



هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

The QFMA Board's Decision No. (1) Of 2016 regarding Ownership of Shares in Listed Companies on QSE

This is a translation of the Official Arabic version of "The QFMA Board's Decision No. (1) of 2016 regarding Ownership of Shares in Listed Companies on QSE".

In case of any discrepancies, the Arabic version shall prevail.

The Board of Directors,

Having considered Law No. (8) Of 2012 of Qatar Financial Markets Authority; and Law of Qatar Central Bank and the Regulation of Financial Institutions, issued by virtue of Law no. (13) Of 2012; and Commercial Companies Law issued by virtue of Law No. (11) Of 2015; and Qatar Stock Exchange Rulebook; and (QCSD) Qatar Central Securities Depository Rules;

We have decided the following:

Article (1)

On application of the provisions of this Decision, the following words and phrases shall have the meaning adjacent to each, unless the context requires otherwise

Authority	: Qatar Financial Markets Authority (QFMA).
Exchange	: Qatar Stock Exchange (QSE).
Company	: Any company listed on QSE, except for the companies subject to the supervision and control of the Qatar Central Bank (QCB).
Person(s)	: A natural or legal person, as the case may be.
Legal Person	: The State, commercial companies, and other entities with legal personality.
State	: The ministries, authorities, public institutions, other government bodies and parties, and the institutions or parties whose budgets are linked with the State budget, as well as the companies where the State owns a percentage not less than 51% of its capital, or a lesser percentage subject to the QFMA's Board approval.
Holding Company (Parent Company)	: The Company which owns 51% or more in shares or equities of its subsidiaries for the purpose of having financial and administrative control over them.
Direct Ownership	: The ownership of shares by the natural or legal person in the personal capacity.
Indirect Ownership	: The ownership of shares by the natural or legal person as determined in Article (3) of this Decision.
Ownership Limit	: The maximum ownership limit stipulated in the company's Articles of Association, whether the ownership is direct or indirect.

Article (2)

- 1- This decision shall apply to the companies listed on the QSE, except for the companies subject to the supervision and control of the QCB.

- 2- Without prejudice to the founders' rights prescribed upon incorporation, no person, natural or legal, shall exceed the ownership percentage stipulated in the Article of Association either directly or indirectly.
- 3- Excluded from the provisions of the previous paragraph, the ownership belonging to the State, Qatar Foundation for Education, Science and Community Development, funds affiliated with the General Retirement & Social Insurance Authority, Qatar Investment Authority, and Qatar Holding Company.
- 4- If the ownership of one Person exceeded the percentage specified in Paragraph (2) of this Article in any way and for any reason, the Person shall dispose of the excess and transfer the ownership during the period specified in this Decision.

Article (3)

- (a) On application of the provisions of this Decision, the Indirect Ownership means the ownership of a Company shares by the Persons who are legally or economically linked, whether natural or legal, and whether this correlation was through joint ownership/ management or overlapping interests.
- (b) The joint ownership/ management means any legal or economic linkage through joint ownership or management, for example but not limited to:
 - 1- The ownership of a Person in the Company's shares, whether in his personal capacity or in his capacity as the natural guardian of his minor children.
 - 2- The ownership of the Company owned for a Person and the companies where this Person is an active partner.
 - 3- The companies where the Person owns more than 50% of the capital or the Company where the Person has control over it, as determined by the International Accounting Standards.
 - 4- The economic or legal linkages that allow the Person to have control as determined by the International Accounting Standards.
- (c) The "overlapping interests" means any interest or relation that allows a Person to have a control over another Person or exercise significant

influence over that Person upon taking financial and operational decisions, or the alliance of a group of Persons. That includes the following examples but not limited to:

1. The relation between any of the board members of the Company requesting the ownership, and its main owners and shareholders (any Person owns 5% or more of the Company's capital).
2. Members of senior management of the Company requesting the ownership (the CEO, his deputies, assistants, executive managers and the like).
3. Subsidiaries where the Company requesting the ownership has more than 50% of their capital and over which the Company has administrative and financial control.
4. Sister companies where the Company requesting the ownership has 20% or more of their capital and over which the Company has significant influence.
5. The alliance, announced or not, between a Person and another or between a Person and a group of Persons.

Article (4)

In case of any amount exceeding the Ownership Limit, it must be disposed of as follows:

- 1) In cases of unintentional excess such as fulfillment of a debt or execute a will or the acquisition of a legacy, you must dispose of them gradually over five years from the issuance date of this decision.
- 2) In cases of unintentional excess that occur after the date of this decision, such as fulfillment of a debt or execute a will or the acquisition of a legacy, you must dispose of them gradually within three years from the date of ownership.
- 3) In other cases of exceeding the limit resulting from purchase or because of profit and others, you must dispose of the increased amount gradually over three years from the issuance date of this decision.

In all cases of exceeding the percentages prescribed in the Articles of Association, the shares' owner is prohibited to take advantage of the exceeding amount with respect to voting rights in the General Assembly or in the company's management

Article (5)

Without prejudice to the QFMA's legislations with respect to the disclosure rules, if the target audience have shares that exceed the Ownership Limit, they shall comply to the provisions of this decision to disclose to the QCSD within thirty days from the issuance date of this decision.

The QCSD shall determine the procedures and prepare forms required to ensure the implementation of the provisions of this decision, as well as ask the concerned parties targeted by this decision to adjust their status according to the QFMA instructions.

Article (6)

All companies subject to the QFMA's jurisdiction, targeted by this decision, shall adjust their status according to its provisions.

Article (7)

Without prejudice to the provisions of this Decision, the QFMA imposes sanctions stipulated in the QFMA Law the previously mentioned.

Article (8)

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

Issued on 21/3/2016