INVESTMENT CLUB

مركز قطر للمال
Qatar Financial Centre

ABOUT QFC

As one of the leading onshore business and financial centres, the QFC offers both domestic and international firms a world-class platform to establish and operate their business in Qatar, providing access to a broad range of services, regulated and non-regulated, under a legal and regulatory regime based on international best practices. Whether you are a start-up or a large company seeking to establish or expand your presence in the region, the QFC provides a transparent and flexible environment for your business to flourish and grow in Qatar and beyond.

BENEFITS OF SETTING UP IN THE QFC

- Onshore Jurisdiction
- 100% Foreign Ownership
- English Common Law
- 10% Tax on Locally Sourced Profits
- 100% Repatriation of Profits
- No Minimum Capital
- One Stop Shop
- Trade in any Currency

An Investment Club (IC) in the Qatar Financial Centre (QFC) is incorporated as a limited liability company under the QFC Investment Clubs Regulations as an IC. It has the capacity, rights, and privileges of a natural person.

The Object of an IC is to pool contributions from its members for the purpose of investing and managing a portfolio of assets and securities. As long as the activities of an IC are not carried on in a manner which constitutes 'by way of business', as the term is defined in the QFC Financial Services Regulations, it does not require authorisation from the QFC Regulatory Authority (QFCRA). [Before being licensed, an IC must undertake to the QFC Authority (QFCA) that it will not carry on its permitted activities 'by way of business'.]

What is an Investment Club?

- An IC is a small group of natural persons or body corporates, consisting of a minimum of two (2) and a maximum of 15 members, who pool their funds to make joint investments in a commonly held portfolio of assets and securities.
- An IC is a legal entity with its own distinct attributes and legal personality, allowing it to enter into contracts and arrangements directly while, at the same time, separating the liability between the IC and its members.
- The principal activities of an IC include:
  - Pooling contributions of members to invest and manage portfolios of assets and securities.
  - Monitoring the performance of the assets and securities of the IC.
  - Reviewing the performance of the assets and securities of the IC and making recommendations about the portfolio of assets and securities at the review meetings.
- The QFC allows IC members to transfer or sell their shares in ICs with QFCA approval.
- An IC cannot list or apply to list on the Qatar Stock Exchange (QSE) or any other securities exchange and cannot offer its shares to the public.

Features of an Investment Club

Name

The **Name** of an IC must end with the expression "Limited Liability Company (Investment Club)" or the abbreviation "llc(ic)" or "LLC(IC)".

Objects

The **Objects** of the IC must be specified within its Articles of Association.

The IC, subject to the terms of its licence, shall:

- Pool contributions of members to invest and manage portfolios of assets and securities.
- Monitor the performance of the assets and securities of the IC.
- Review the performance of the assets and securities of the IC and make recommendations about the portfolio of assets and securities at the review meetings.
- Ensure that it has systems and controls to safeguard the assets and securities of the IC.
- Undertake such additional functions as may be approved by the QFCA from time to time.

An IC must not carry out its activities "by way of business", as the term is defined in Article 25 of the QFC Financial Services Regulations, unless it is authorised by the QFCRA. Before being licensed, an IC must undertake to the QFC Authority that it will not carry on its permitted activities "by way of business".

Share Capital

The initial Capital must be fully paid by way of cash consideration before the date of issue of shares to the members.

The value of shares in an IC shall, at all times, be equal to the value of the assets, of any kind, of the IC after the deduction of liabilities.

Members

An IC must have a minimum of two (2) members and a maximum of 15.

A member of an IC can be of any nationality and can be either a natural person or a body corporate.

Director

An IC must have at least one (1) director. A body corporate cannot be the director.

Senior Executive Function (SEF)

An IC must have a Senior Executive Function (SEF) who is ordinarily resident in the State of Qatar. The SEF, who shall be a director of the IC and may also be called the Club Manager, is responsible for the day-to-day administration of the IC.

Secretary

An IC must always have a qualified secretary.

Administration Officer

Unless otherwise resolved by a Special Resolution of members, an IC must appoint a finance officer, who may also be referred to as the administration officer, to ensure that the IC meets it obligations to maintain accounting records.

Registered Office

An IC must have a registered office situated in one of the QFC designated premises.

The name of the IC, its registered number and the address of its registered office should be included in all its written communications, such as business letters, written orders for goods and services, invoices, receipts, and other similar documents, including electronic communications.

QFC Benefits for Investment Clubs

- All dividends received by a QFC IC are exempt from tax. Participation exemption is available for ICs on capital gains realised from the disposal of qualifying shareholdings.
- ICs that qualify as Special Investment Funds may elect for a tax-exempt status (subject to conditions).
- An IC may be established with different classes of shares, which can provide flexibility to club members in terms of differentiating rights and obligations between members.
- A QFC IC is eligible for all other QFC benefits associated with being established in the QFC.

Examples of how a QFC Investment Club can be used

- An IC allows aspiring professional investors to acquire relevant experience by collectively managing funds with other people before applying for a financial services licence and provides members with an opportunity to share ideas and learn about investing from each other.
- ICs allow members to spread the cost of investment fees.

Application for Establishment of Investment Club

- Complete the online application form for registration and licensing of the IC.
- The application must be accompanied by Articles of Association that comply with the QFC IC Regulations/Rules.*

*A standard Investment Club Articles of Association is available to adopt.

Compliance & Disclosure Requirements

All QFC-registered entities are required to maintain certain documents at their registered office.

ICs are required to:

- Convene annual general meetings with the members of the IC at least once in a calendar year.
- Convene a review meeting with the members of the IC at least every 90 days beginning from the date of its incorporation.

In addition, ICs are required to make certain periodic and event-driven filings to the CRO/QFCA, such as:

- Annual Return.
- Annual Ultimate Beneficial Owner (UBO) Report.
- Notice of any alteration to the Articles of Association, registered office, etc.
- Appointment and cessation or change in particulars of members/shareholders, director(s), Senior Executive Function or secretary.
- Notice of appointment or removal or resignation of Auditor.

ICs are required to ensure that they are not involved in contravention of the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Law in the State of Qatar. Further, the IC must report any suspicious transactions to the Financial Information Unit established under AML/CFT Law.

For the full and detailed compliance and disclosure requirements, please refer to the QFC Investment Clubs Regulations and the QFC Investment Clubs Rules.

Fees

Purpose	Fee USD
Application for establishment of an IC	500
Annual Licensing Fee (prorated for the first year)	5,000
Change of LLC (IC) name	200
Notice of change of Registered office	200
Filing of Annual Return	200
Alteration of Articles of Association	200
Registration of the particulars of each director appointed, removed or who resigns and any change in the particulars (name, address, change in other directorships, occupation, nationality)	200
Registration of the particulars of each secretary appointed, removed or who resigns, and any change in the particulars (name, address, occupation, nationality)	200
Change of Auditor - each notification for appointment/removal/ resignation	200
Application for non-objection to a transfer of shares in an IC	Nil
Registration of a financing statement with the CRO	200
Search of the register of financial statements	50
Request for each extract of the information maintained in the CRO Register	50
Request for certified copy of certificate of Incorporation or Certificate of Registration or any document required to be filed with CRO in accordance with the Companies Regulations	50

For more information, contact our team at:

+974 4496 7836 / professionalservices@qfc.qa / www.qfc.qa

QFC Tower 1, West Bay, Doha, Qatar (Opposite to City Centre Mall)
P.O. Box 23245

مركـــز قطـــر للمـــال
Qatar Financial Centre