Data Protection Office

The Data Protection Office has powers under the Regulations, such as:

i. Investigative powers, including undertaking audits, requiring information and accessing premises

ii. Authorisation and advisory powers, including issuing interpretations and guidance, publishing a list of adequate jurisdictions for data transfers and issuing permits for Processing of Sensitive Personal Data, and for transfers of Personal Data outside the QFC

iii. Corrective powers, including issuing warnings, reprimands or orders to limit or ban Processing or to impose financial penalties for non-compliance

The Data Protection Office and International Cooperation

The Data Protection Office represents the QFC as an observer member of the Global Privacy Assembly, a forum for privacy and data protection authorities that aims to disseminate knowledge, help authorities perform their mandates effectively, provide international leadership, and connect, support, and enable authorities to protect and promote privacy and data protection.

The Data Protection Office is also a member of the Global Privacy Enforcement Network, an informal network of international data protection regulators which shares best practices on enforcement priorities and supports joint enforcement initiatives and awareness campaigns.

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