

Annual Report 2015



Qatar Financial Markets Authority

التقرير السنوي

2015



هيئة قطر للأسواق المالية

'In the name of God, the Most Gracious, the Most Merciful '



H.H. Sheikh

Tamim Bin Hamad Al Thani

Emir of the State of Qatar

2015

QFMA

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Qatar Financial Markets Authority

BOARD OF DIRECTORS

and Chief Executive Officer

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H.E. Sheikh
Abdulla Bin Saoud Al-Thani

The Governor
Chairman
of the Board of Directors

H.E. Sheikh
Fahad Bin Faisal Al-Thani

Deputy Governor
Vice-Chairman
of the Board of Directors



H.E. Mr.
Khalaf Ahmad Almannai

Representative
of Ministry of Finance
Member



H.E. Dr.
Hessa Sultan Al-Jaber
Expert in the Authority's field
Member



H.E. Mr.
Hamad Ali Almannai
Representative of Ministry
of Economy & Commerce
Member



H.E. Sheikh
Saoud Bin Nasser Al-Thani

Expert in the Authority's field
Member



Mr./ **Micheal Ryan**
Chief Executive Officer
of Qatar Financial Center
Regulatory Authority
Member



Nasser Ahmad Al-Shaibi
Chief Executive Officer

CHAIRMAN MESSAGE



The
year of
2 0 1 5

witnessed many challenges and crises in the international capital markets that have negatively affected the financial markets performance, in addition to the oil price decline, reducing quantitative easing programs in some of the major world economies and the subsequent rising interest rates in the US markets, as well as, the geopolitical crises that have occurred in the Middle East during 2015.

However, these factors
have had minimal
impact on

the Qatari
markets, and the Qatar Financial
Markets Authority (QFMA) was able to
maintain international ratings for its local
markets during 2015, even advancing in some
rankings, whether at the international or
regional level.

This progress was due to the QFMA's adoption
of a strategic vision based on the key
principles and pillars of the Qatar National
Vision 2030 and the implementation of an
operational plan that achieved these
objectives and attributed to retaining the Qatari
capital market as a competitive regional market.

The State of Qatar has maintained its
sovereign credit rating and raised its global
competitiveness ranking from 16th to 14th
worldwide.

According to the 2015 Report published
by Transparency International-The Global
Anti-Corruption Coalition, the State of Qatar
has reached 1st rank in the Middle East
on anti-corruption and 22nd internationally
compared to 2nd and 26th respectively the
year before.

Moreover, the Qatari financial markets
achieved 1st rank among its Arab peers and
13th at the international level in

terms of financial markets development according to the 2015 - 2016 Global Competitiveness Report.

While in terms of market capitalization, according to the statistics of the World Federation of Exchanges, the Qatari capital market maintained its 2nd place at the Arab country level and the 12th across Europe, Africa and the Middle East.

In spite of all achievements during 2015, the QFMA is aware that for the continued progress and development of the Qatari Capital Markets and its eminent contribution to the State of Qatar's economic stability and growth, many more steps must continue to be taken with dedication and hard work.

On this occasion, the QFMA has the honor to extend the highest thanks and appreciation to H.H. Sheikh/ Tamim Bin Hamad Al Thani, Emir of the State of Qatar, to H.H. Sheikh/ Abdulla Bin Hamad Al Thani, Deputy Emir, and to H.E. the Prime Minister, Minister of Interior, for their continuous support.

Thanks and appreciation are also conveyed to government bodies and institutions operating in the State of Qatar

on their cooperation with the QFMA to achieve its goals.

Abdulla Bin Saoud Al Thani
The Chairman

CEO MESSAGE



The QFMA is pleased to issue its 2015 Annual Report, highlighting the achievements of this past year which are a practical translation of the objectives behind the establishment of the QFMA with its duties and responsibilities that have set the regulatory framework for the operations, supervision and overview of the financial markets to ensure rights protection of all entities & individuals within, upholding the principles of equality, transparency and disclosure to further strengthen the development of the national economy and support the clear vision of the wise leadership of the State.

The QFMA, since its establishment, developed many concepts and principles that constitute the set of procedures taken into account for achieving an efficient and effective system of financial supervision, that in turn increased the scope of disclosures and transparency as one of the most important principles of financial markets in achieving its highest performance levels, and developing legislations regulating this sector, as well as, improving the working environment for protecting the interests of all relevant parties, based on modern and advanced regulatory foundations in line with international best practices.

The year 2015 witnessed many accomplishments that have contributed to the achievement of the QFMA's general strategy objectives that aim to maintain confidence in the financial markets operating systems, protect investors and those who deal in securities in order to ensure stability of the Qatari financial markets, and reduce risk exposure.

All these initiatives and the work exerted in their implementation form the QFMA's part in the realization of the Qatar National Vision 2030, as well as, the Qatar National Development Strategy.

In the area of financial markets activity and to bring to reality its mission, the QFMA has persisted in developing awareness plans and programs to actively engage and

encourage investment in securities as one of the most important tributaries of economic development.

The QFMA has also put its entrusted tasks into action based on conviction of its sublime objectives through permanent and ongoing supervision of all parties subject to its jurisdiction, (Qatar Stock Exchange "QSE", Qatar Central Securities Depository "QCSD", financial services companies, listed shareholding companies, persons dealing in the financial markets and investors), as well as, the ongoing supervision of all securities trading activities.

The QFMA complimented its efforts by creating constructive cooperation frameworks & exchange of information with various authorities by signing bilateral Memorandums of Understanding (MoUs). It also sought to provide the necessary resources to develop qualified technical human capital, which in turn will ensure the application and development of best international standards within the capital market sector.

The QFMA also worked on further enhancing its contribution within the local capital market sector, by providing all aspects of support to initiatives that aim to develop the market and increase investors' awareness in accordance with a comprehensive plan that includes small shareholders as well. This contribution lead the Qatari Market to occupy the highest positive international credit rating and ranks in the field

of anti-corruption, transparency and economic freedom. The State of Qatar, according to the IMD World Competitiveness Yearbook 2016 issued by the International Institute for Management Development (IMD), achieved an advanced ranking in the global competitiveness rankings among (61) states, which reinforces the QFMA's effective contribution in implementing its strategic plan.

Finally, I would like extend my sincere thanks to our partners in the capital market sector for their continuous and ongoing cooperation towards achieving the objectives set out for developing the capital market in the State.

Nasser Ahmad Al Shaihi

Chief Executive Officer



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ENTRANCE 2

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B.O.U.U



PART ONE

General view on
Qatar's economy



PART ONE

General view on
Qatar's economy

QATAR'S ECONOMY IN BRIEF

Qatar is one of the richest countries in the world in terms of per capita income. Qatar's economy mainly depends on oil and gas exports, as it is classified as the largest supplier of liquefied natural gas (LNG) in the world up to (25%) of the global LNG supply. Qatar also has volume of natural gas reserves placing it at the 3rd international rank after Russia and Iran.

Over a few years, Qatar has taken great strides through applying and implementing Qatar National Vision 2030 that aims to diversify its income resources, expand its productive base and develop a strong private sector. This was achieved through gaining a full and active membership of the World Trade Organization (WTO), and the issuance of relaxed business regulations to open several sectors for foreign investors inside the State.

Qatar has a good number of investment encouraging benefits that include: low electricity, water and Gas consumption charges; zero taxes on importing heavy machines, equipment, spare parts and raw materials; zero taxes on exports; zero quantitative quotas on imports; no restrictions on foreign currency exchange and overseas profit transfer; and flexible immigration and residence laws.

Qatar also exerts great efforts in investing its large revenues from energy sector to build a solid foundation for the industries, and to achieve an advanced infrastructure capable to serve the national industries and respond to their needs and future challenges. Qatar has also achieved the highest quality standards in performance and cost reduction on an equal basis with similar industries in industrially developed countries.

Key Indicators of Qatar's Economy

Gross Domestic Product (GDP) of 2015:
estimated at (699.16) QR billion = (191.55 USD billion).
Population: 2.44 million people.
Average annual per capita income:
(286.94) QR thousands = 78.61 USD thousands).

SOURCE

International Monetary Fund - World Economic Outlook Database, October 2015.

INTERNATIONAL CLASSIFICATIONS OF QATAR'S ECONOMY

Within the framework of the achievement of the basic pillars of the Qatar National Vision 2030 regarding the development of Qatar's economy to be able to compete regionally & internationally, Qatar's economy got a distinct rank during 2015 at the regional and international levels according to the classifications of international institutions, either in terms of ease of doing business, anti-corruption and transparency levels, anti-money laundering, or in the field of economic freedom, the global competitiveness and credit ratings.

Credit Rating

Qatar's economy has a high grade of confidence & is classified within high levels of classifications of the investment category, which constitute favorite investment destination for all investors from institutions & individuals at the international level. Qatar's economy came at the 1st rank at the Arab level equally with both Kuwait economy & Emirati economy & classified at (AA) with a stable outlook according to Standard & Poor's (S&P), and at (Aa2) with a stable outlook according to Moody's.

SOURCE

Trading Economics website - January 2016 - <http://www.tradingeconomics.com/>

State	S & P	Outlook	MOODY'S	Outlook
Qatar	AA	Stable	Aa2	Stable
Bahrain	BBB-	Negative	Baa3	Negative
Egypt	B-	Stable	B3	Stable
Jordan	BB-	Stable	B1	Stable
Kuwait	AA	Stable	Aa2	Stable
Oman	BBB+	Negative	A1	Negative
Saudi Arabia	A+	Negative	Aa3	Stable
United Arab Emirates	AA	Stable	Aa2	Stable

Economic Freedom

Qatar's economy has been classified among the mostly free category (the second category) which included the United States of America and the United Kingdom according to 2016 Index of Economic Freedom issued by The Heritage Foundation. Qatar's economy freedom is ranked the 3rd after Bahrain and the UAE in the Middle East region and it is ranked the 34th freest at the international level among 178 countries covered by the classification.

<http://www.heritage.org/index/ranking>

SOURCE

2016 Index of Economic Freedom issued by The Heritage Foundation

Economy	Rank	Score
Hong Kong	1	88.60
Qatar	34	70.70
North Korea	178	2.30

Global Competitiveness

In 2016 / 2015, Qatar's economy received the 1st rank in the Middle East and the 14th rank at the international level. Comparing with the report of the 2014-15 World Economic Forum Global Competitiveness Index, Qatar economy developed positively raising the level of rank from the 16th to the 14th out of 140 countries (according to the report issued by the World Economic Forum).

<http://www.weforum.org/>

SOURCE

2015 - 16 World Economic Forum Global Competitiveness Index

Economy	Rank	Score
Switzerland	1	5.76
Qatar	14	5.30
Guinea	140	2.84

Anti-Corruption

Qatar's economy has improved to the 1st rank at the level of Middle East region and the 22nd at the international level, after it was the 26th at the international level and the 2nd GCC after the UAE during 2104 according to Corruption Perceptions Index 2015 of Transparency International, the global coalition against corruption level.

<http://www.transparency.org/cpi2015/results>

SOURCE

Transparency International, The global coalition against corruption

Economy	Rank	Score
Denmark	1	91
Qatar	22	71
Somalia	167	8

PART I

General View of Qatar's Economy & its International Classifications

Money Laundering

According to the 2015 edition of the Basel Anti-Money Laundering (AML) Index developed by the Basel Institute on Governance, Qatar's economy came in the 1st GCC and the 39th rank at the international level, with a score of 4.93, which indicates less than average of probability of occurrence of terrorist financing or money laundering in Qatar.

SOURCE

Basel Anti-Money Laundering (AML) Index 2015, Basel Institute on Governance
http://index.baselgovernance.org/index/Project_Description.pdf

Economy	Rank	Score
Finland	1	2.53
Qatar	39	4.93
Iran	162	8.59

Financial Markets Development

Qatari financial markets (banking sector & capital market) achieved the 1st rank among Arab & the 13th rank at the international level in terms of the financial markets development according to 2015-2016 Global Competitiveness Report.

<http://www.weforum.org/>

SOURCE

2015 - 16 World Economic Forum Global Competitiveness Index

Financial Market	Rank	Score
Qatar	13	5.02
United Arab Emirates	20	4.70
Bahrain	33	4.42
Saudi Arabia	41	4.32
Oman	45	4.24
Kuwait	73	3.82

INTERNATIONAL CLASSIFICATIONS OF QATARI CAPITAL MARKET

The World Economic Forum's (WEF) Global Competitiveness Report shows the development of the Qatari financial markets in general & the Qatari capital market in particular in several areas especially with regard to: Efficiency of financial market development, Availability of financial services in Qatari financial market, Affordability of financial services financing through local equity market, Ease of access to loans Venture capital, Regulation of securities exchanges.

Efficiency of Financial Markets Development

According to 2015 - 2016 Global Competitiveness Report, the efforts exerted by the regulators of financial sector with regard to developing the Qatari financial markets, they have been classified in the 1st rank at both Arab & international levels as for efficiency of the financial markets development.

<http://www.weforum.org/>

SOURCE

2015 - 16 World Economic Forum Global Competitiveness Index

Financial Market	Rank	Score
Qatar	1	5.50
United Arab Emirates	11	4.90
Bahrain	18	4.60
Oman	27	4.40
Saudi Arabia	30	4.30
Kuwait	45	3.80

Regulations of Financial Markets

According to 2015 - 2016 Global Competitiveness Report, the regulations of Qatari securities markets issued by the QFMA achieved the 1st at Arab level and the 7th at the international level.

<http://www.weforum.org/>

SOURCE

2015 - 16: World Economic Forum Global Competitiveness Index

Financial Market	Rank	Score
Qatar	7	5.90
Bahrain	13	5.60
United Arab Emirates	16	5.50
Oman	22	5.30
Saudi Arabia	30	5.00
Kuwait	85	4.00

Affordability of Financial Services

The 2015 - 2016 Global Competitiveness Report, said that Qatari financial markets achieved the 1st rank at Arab level & the 13th at the international level in terms of affordability of financial services.

<http://www.weforum.org/>

SOURCE

2015 - 16: World Economic Forum Global Competitiveness Index

Financial Market	Rank	Score
Qatar	13	5.80
Bahrain	15	5.70
United Arab Emirates	22	5.50
Oman	46	4.90
Saudi Arabia	47	4.90
Kuwait	66	4.40

Market Capitalization

According to the World Federation of Exchanges (WFE) statistics, Qatari capital markets faced declines during 2015; however, the Qatari market managed to maintain its 2nd place in terms of market capitalization of listed shares at the Arab level & the 12th at the level of European countries, Africa and the Middle East.

World Federation of Exchanges (WFE) statistics

SOURCE

Financial Market	Rank	Market Value (Million US \$)
Saudi Arabia	7	421.06
Qatar	12	142.56
Abu Dhabi	14	111.94
Dubai	16	83.94
Muscat	22	41.12
Bahrain	25	19.25
Kuwait	N/A	N/A

Financing through local equity market

The 2015 - 2016 Global Competitiveness Report, said that Qatari financial markets achieved the 1st rank at Arab level and the 4th at the international level in terms of the ease of access to financing through local equity market.

<http://www.weforum.org/>

SOURCE

2015 - 16: World Economic Forum Global Competitiveness Index

Financial Market	Rank	Score
Qatar	4	5.50
United Arab Emirate	21	4.70
Saudi Arabia	25	4.50
Oman	27	4.40
Kuwait	38	4.10
Bahrain	51	3.80

PART I

General View of Qatar's Economy & its International Classifications



PART TWO

Qatar Financial Markets Authority

QFMA



PART TWO

Qatar Financial Markets Authority

QFMA

BRIEF ABOUT ESTABLISHMENT

The QFMA was established under the Law No. 33 of 2005 regarding the establishment of Qatar Financial Markets Authority and transfer Doha Securities Market (DSM) (QSE currently) to Qatari shareholding company to regulate & supervise the financial markets in Qatar by taking all the supervisory and regulatory powers needed to exercise its functions under this law.

The QFMA officially undertook its responsibility on September of 2007, where the market, the listed companies and financial services companies were informed that the official functions of supervision and regulation were transferred from the market to the Authority after such functions were with the market for the last 10 years.

To keep up with developments in the financial markets, Law No. (8) of 2012 was issued regarding Qatar Financial Markets Authority and entered into effect on October 18th of 2012 to replace the repealed law No. (33) of 2005.

VISION

*Position Qatari capital markets
as a regional benchmark of
financial services*

THE QFMA'S STRATEGIC OBJECTIVES



The QFMA's strategic objectives, launched during 2013, is consistent with Qatar National Vision 2030, the QFMA law No. (8) of 2012 & with the strategic objectives of the financial sector 2013-2016 in Qatar considering that the QFMA regulate & supervise a vital & important part in this sector.

In order to achieve the strategic direction to create & develop an integrated and harmonic regulatory and supervisory regime, the QFMA's strategic plan based on nine main objectives:

- 1- Upgrading to a modern financial market.
- 2- Improving market accessibility for investment firms and products.
- 3- Establishing an effective market surveillance and supervisory regime.
- 4- Developing & implementing an effective regime for the provision of capital markets services.
- 5- Facilitating capital formation in primary and secondary markets.
- 6- Strengthening the competitiveness of the Qatar financial markets.
- 7- Improving international cooperation.
- 8- Promoting investors' financial education.
- 9- Becoming a "state-of-the-art" international financial markets regulator.

KEY FUNCTIONS:

The QFMA aims to maintain confidence in the dealing system of financial markets, and protect the investors in Securities and others who deal in securities in order to ensure stability of financial markets and reduce risks that may face. In order to achieve its objectives, the Authority shall specifically:

- 1- Regulate and supervise financial markets.
- 2- Regulate dealing in securities activities with fair, transparency and competitiveness.
- 3- Raise public awareness of securities activity and encourage their investment in securities and develop it.
- 4- Monitor the rules governing activities related to trading of Securities & others among investors.
- 5- Implement disclosure policy in order to achieve fair, transparency & prevent conflicts of interest and internal information exploitation.
- 6- Combat the causes of financial crimes that are related to financial markets.
- 7- Enhance links, communications & information exchange with foreign financial markets, regulators, and regional & international organizations & institutions to benefit from their operations in a way that assists in developing financial markets within the State.
- 8- Conduct studies, collect information & statistics on financial markets activities and publish relevant reports.

VALUES

QFMA depends on the core values in the performance of its staff and officials and enable institutional order values that the staff in Authority commitment through their duties as follows:

- **INTEGRITY:** applying the highest ethical standards and honesty in addressing issues and taking decisions.
- **EXCELLENCE:** striving to be innovative, creative and fact-based in designing and executing the tasks.
- **FAIRNESS:** being impartial & independent in dealing with the public & relevant institutions.
- **RESPONSIBILITY:** making decisions and executing the procedures (actions) clearly & transparently and bear the consequences.
- **TEAMWORK:** working cooperatively and collaboratively with others to achieve mutual benefits and meet the targeted interest.
- **IDENTITY:** maintain the culture, customs and values of Qatar.

MISSION

Protect investors, maintain Qatari capital markets stability, integrity & transparency; and enhance the proficiency to support development & diversity of the national economy

ORGANIZATIONAL STRUCTURE

1. Securities & Issue Affairs Department

The Department is responsible for following up all information and data disclosed to the public by listed companies through different means of publication and advertising. It also follows up the disclosure & the periodic review of the listed companies' statements during the year, and a review of corporate governance reports for these companies, and ask them to amend some of them to be compatible with the Corporate Governance Code issued by the QFMA.

2. Market Operations, compliance & Licensing Affairs Department

The Department handles licensing for financial markets & financial services companies including the approvals for persons dealing in financial markets. The Department is also responsible for conducting control and inspection on the parties licensed by the QFMA to maintain confidence in dealing on financial markets, and ensure markets stability & investors protection.

3. Research, Development & International Cooperation Department

The Department is responsible for conducting researches, monitoring all the developments in the financial markets, conducting studies & gathering information and statistics about financial markets activities, as well as making international cooperation with various international organizations and institutions in order to develop the Qatari financial markets.

4. Legal Affairs & Enforcement Department

The Department prepares drafts of various legislative tools related to the capital markets, prepares and discusses drafts of rules, regulations and instructions related to the Authority's work in coordination with the competent departments, as well as prepares agreements, contracts and memoranda of understanding. It is also responsible for following up implementation of the legal proceedings against violators, and investigating in the facts & violations against the Authority staff, and prepare the necessary notes of the investigation results together with the legal opinion to be presented to the competent authority, as well as following up proceedings of court cases filed by or against the Authority to take necessary action thereto.

5. Complaints Department

The Complaints Department is responsible for considering complaints related to its regulated functions and activities submitted to the QFMA by natural or legal persons against any of the persons subject to the QFMA's jurisdiction. This department also follows up complaints submitted to the parties subject to the QFMA's jurisdiction (QSE, QCSD, financial services companies) & considers the decisions taken thereon, as well as complaints against any other entity exercising any of the financial markets activities or functions under its jurisdiction without a license.

6. IT Department

The IT Department identifies, develops and follows up IT policies and procedures in the QFMA and work to implement them through various projects that support the functions of the various QFMA departments.

7. Media & Communication Department

The Department takes the responsibility of preparing plans & programs to educate investors and promote a culture of investment in the capital market by organizing and coordinating local and international conferences and meetings and editing publications prepared by the QFMA.

8. Human Resource and Training Department

This department's responsibility is to implement laws, rules and regulations relating to personnel, and to identify the QFMA needs of jobs and employees in coordination with the various departments. It also responsible for preparing a manual of description, classification and arrangement of the jobs and personnel evaluation, as well as following up implementation and developing of such manual.

9. Internal Audit Department

This Department takes the responsibility of making sure the implementation of Law No. (8) of 2012 concerning the Qatar Financial Markets Authority, and implementation of policies and procedures and monitoring the implementation of all laws, regulations and internal decisions, as well as implementation of laws, decisions and instructions issued by regulatory and administrative governmental bodies.

10. Administration & Finance Department

The department provides & organizes all administrative supplies and services necessary for the Authority's work as well as the implement and follow-up all financial actions according to the QFMA's Law and its financial policies and procedures.

- It should be noted that the QFMA developed its organizational structure through creating new departments and units and obtained the Board of Directors' approval moving towards completing the procedures of its adoption and activation soon.

PARTIES SUBJECT TO QFMA'S JURISDICTION

The QFMA shall regulate, supervise & control financial markets activities to provide the best services for investors by enhancing fairness and integrity, and strengthening sound and fair dealings.

The QFMA regulates & supervises the following parties:

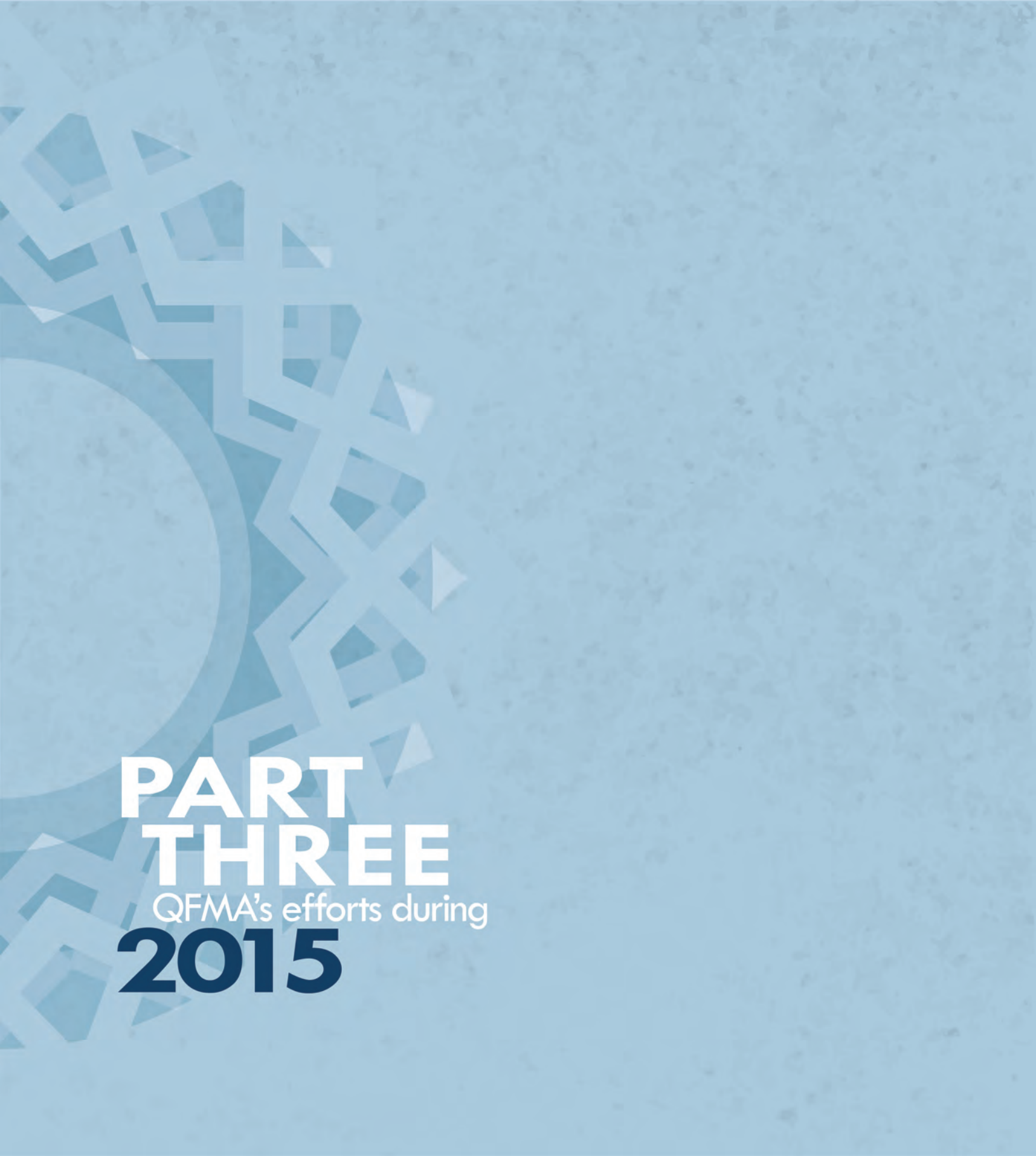
- 1- Qatar Stock Exchange (QSE).
- 2- Qatar Central Securities Depository (QCSD).
- 3- Listed companies.
- 4- Financial services companies.
- 5- Persons dealing in financial markets and financial activities.
- 6- Investors.
- 7- External auditors and financial evaluators.

PART 2



PART THREE

QFMA's efforts during
2015



PART THREE

QFMA's efforts during

2015

QFMA'S EFFORTS DURING 2015

ANNUAL REPORT
2015

- Applying Selling Rights Issue Rules for the first time in 2015, where the QFMA was received two requests for listing and selling rights issues of two companies listed on QSE, where around (2.9) million QR of rights issues were traded on QSE after getting the QFMA's approval for listing and selling.
- The QFMA established a separate section specialized in operations of anti-money laundering & combating terrorist financing. This section is taking part of examining risks relating to money laundering & terrorist financing according to the methodology developed by International Monetary Fund. It is also following up suspicious transactions and reviewing the weekly statements delivered from financial services companies, as well as the cash deposits conducted through financial services companies.
- The QFMA amended some provisions of Merger & Acquisition Rules, allowing the QFMA to exempt some parties, partially or totally, from the requirements of the rules provisions taking into account the public interest, or as required by the market and the protection of the investors interests.
- The QFMA issued Listing Rules for Real Estate Investment Fund's Units, in preparation for listing a number of real estate funds on QSE, which would lead to a diversity of investment instruments on the Qatari capital market.
- The QFMA re-issued Capital Adequacy Standards of Financial Services Companies operating on QSE, for ensuring a strong financial position for these companies.
- The QFMA amended some provisions of Offering & Listing of Securities on the Venture Market Rulebook, in order to facilitate the procedures of listing small and medium companies on the market.
- The QFMA received shares listing requests for three companies, one request for offering and listing, (33) requests for listing Treasury Bills (T-Bills), (8) for Government Debt Instruments and (2) requests for listing rights issue.
- The QFMA embarked on the E-services for numbering of securities by issuing (43) ISIN and CFI

for 43 securities (shares, rights issues, T-Bills, government debt bonds).

- The QFMA launched a range of E-services on Qatar Government Portal (Hukoomi), which provided for investors (individuals / companies), that comes as part of the State trend towards activation of Qatar e-Government Strategy 2020.

The E-services applications include three types of services that related to: securities listed on QSE, financial services companies, and complaints.

- The QFMA received 43 corporate governance reports issued by the QSE listed companies. After evaluating those reports based on their compliance with the Corporate Governance Code (CG Code), it was clear that:

- (%90.6) compliance with the CG Code articles.
- (%8.9) non-compliance with the CG Code articles.
- (%0.5) non- applicable of the CG Code articles.

- According to disclosure policies developed by the QFMA, it received (129) quarterly financial reports issued by the QSE listed companies, and (43) annual financial statements for 2015.



- The QFMA followed up (11) acquisition requests (direct and indirect, internal and external) in order to verify the companies' compliance with relevant rules and legislations.

- The QFMA received (9) complaints, (4) of them were completed and the other (5) is still bending.

- During the year, a number of violation cases were referred to the QFMA's Investigation Committee. (19) cases were pending before the Investigation Committee were completed, (8) cases were referred to the Disciplinary Committee. Punishments of cautioning were imposed to (3) financial services companies and brokerage firms, (5) settlements by reconciliation were reached and (1) warning was directed for one company with regard to the violation alleged against, and two cases were kept to be considered before the Committee.

- The Disciplinary Committee looked into (12) violations referred to it, and (1) appeal against Disciplinary Committee's decision. Knowing that the disciplinary for the violations after investigations shall be conducted by the Disciplinary Committee that formed upon the Board of Directors' decision.

- During the year, Appeals Committee looked into and decided on (12) appeal cases and requests of a stay of QFMA proceedings through holding (8) hearings proceeded by a closed sessions. It should be noted that the Appeals Committee is an independent committee chaired by one of the presidents of the Court of Appeals & the membership of two judges of such court as well as two experts in securities trading.

- In implementation of the Qatarization policy, the QFMA coordinated with the competent ministry to provide scholarships for (27) Qataris for positions in the QFMA in the future, as well as it has proposed to increase the number of scholarships to be 56 distributed over periods ending in 2026 to serve the new organizational structure.

There was also an increase in the percentage of Qatari employees in the QFMA to become 44% of the total employees.

- During 2015, no new licenses were issued for any existing financial services company for any additional activities during this year. No new license was also issued for new companies to conduct any of financial service activities.



- The QFMA registered (7) offices or companies in the QFMA external auditors' list and (7) offices in the financial evaluators list during 2015.

- The QFMA issued licenses for (3) listing advisors in the Venture Market.

- The QFMA participated in the preparation & review of legislative tools at the Ministry of Economy and Commerce in accordance with the decision No. (19) of 2014 issued on 11/03/2014.

- The QFMA reviewed and approved the legal amendments of QSE Rulebook.

- The QFMA approved the notice of Margin Trading Rules issued by the QSE.

- The QFMA organized a seminar on Corporate Governance Code for communication with the listed shareholding companies and answering queries related to preparation of governance report.

- The QFMA followed up the information disclosed by the listed companies to the public investors, so as to verify their compliance with the QFMA regulations and hold accountability in case of non-compliance.

- The QFMA approved one company as a Broker Agent for a licensed financial services company.

- The QFMA issued human resources manual for its employees, including all administrative procedures and processes for HR and Training Department.

- (247) of the QFMA staff (repetitions) from different job categories participated in a number of diverse training courses, which include:

PART 3

QFMA's Efforts During 2015



- Courses to link career path with the training path.
- Intensive courses for Qatari leaders including directors of departments.
- Individual courses as a part of implementation of the training plan prepared in advance with the departments.
- Hosted programs to meet the QFMA needs.
 - Developing work plan to authentic Job Description cards for the created jobs in the new organizational structure, in preparation for its activation when approved.
 - The QFMA implemented the project of developing the system of Servers and Backup Solution.
 - The QFMA participated in all workshops of the e-government strategy 2020.
 - In order to reduce the risk and raise the safety of electronic regulations for Qatari capital market, the QFMA participated in the work of the Financial Sector Information Security Committee. It also conducted a study to assess the concerns about the ability of the bypass of cases of systems failure in the QSCD, as well as participated & followed-up the examination system of Business Continuity Plan (BCP) on QSE.
 - The QFMA hosted the 12th & the 13th Meetings of Heads of GCC Financial Markets Regulators' Committee (or their equivalents), to discuss several topics related to the latest developments of the GCC capital markets and to strengthen and support the relationships among the financial markets regulators.

- The Ministerial Committee of the Board Chairmen of GCC Financial Markets Regulators held its 6th meeting in Doha on September 15th under the chairmanship of H.E. Sheikh / Abdullah Bin Soaud Al Thani, Governor of Qatar Central Bank – QFMA Chairman. The meeting discussed the necessity of improving the legislative & regulatory level of such markets in order to achieve justice and efficiency within the principles of governance & transparency, the need to develop suitable mechanisms for the exchange of information and experiences among the GCC markets, and to develop the standards of control & oversight over the capital markets, and maintain the transactions efficiency and integrity, in addition to cooperation in regulating public offerings of securities and encouraging the listing and trading in the GCC markets.
- The QFMA in cooperation with Statistical, Economic and Social Research and Training Centre for Islamic Countries "SESRI" - Ankara and Istanbul Stock Exchange, organized a workshop on "Investors and Financial Community Awareness" which aims to develop the concepts of investor relations and educate the financial community in this regard.
- The QFMA hosted a training seminar of IOSCO AMERC as a part of its ongoing striving to apply the best international practices and standards, as well as to have international experiences and studies in the capital markets sector in order to develop laws & regulations related to the support



of the legislative structure for persons dealing in these markets and an opportunity to train more local cadres on international legislations.

- The QFMA received a delegation from the Ministry of the Interior in order to identify the nature of the functioning of the QFMA in the areas of regulation, supervision & the tasks that performs in promoting Qatari capital market through regulation and supervision.

- The QFMA visited Ahmed Bin Mohammed Military College to provide an introductory presentation to the students about the nature of the QFMA functioning in the areas of regulation, supervision and its vital functions.

It also provide the latest developments of the Qatari capital market.

- The QFMA and the GCC capital market regulators signed a joint Memorandum of Understanding (MoU) that aims to enhance cooperation and support the bonds among the regulators on the financial markets.

- Mr. Nasser Ahmed Al-Shaibi, the CEO of QFMA and Mr. Michael Ryan, the CEO of Qatar Financial Centre Regulatory Authority "QFCRA" signed a joint MoU. It aims to join forces between Human Resources Departments in both authorities to identify and facilitate the growth of Qatari employees in the financial services industry and to institute learning and skills development frameworks to enhance their career progression.

- The QFMA signed a MoU with the financial sector supervisory authority in Luxembourg (CSSF) (Commission de Surveillance du Secteur Financier). The MoU aims for cooperation between the two regulators and exchange experiences in the fields of regulation and supervision on the financial markets.

- Within the framework of E-Government Strategy 2020, the QFMA joined to the government network (Hukoomi) and electronically linked with the Ministry of Finance.

- Preparing & implementing the workshop website of "Risk Based Supervision and SME Financing Through Capital Markets".

- The QFMA participated in a number of local and international events, **including:**

- Sponsorship of the 10th International Conference on Islamic Economics and Finance (ICIEF) - Faculty of Islamic Studies at Hamad Bin Khalifa University - Doha.
- The 9th Meeting of the Union of Arabic Securities Authorities (UASA) held in Algeria 18 February 2015.
- Meeting of the African & Middle East Regional Committee (AMERC) of the International Organization of Securities Commissions (IOSCO) - Oman.
- The Annual Meeting of the International Organization of Securities Commissions (IOSCO) - United Kingdom - London.
- Hosting the QFMA staff to Ramadan Suhoor gathering.
- Participation in the activities of the National Sports Day.

PART 3

QFMA's Efforts During 2015



PART FOUR

Statistics of the QFMA's efforts

2015



PART FOUR

Statistics of the QFMA's efforts

2015

FINANCIAL SERVICES COMPANIES

The most important financial services activities licensed and regulated by the QFMA are:

- Executing orders of buying or selling securities for the account of others.
- Trading securities for one's own account.
- Providing advice on securities.
- Investment trusteeship.
- Lending and borrowing securities.
- Margin trading.
- Providing custody services (cash or securities).
- Managing investment in securities.
- Managing issuance of securities.
- Underwriting of securities.
- Providing liquidity.
- Activities & services conducted by the regulated financial markets.
- Activities and services conducted by the QCSD.
- Activities & services conducted by the Clearing Company.
- The other activities and services determined by the rules and regulations issued by the QFMA.

QFMA website: www.qfma.org.qa

SOURCE

Company	Activity	Date
The Group	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	1997
Dlala Brokerage	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	2005
Gulf Investment Group	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	1997
Islamic Financial Securities Company	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	2003
Dlala Islamic	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	2005
Qatar Securities Co.	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	1997
International Financial Securities	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account	1997
QNB Financial Services	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account Providing advice on securities . Managing investment in securities	2011
Ahli Brokerage Company	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account Providing advice on securities . Managing investment in securities	2011
Commercial Bank Investment Services	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account Providing advice on securities . Managing investment in securities . Investment trusteeship Underwriting issuance of securities . Managing issuance of securities	2011
Al Rayan Brokerage Trading Approved Companies	Executing orders of buying or selling securities for the account of others . Trading securities for one's own account Providing advice on securities . Managing investment in securities . Investment trusteeship . Managing issuance of securities	2011
HSBCME	Providing custody services (cash or securities)	2013
Qatar National Bank	Providing custody services (cash or securities)	2012
Standard chartered bank	Providing custody services (cash or securities)	2012

Depository & Clearing companies licensed by the QFMA

QFMA website: www.qfma.org.qa

SOURCE

Name	Type	License Date
Qatar Central Security Depository (QCSD)	Central depository and clearing of securities	2013

Financial Markets licensed by the QFMA

QFMA website: www.qfma.org.qa

SOURCE

Name	Type	License Date
Main Market - QSE	Market for trading securities of the public shareholding companies	1997
Venture Market - QSE	Market for trading securities of the small and emerging companies	2011

LISTED COMPANIES ON QSE

By the end of 2015, the number of listed companies on Qatari market was 43, distributed among (7) key sectors (Banks, Insurance, Industrials, Services, Real Estate, Telecoms & Transport). The market value of the listed companies' capital was 553.2 QR billion (USD 151.5 billion).

Banks & Financial Services

Company	Symbol	Total No. subscribed shares
Qatar National Bank	QNBK	699,729,438
Qatar Islamic Bank	QIBK	236,293,200
Commercial Bank of Qatar	CBQK	326,629,210
Doha Bank	DHBK	258,372,252
Ahli Bank	ABQK	181,717,253
Qatar International Islamic Bank	QIIK	151,368,749
Masraf Al Rayan	MARK	750,000,000
Al Khalij Commercial Bank (Al Khaliji)	KCBK	360,000,000
National Leasing	NLCS	49,480,200
Diala	DBIS	28,416,000
Qatar Oman Investment Company	QOIS	31,500,000
Islamic Holding group	IHGS	4,000,000

Consumer Goods & Services

Zad Holding Company	ZHCD	13,081,068
Qatar German For Medical Devices	QGMD	11,550,000
Salam International	SIIS	114,314,587
Medicare Group	MCGS	28,144,100
Cinema	QCFS	6,280,795
Qatar Fuel	QFLS	84,459,375
Widam Food Company	WDAM	18,000,000
Al Meera Consumer Goods Company	MERS	20,000,000

Industrials

Qatar Industrial Manufacturing	QIMD	47,520,000
Qatar Cement	QNCD	54,010,656
Industries Qatar	IQCD	605,000,000
Qatari Investors Group	QIGD	124,326,778
Electricity & Water	QEWS	110,000,000
Mannai Corp.	MCCS	45,619,200
Aamal	AHCS	630,000,000
Gulf International Services Company	GISS	185,840,869
Mesaieed Petrochemical Holding Co.	MPHC	1,256,317,500

Insurance

Qatar Insurance	QATI	184,621,437
Doha Insurance	DOHI	50,000,000
Qatar General Insurance	QGRI	79,551,549
AlKhaleej Takaful Group	AKHI	25,527,902
Qatar Islamic Insurance	QISI	15,000,000

Real Estate

Company	Symbol	Total No. subscribed shares
United Development Company	UDCD	354,086,250
Barwa Real Estate	BRES	389,124,637
Ezdan Holding Group	ERES	2,652,496,691
Mazaya Qatar	MRDS	105,000,000

Telecoms

Ooredoo	ORDS	320,320,000
VodaFone Qatar	VFQS	845,400,000

Transportation

Qatar Navigation	QNNS	114,525,200
Gulf Warehousing	GWCS	47,560,975
Qatar Gas transport	QGTS	560,000,000

TOTAL **12,175,185,871**

EXTERNAL AUDITORS and FINANCIAL EVALUATORS registered at QFMA

External Auditors

Talal Abu-Ghazaleh & Co
PricewaterhouseCoopers (LLC)

Financial Evaluators

ACCESS MOORE STEPHENS W.L.L
PricewaterhouseCoopers (LLC)
PKF Qatar

External Auditors & Financial Evaluators

Rodi & Partner
Deloitte & Touche
KPMG
Ernst & Young
Saoud Abdullah Al-Henzab Office

PART 4

Statistics of QFMA's Efforts 2016

QFMA website: www.qfma.org.qa

SOURCE

LICENSED PERSONS dealing in the financial markets

Position (Job title)	2014	2015
Board Member	1	5
General Manager Deputy	4	
Compliance Officer	3	3
Anti-Money Laundering Officer	2	3
Anti-Money Laundering Officer Deputy	1	1
Back Office Operations Manager	5	1
Account Manager	11	2
Trading Manager		2
Financial Manager	3	
Broker Representative	13	4
Custodian Representative	6	3
Internal Auditor	2	3
Risk Management Officer	2	1
Financial Analyst		3
TOTAL	53	31

Qatar Financial Markets Authority

SOURCE

Market Operations, compliance & Licensing Affairs Department

THE APPEALS COMMITTEE work's summary

Item	2014	2015
Appeals that registered in the appeals record	9	3
Requests of a stay of QFMA proceedings that have been submitted to the Committee	6	1
Appeals that registered in 2014 and adjudicated during 2015	4	8
Appeals and requests of stay of QFMA proceedings that have been considered by the committee	19	12
Appeals and requests of stay of QFMA proceedings that have been adjudicated	7	12
Appeals and requests of stay of QFMA proceedings that is still under consideration by the committee	11	0
No. of the Committee hearings	11	8
No. of the Committee meetings	11	16

THE INSPECTIONS over the financial services companies conducted by the QFMA

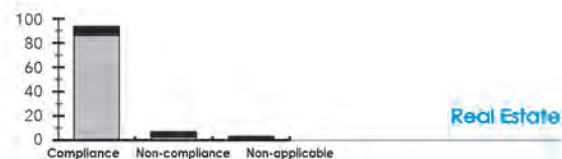
Item	2014	2015
No. of companies	11	11
No. of inspections	30	20
No. of submitted reports	9	7
No. of programs and reports developed for the benefit of supervision & inspection	-	10

STATISTICS OF ISIN of securities

Item	2014	2015	change %
ISIN of shares	10	12	20.00%
ISIN of rights issues	0	2	N/A
ISIN of government bonds	3	8	166.67%
ISIN of treasury bills	36	33	-8.33%

STAFF EDUCATION & training programs

Item	2014			2015					% Change
	workshop	Training Program	Total	workshop & Training Program	Link the training path with the career path	Conferences Program	Other	Total	
Training Inside	9	25	34	98	56	12	59	225	561.7%
Training Outside	5	14	19	7	-	5	-	12	-36.8%
TOTAL	14	39	53	115	56	17	59	237	347.1%



STATISTICS OF LISTING & ACQUISITION

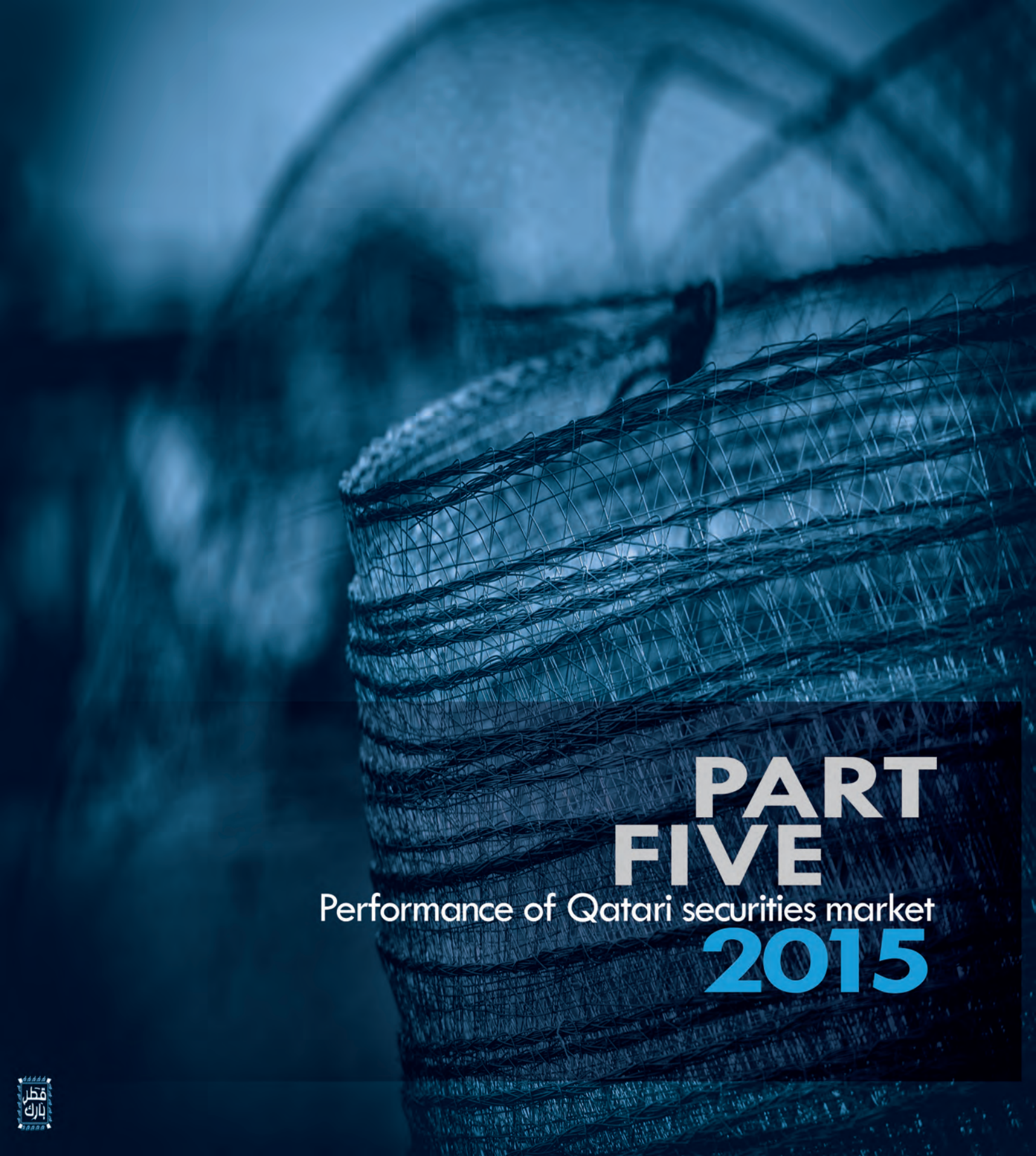
Item	2014	2015	change %
Requests of listing securities	28	29	3.57%
Requests of listing rights issues	0	2	N/A
Requests of offering & listing	1	1	-
Requests of merger & acquisition	12	11	-8.33%

STATISTICS OF CORPORATE GOVERNANCE CODE (CG Code)

The following statistics shows the percentage of companies' compliance with the CG Code by sector:

PART 4

Statistics of QFMA's Efforts 2015



PART FIVE

Performance of Qatari securities market
2015



PART FIVE

Performance of Qatari securities market

2015

GOVERNMENT DEBT INSTRUMENT

Listed T-Bills

	3 Months	6 Months	9 Months	Total
	2 0 1 4			
Number	980,500	668,500	941,000	2,590,000
Value (QR thousand)	9,805,000	6,685,000	9,410,000	25,900,000
	2 0 1 5			
Number	1,297,000	640,391	720,000	2,657,391
Value (QR thousand)	12,970,000	6,403,910	7,200,000	26,573,910
Change %	32.28%	-4.20%	-23.49%	2.60%

T-Bills Trading

	2014	2015	change %
Trading value (QR thousand)	3,950,551	1,148,319	-70.93%
No. traded T-bills	397,200	115,500	-70.92%
No. transactions	53	15	-71.70%

Government Bonds Listing

	3 Years	5 Years	7 Years	10 Years	Total
	2 0 1 4				
Number	210,000	95,000	95,000		400,000
Value (QR thousand)	2,100,000	950,000	950,000		4,000,000
	2 0 1 5				
Number	555,000	557,500	175,000	110,000	1,397,500
Value (QR thousand)	5,550,000	5,575,000	1,750,000	1,100,000	13,975,000
Change %	164.29%	486.84%	84.21%		249.38%

Government Bonds Trading

	2014	2015	change %
Trading value (QR thousand)	2,028,623	5,599,733	176.04%
No. traded Government Bonds	200,000	558,550	179.28%
No. transactions	25	39	56.00%

EQUITY INSTRUMENT (SHARES)

Listed shares

	2014	2015	change %
No. listings	12	10	-16.67%
No. listed shares	1,508,389,266	130,697,427	-91.34%

Rights issues

Company	Value of traded shares (Qr)	No. traded shares	No. Transactions
Gulf Warehousing co.	1,545,676.60	62,237	138
Islamic Holding	1,421,366.92	98,951	128
Total	2,967,043.52	161,188	266

QSE General Index

2014	2015	change %
12,285.78	10,429.36	-15.11%



Market capitalization (Qatari Riyal)

change %	2012	2013	2014	2015
2014,2015				
-18.26%	459,883,620,869.07	555,606,339,793.27	676,791,631,974.17	553,176,101,208.49



	2014	2015	change %
Average of Trading value (QR)	803,599,823.71	374,880,217.96	-53.35%
Average of Trading volume	17,902,648.17	9,209,638.83	-48.56%
Average No. transactions	8,300.82	4,763.23	-42.62%

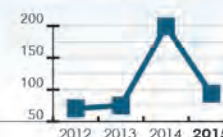
Average figures per day

PART 5

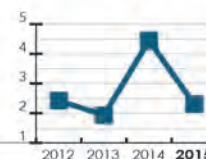
Performance of Qatari Securities Market

Shares Trading

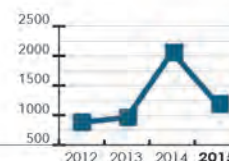
Trading value (QR)				
change % 2014-2015	2012	2013	2014	2015
-52.97%	70,673,865,500.04	74,886,053,776.82	199,292,756,279.19	93,720,054,490.08



No. traded shares				
change % 2014-2015	2012	2013	2014	2015
-48.14%	2,428,190,041	1,937,534,283	4,439,856,747	2,302,409,707



No. transactions				
change % 2014-2015	2012	2013	2014	2015
-42.15%	881,638	961,811	2,058,604	1,190,807



LISTED COMPANIES STATISTICS

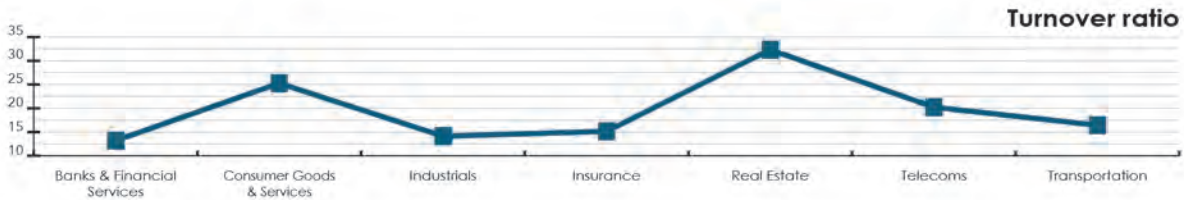
No. listed companies

Sector	No. listed companies	of Total %
Banks & Financial Services	12	27.91%
Consumer Goods & Services	8	18.60%
Industrials	9	20.93%
Insurance	5	11.63%
Real Estate	4	9.30%
Telecoms	2	4.65%
Transportation	3	6.98%
TOTAL	43	100%

Government Bonds Listing



Sector	Market capitalization (QR thousand)	Trading value (QR thousand)	No. listed shares	Turnover Ratio%
Banks & Financial Services	228,850,604.76	30,133,668.42	507,165,006	13.17%
Consumer Goods & Services	23,998,234.96	6,059,353.67	149,138,418	25.25%
Industrials	150,213,952.46	21,226,748.40	312,090,673	14.13%
Insurance	22,112,643.00	3,354,654.77	43,948,164	15.17%
Real Estate	66,577,972.55	21,535,082.45	837,417,809	32.35%
Telecoms	34,760,580.00	7,031,084.45	316,678,325	20.23%
Transportation	26,662,113.48	4,379,462.33	135,971,312	16.43%
TOTAL	553,176,101.21	93,720,054.49	2,302,409,707	16.94%



Investors

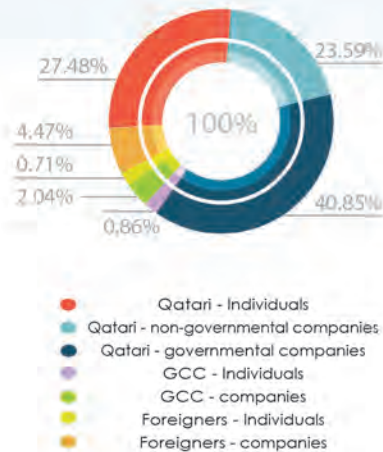
Equity ownership by Investors

Segment	(QR) 2014	% to total 2014	(QR) 2015	% to total 2015
Qatari - Individuals	181,309,436,402.14	26.79%	152,000,194,540.99	27.48%
Qatari - non-governmental companies	143,328,022,370.14	21.18%	130,475,520,112.93	23.59%
Qatari - governmental companies	295,694,965,943.98	43.69%	225,981,381,536.58	40.85%
GCC - Individuals	6,488,704,899.23	0.96%	4,747,178,323.20	0.86%
GCC - companies	15,348,343,634.69	2.27%	11,290,901,725.64	2.04%
Foreigners - Individuals	4,680,882,884.61	0.69%	3,935,707,602.56	0.71%
Foreigners - companies	29,941,275,839.38	4.42%	24,745,217,366.59	4.47%
TOTAL	676,791,631,974.17	100.00%	553,176,101,208.49	100.00%

PART 5

Performance of Qatari Securities Market

Equity Ownership by Investors (%) 2015



QSE & GCC markets indices

Growth rate in the performance of QSE & GCC markets

GCC Stock Index	2014	2015	Growth rate%
Qatar QSE	12,285.78	10,429.36	-15.11%
Tadawul Exchange (KSA)	8,333.30	6,911.76	-17.06%
Abu Dhabi Securities Exchange	4,528.93	4,307.26	-4.77%
Dubai Securities Exchange	3,774.00	3,151.00	-16.55%
Kuwait Securities Exchange	6,535.72	5,615.12	-14.08%
Bahrain Securities Exchange	1,426.57	1,215.89	-15.48%
Muscat Securities Exchange	6,343.22	5,406.22	-14.77%

SOURCE

As per Zawya website & per stock markets websites



KHALIFA STADIUM
QATAR 2022

2015

ANNUAL REPORT

QFMA

