



**QFMA's Board Decision**

**No. (1) Of 2023**

**Concerning the Amendment of Some Provisions of  
Margin Trading Rules issued by QFMA's Board Decision No. (4) of 2019**

**The Board of Directors,**

Having considered Law No. (8) Of 2012 of Qatar Financial Markets Authority; as amended by Decree-Law No. (22) Of 2018;

The QFMA's Board Decision No. (4) Of 2019 Concerning the Issuance of Margin Trading Rules and its amendments;

QFMA's Board approval at its 3<sup>rd</sup> meeting of 2022 on 25<sup>th</sup> of September 2022;

And the proposal of the QFMA's Chief Executive Officer,

**We have decided the following:**

## **Article (1)**

The provisions of Article (11 item 2) of Decision No. (4) of 2019 mentioned above, shall be replaced with the following:

**2-** The total funds allocated for Margin Trading by the Company shall be (100%) of the net equity according to the latest audited annual financial statements. The Company may request an increase of the percentage allocated for Margin Trading up to a maximum of 300% of the net equity according to the latest audited financial statements as per the following requirements and procedures. The Authority may suspend or cancel its approval of the application, or reduce the approved percentage, as required by the market interest.

### **Requirements:**

- The percentage of funds used for Margin Trading shall not be less than 75% of the total funds allocated for Margin Trading when submitting the application.
- The ratio of the Company's net capital shall not be less than the minimum limit (12%) set in the Capital Adequacy Standards for the last month from submission date of the application.
- The Company shall not have committed substantial violations of the Capital Adequacy Standards during the six-month period preceding the submission date of the application.
- The Company shall not have committed substantial violations of the Trading Rules or Margin Trading Rules during the six-month period preceding the submission date of the application.

### **Procedures:**

- The Company shall submit a full and complete documents application requesting the Authority's approval of the required new percentage.
- The Company shall pay the applicable fees for reviewing and processing the application.
- The competent department shall review and process the application.

- The Authority shall issue its decision to approve or reject the application within a period not exceeding (10) ten days from the submission date of the full and complete application.
- The Authority's decision may include approval of the percentage specified in the application, or a lower percentage as decided by the Authority.
- If a decision is not issued by the Authority within the period referred to above, this shall be deemed a rejection or a non-approval of the application, unless the period is extended by the Authority.
- If the application is rejected or (10) ten days have passed from the submission date of the full application, the Company may appeal against the decision in accordance with the Authority's legislation.

#### **Required Documents and Information:**

- The Company's justifications for increasing the maximum percentage of funds allocated for Margin Trading.
- Finance sources of the increase in the funds allocated for Margin Trading, and the percentage of external financing obtained by the Company, as well a copy of the contracts and/or agreements concluded in this regard.
- Any complaints against the Company from any of the clients and the actions taken thereon during the six months preceding the submission of the application.
- The latest quarterly financial statements for the period preceding the submission of the application.
- A monthly statement of the total funds allocated for Margin Trading for the last three months and the funds used during the same period.
- A statement of the Margin Trading clients whose contribution percentage has fallen below the Maintenance Margin limit determined in the Margin Trading Agreement, and the actions taken to cover the shortage in the Maintenance Margin within the period determined at the moment of Margin call, and the percentage of the value of the Company's contribution to these clients out of the total funds used for all clients.

### **Article (2)**

Any provision that contradicts the provisions of this decision shall hereby be repealed□

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### **Article (3)**

All competent authorities, each within its jurisdiction, shall implement this decision. The decision shall be effective from the date of issuance and shall be published in the Official Gazette.

**Bandar Bin Mohammed Bin Saoud Al-Thani**

**Chairman of the Board of Directors**

Issued on 10/08/1444 H

Corresponding to: 02/03/2023

*This is a translation of the Official Arabic version. In case of any discrepancies, the Arabic version shall prevail.*