

Qatar Financial Markets Authority

QATAR FINANCIAL MARKETS AUTHORITY



2016

**Annual
Report**

H.H. Sheikh

Tamim Bin Hamad Al-Thani

Emir of the State of Qatar



2016

QFMA BOARD OF DIRECTORS



H.E. Sheikh
Abdulla Bin Saoud Al-Thani

The Governor
Chairman
of the Board of Directors



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Representative of Ministry
of Finance
Member



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Micheal Ryan
Chief Executive Officer of Qatar
Financial Center Regulatory Authority
Member

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Deputy Governor
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Hessa Sultan Al-Jaber
Expert in the Authority's field
Member



H.E. Sheikh
Saoud Bin Nasser Al-Thani
Expert in the Authority's field
Member

Nasser Ahmad Al-Shaibi
Chief Executive Officer



**AND
CHIEF
EXECUTIVE
OFFICER**

CHAIRMAN MESSAGE



The QFMA is working hard to maintain the stability of Qatari financial markets under the economic and financial crises facing various sectors, especially oil crisis since 2015. The QFMA has continuously been exerting efforts for more than five years to achieve and transform Qatar's National Vision "QNV 2030" into reality where Qatari financial markets will be a magnet for national and foreign investors, having a competitive and leading financial markets will be a competitive and leading position among financial markets.

According to the top international classifications issued by international financial institutions in 2016, the Qatari capital market maintained its leading place.

This status clearly indicates that the QFMA and the regulatory and supervisory authorities in the financial sector are on the right track towards achieving the strategic objectives of QFMA and the financial sector that both based on Qatar National Development Strategy 2011-2016.

The collaboration and coordination between the QFMA and various regulatory and supervisory authorities in the State, especially regulators of financial services activities, are considered the cornerstone that made the Qatari capital market maintain its leading international position, towards increasing its regulatory capacity and effectiveness for the protection of people dealing in the Qatari financial markets.

The QFMA's collaboration efforts with other competent entities in

the State, especially with Qatar Stock Exchange (QSE) during 2016, led to increase number of listed companies and number of securities listed on the Qatari market, which resulted in upgrading the Qatari market from frontier to emerging market status in FTSE EM Index, to become as “**emerging market**” in the largest

three international investment indicators.

Such efforts also resulted in classifying the Qatari capital market as the best performing Arab market in addition to its twenty first ranking in terms of financial markets development index according to Global Competitiveness Report issued by World Economic Forum, as well as classifying legislation regulating the securities market issued by the QFMA as the best Arab legislation in this regard with the eleventh rank at international level among countries covered by the report. In spite of all achievements during the past five years, the QFMA still believes that it needs to exert a lot of effort and many steps to achieve further progress and prosperity for the Qatari capital markets and for the development of the State of Qatar.

Finally, I take this opportunity to extend the highest thanks and appreciation to H.H. Sheikh/ Tamim Bin Hamad Al Thani, Emir of the State of Qatar-may Allah protect him-, 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 and good recommendations. 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 seeking to maintain the accomplishments of the Qatari capital market and its regional and international status. Accordingly, during 2016, the number of international institutions that classifies Qatari market as an emerging market have been increased, and the relative weight of the Qatari market indicators issued by these institutions has been increased, as well as the listed Qatari companies have become an essential component and a key target for many investors following these indicators.

The QFMA is exerting its utmost efforts to anticipate a positive future vision reflected in drafting the objectives of its Strategic Plan 2017-2022, that based on the strategic plan of financial sector in the State in order to achieve the main pillars of QNV 2030 to promote and map the capital market at the regional and international competition

In this regard, such efforts culminated in top ranking of the Qatari market among the Arab countries according to most international classifications of Qatari capital market during 2016.

The regulations of Qatari securities markets issued by the QFMA ranked the first at Arab level and the eleventh at the international level, as well as the Qatari market ranked the first at the Arab level and the ninth at the international level in terms of the ease of access to financing through local equity market.

The top ranking of the Qatari market among the Arab financial markets is as a result of the QFMA's efforts and achievements

during 2016 in several areas.

The most important of such efforts is developing and updating the legislations regulating the capital market, where the QFMA is permanently evaluating its legislations and following up their effects on the various parties in the market, to be developed based on such evaluation.

It is worth mentioning that the QFMA's efforts in surveillance and supervision provide the Qatari market with stability and protect people dealing on it, as well as the offering and listing and developing the single window, which led to increase of the number of listed companies or companies wishing to be listed.

It should also be noted that, although the development of the Qatari capital market comes on top of the QFMA's priorities, the moving forward in the institutional development and building institutional capacity is still important for the QFMA in order to achieve the highest levels of efficiency and regulation, as to enhance the QFMA's independency and maintain its position as a member of the International Organization of Securities Commissions "IOSCO".

The QFMA also affirms that these efforts would not have been achieved without the support of the wise leadership, the directives of the officials' and its Board of Directors, as well as the participation of the capital market participants such as Qatar Stock Exchange "QSE", Qatar Central Securities Depository "QCSD", financial services companies and listed shareholding companies and shareholders.

Nasser Ahmad Al-Shaibi

Chief Executive Officer

WHAT WE DO

MISSION

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

VISION

Position Qatari capital markets as a regional benchmark of financial services

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

OUR VALUES

INTEGRITY

Applying the highest ethical standards & honesty in addressing issues and taking decisions

EXCELLENCE

Striving to be innovative, creative & fact-based in designing & executing the tasks

FAIRNESS

Being impartial and independent in dealing with the public & relevant institutions

RESPONSIBILITY

Making decisions and executing the procedures (actions) clearly and transparently and bear the consequences

TEAMWORK

Working cooperatively & collaboratively with others to achieve mutual benefits and meet the targeted interest

IDENTITY

Maintain the culture, customs & values of Qatar



PART ONE

GENERAL VIEW
OF QATAR'S
ECONOMY & ITS
INTERNATIONAL
CLASSIFICATIONS

Over a few years, Qatar's economy has taken great strides through applying and implementing QNV 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 several international organizations chiefly the World Trade Organization (WTO), in addition to the issuance of relaxed business regulations that open several sectors for foreign investors inside the State.

These strides have made the Qatar's economy achieve the highest growth of GNP rate (at constant prices), inspite of the drop crisis in oil price, as well as Qatar's economy strength that made International Monetary Fund expects that Qatar's economy will continue in achieving high growth rate during 2017.

REAL GDB GROWTH

(AT CONSTANT PRICES)

Country	2017 (projected)	2016	2015
Qatar	3.36 %	2.63 %	3.66 %
Average - Arab world	2.96 %	2.95 %	2.53 %

Source: International Monetary Fund

KEY INDICATORS OF QATAR'S ECONOMY

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(BASED ON INTERNATIONAL MONETARY FUND)

Indicator	2017 (projected)	2016
Gross Domestic Product (GDP) at current prices (QR billion)	621.67	570
Gross Domestic Product (GDP) at current prices (USD billion)	170.79	156.59
Per capita GDP (QR)	230,723	221,066
Per capita GDP (USD billion)	63,385	60,732
Average inflation	3.05 %	3.012 %
Unemployment	3.05 %	0.248 %
Population (million people)	2.69	2.58

Source: International Monetary Fund

INTERNATIONAL CLASSIFICATIONS OF QATAR'S ECONOMY

Within the framework of the achievement of the basic pillars of the QNV 2030 regarding the development of Qatar's economy to be able to compete regionally & internationally, Qatar's economy got a distinct rank during 2016 at the regional and international levels according to the classifications of international institutions, either in terms of ability to pay short & long-term obligations, anti-corruption & transparency levels, anti-money laundering, in the field of economic freedom, or the global competitiveness.

CREDIT RATING

Despite the crisis of oil price facing all countries exporting oil and gas, Qatar's economy still has a high grade of confidence and is classified within high levels of classifications of the investment category, which constitute favorite investment destination for all investors from institutions and individuals at the international level. Qatar's economy came at the 1st rank at the Arab level and classified at (AA) with a stable outlook according to Standard and Poor's (S&P), and at (Aa2) with a negative outlook according to Moody's.

Country	S&P	Outlook	Moody's	Outlook
Qatar	AA	Stable	Aa2	Negative

Source: Trading Economics website- January 2017 / <http://www.tradingeconomics.com/country-list/rating>

GLOBAL COMPETITIVENESS

In 2016/2017, Qatar's economy received the 2nd rank at Arab level and the 18th rank at the international level out of 138 countries (according to the report issued by the World Economic Forum).

Rank	Country	Score
1	Switzerland (Int'l Rank)	5.80
2	Qatar (Arab Rank)	5.20
18	Qatar (Int'l Rank)	5.20

Source: 2016-17 World Economic Forum Global Competitiveness Index

ECONOMIC FREEDOM

Rank	Country	Score
1	Hong Kong (Int'l Rank)	88.60
3	Qatar (Arab Rank)	70.70
34	Qatar (Int'l Rank)	70.70

Source: 2016 Index of Economic Freedom issued by The Heritage Foundation

Qatar's economy has been classified among the mostly free category (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 in the Middle East region and it is ranked the 34th freest at the international level (out of 178 countries) covered by the classification.

ANTI-CORRUPTION

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Qatar's economy has achieved the 2nd rank at the Arab level and the 31st at the international level (out of 176 countries) in the efforts exerted for anti-corruption, according to **Corruption Perceptions Index 2016** of Transparency International, the global coalition against corruption level.

Rank	Country	Score
1	Denmark (Int'l Rank)	90
2	Qatar (Arab Rank)	61
31	Qatar (Int'l Rank)	61

Source: Transparency International, The global coalition against corruption

ANTI-MONEY LAUNDERING

According to the 2016 edition of the Basel Anti-Money Laundering (AML) Index developed by the Basel Institute on Governance, Qatar's economy came in the 4th at Arab level and the 37th rank at the international level (out of 149 countries) with a score of 4.90, which indicates less than average of probability of occurrence of terrorist financing or money laundering in Qatar.

Rank	Country	Score
1	Finland (Int'l Rank)	3.05
4	Qatar (Arab Rank)	4.90
37	Qatar (Int'l Rank)	4.90

Source: Basel Anti-Money Laundering (AML) Index 2016, Basel Institute on Governance

INTERNATIONAL CLASSIFICATIONS OF QATARI CAPITAL MARKET

MARKET CAPITALIZATION

According to the World Federation of Exchanges (WFE) statistics, Qatari market still maintain its 2nd rank at the Arab level and the 13th at the level of European countries, Africa and the Middle East, in terms of market capitalization of listed shares, out of 43 financial markets.

Financial Markets	Arab Rank	Int'l Rank of European Countries, Africa & the Middle East	Market Capitalization (USD Million) As on Dec. 31 st of 2016
London Stock Exchange LSE Group	-	1	3,496,169.60
Qatar QSE	2	13	154,892.00

Source: World Federation of Exchanges (WFE) Statistics

INTERNATIONAL CLASSIFICATIONS FOR FINANCIAL MARKETS DEVELOPMENT

BY THE WORLD ECONOMIC FORUM'S (WEF) GLOBAL COMPETITIVENESS REPORT 2016 - 2017

The World Economic Forum's (WEF) Global Competitiveness Report 2016-2017 shows that Qatari financial markets in general and the Qatari capital market in particular have a top ranking among all Arab markets in the overall ranking of the main index of financial markets development as well as in the sub-index relating to efficiency of financial markets development. They came in the 2nd rank among Arab countries in the sub-index of trustworthiness and confidence in financial markets clarified as follows:

The World Economic Forum's (WEF) Global Competitiveness Report shows that Qatari financial markets have the top ranking among the Arab markets in terms of financial markets development and it is classified at the 1st rank among Arab countries and the 21st rank at the international level (out of 138 financial markets).

Financial Market	Rank	Score
New Zealand (Int'l Rank)	1	5.80
Qatar (Arab Rank)	1	4.80
Qatar (Int'l Rank)	21	4.80

N o t e :

The index of financial markets development measures to what extent can the financial markets (banks and capital market) collect savings and redistribute and allocate for productive projects with high profitability leading to higher growth rates of the economy and rising welfare levels of the residents. It also measures to what extent can financial regulators provide stability of the financial markets and protection of people dealing in it.

Two basic pillars shall measure financial markets development:

First: Efficiency of financial markets in collecting and redistributing savings.

Second: Confidence degree of people dealing in financial market in terms of stability of the market and protection of such people.

FIRST:

EFFICIENCY OF FINANCIAL MARKETS DEVELOPMENT

The Qatari financial markets could maintain the top ranking among Arab countries in terms of efficiency of financial markets development. The efforts exerted by the regulators of financial sector with regard to developing the Qatari financial markets have been classified at the 1st rank at Arab level and the 4th at the international level (out of 138 financial markets) as for efficiency of the financial markets development, according to Global Competitiveness Report.

Financial Market	Rank	Score
Singapore (Int'l Rank)	1	5.50
<u>Qatar (Arab Rank)</u>	<u>1</u>	<u>5.30</u>
<u>Qatar (Int'l Rank)</u>	<u>4</u>	<u>5.30</u>

N o t e :

Measurement of efficiency of financial markets development depends on measuring the following key points:

- 1- Financial services meeting business needs
- 2- Investors' affordability of financial services
- 3- Ease of access to Financing through local equity market
- 4- Venture market availability
- 5- Ease of access to loans

The measurement results for such five points at Arab and international levels as detailed in the following tables 1, 2, 3, 4.

1- FINANCIAL SERVICES MEETING BUSINESS NEEDS

Financial Market	Rank	Score
Hong Kong (Int'l Rank)	1	6.00
<u>Qatar (Arab Rank)</u>	<u>2</u>	<u>5.30</u>
<u>Qatar (Int'l Rank)</u>	<u>18</u>	<u>5.30</u>

According to Global Competitiveness Report, the Qatari financial markets achieved the 2nd rank at Arab level and the 18th at the international level (out of 138 financial markets) in terms of financial services meeting business needs.

Note: Financial services meeting business needs index measures to what extent does the financial sector provide the products & services that meet the needs of businesses.

2- AFFORDABILITY OF FINANCIAL SERVICES

Financial Market	Rank	Score
Hong Kong (Int'l Rank)	1	5.70
Qatar (Arab Rank)	1	5.20
Qatar (Int'l Rank)	9	5.20

According to the Global Competitiveness Report, the Qatari financial markets came at the 1st rank at Arab level & the 9th rank at the international level (out of 138 financial markets) in terms of affordability of financial services that indicates to competitiveness of financial services cost in the Qatari financial markets.

Note: Affordability of Financial Services index measures to what extent does the cost of financial services provided by the financial sector impede companies from conducting business activities.

3- FINANCING THROUGH LOCAL EQUITY MARKET

Financial Market	Rank	Score
South Africa (Int'l Rank)	1	5.90
Qatar (Arab Rank)	1	5.30
Qatar (Int'l Rank)	9	5.30

According to the Global Competitiveness Report, the Qatari financial markets came at the 1st rank at the Arab level and the 9th rank at the international level (out of 138 financial markets) in terms of the ease of access to financing through local equity market.

Note: Financing through local equity market index measures to what extent can companies get financing for its activities & expansions (raise money) by issuing shares and/or bonds on the capital market (i.e. there are no regulatory restrictions impede companies from offering securities to obtain financing).

4- VENTURE CAPITAL AVAILABILITY

Financial Market	Arab & Int'l Rank	Score
Qatar	1	4.90

According to the Global Competitiveness Report, the Qatari financial markets have a venture capital availability at both Arab or international levels (out of 138 financial markets), where came at the 1st rank at both levels.

Note: Venture capital availability index measures how easy it is for start-up entrepreneurs with innovative but risky projects to obtain equity funding.

SECOND:

TRUSTWORTHINESS AND CONFIDENCE

The Qatari financial markets came in the 2nd rank at Arab level & the 57th rank at international level (out of 138 financial markets) in terms of the second sub-index of financial markets development with regard to trustworthiness and confidence of financial markets. The regulatory and supervisory authorities of the financial sector is working with the concerned ministries in the State in order to upgrade this classification in the coming years.

Financial Market	Rank	Score
New Zealand (Int'l Rank)	1	6.50
Qatar (Arab Rank)	1	4.40
Qatar (Int'l Rank)	57	4.40

Note :

Measurement of Trustworthiness and confidence of financial markets depends on measuring the following pillars:

- 1- Regulations of securities exchanges
- 2- Soundness of banks
- 3- Legal rights index

The competitiveness measurement results of regulations of financial exchanges came as in the following table:

1- REGULATIONS OF FINANCIAL EXCHANGES

Financial Market	Rank	Score
Singapore (Int'l Rank)	1	6.30
Qatar (Arab Rank)	1	5.80
Qatar (Int'l Rank)	11	5.80

According to Global Competitiveness Report, the regulations of Qatari securities markets issued by the QFMA achieved the 1st rank at Arab level and the 11th at the international level (out of 138 financial markets).

Note: Regulations of Financial Exchanges index measures to what extent can financial regulators provide regulations for financial markets that ensure financial stability for of the market and provide protection needed for people dealing in securities market.



INTERNATIONAL CLASSIFICATIONS OF THE QATARI CAPITAL MARKETS

BY THE WORLD ECONOMIC FORUM'S (WEF) GLOBAL COMPETITIVENESS REPORT 2016 – 2017

Indicators	Qatar's Int'l Rank	Qatar's Arab Rank
Financial Market Development	Int'l 21 st	Arab 1 st
Efficiency of Financial Market Development	Int'l 4 th	Arab 1 st
Financial Services Meeting Business Needs	Int'l 18 th	Arab 2 nd
Affordability of Financial Services	Int'l 9 th	Arab 1 st
Financing through Local Equity Market	Int'l 9 th	Arab 1 st
Venture Capital Availability	Int'l 1 st	Arab 1 st
Trustworthiness & Confidence	Int'l 57 th	Arab 2 nd
Regulations of Financial Markets	Int'l 11 th	Arab 1 st

Source: The World Economic Forum's (WEF) Global Competitiveness Report 2016-2017

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PART TWO

**QATAR
FINANCIAL
MARKETS
AUTHORITY
Q F M A**





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 and supervise the financial markets in Qatar by taking all the supervisory & 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.

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 & 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 and 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 and information exchange with foreign financial markets, regulators, and regional and international organizations and institutions to benefit from their operations in a way that assists in developing financial markets within the State.
- 8- Conduct studies, collect information and statistics on financial markets activities and publish relevant reports.

T H E Q F M A ' S S T R A T E G I C O B J E C T I V E S

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 and supervise a vital & important part in this sector. In order to achieve the strategic direction to create and develop and integrated and harmonic regulatory & 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 & 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.

It is worth mentioning that the QFMA is in process of preparation of its second strategic plan (2017 - 2022), by redrafting its strategic objectives

to be compatible with the priorities of developing the Qatari capital market over the next five years.

ORGANIZATIONAL STRUCTURE

At the end of 2016, the QFMA activated the new organizational structure pursuant to QFMA's strategic objective for becoming a "state-of-the-art" international financial markets regulator. The organizational structure of the **QFMA departments becomes as follows:**

SECURITIES OFFERING & LISTING AFFAIRS DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Regulating and monitoring mergers and acquisitions.
- 2- Preparing and publishing rules and regulations relating to offering and listing, and making sure compliance with them.
- 3- Increasing awareness regarding new products, procedures and securities offering and listing.
- 4- Ensuring transparency in international acquisitions, mergers and IPOs.
- 5- Improving the procedures of securities offering and listing, and procedures of issuing investment plans, as well as adoption of mergers and acquisitions, in order to promote efficiency of such transactions and to align them with the best international practices.
- 6- Supervising the limited & additional rules of registration and listing.
- 7- Receiving & considering license applications of securities issuance.
- 8- Reviewing and approving of securities prospectus.
- 9- Regulating offering & listing of investment funds, including units of funds index and Real Estate Investment Traits (REITs).

LICENSING DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Receiving and considering license applications for performing financial markets activities.
 - 2- Studying the controls and rules proposed by various financial markets to proceed them and express opinion on them to be approved.
 - 3- Reviewing market membership controls, trading controls proposed by the financial markets and table of financial penalties of market members, and expressing opinion to be approved.
 - 4- Receiving and considering license applications for performing depository activities, financial services activities and opening branches for financial services companies.
 - 5- Receiving and considering the license applications for approved individuals working for the financial markets, depositories and financial services companies, according to the controls developed by the QFMA.
 - 6- Receiving and considering license applications for external auditors who are eligible to work to the financial markets, depositories, financial services companies, and listed companies.
 - 7- Receiving and considering license applications for financial evaluators.
 - 8- Conducting ongoing assessment to ensure availability of licensing requirements & approvals granted for the professionals working in the financial markets, depositories & financial services companies.
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LEGAL AFFAIRS & ENFORCEMENT DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Researching and pursuing legal issues relating to the QFMA's activities, in coordination with relevant departments.
- 2- Preparing QFMA's legislative drafts and expressing its opinion on drafts of laws, regulations and executive decisions referred to it.
- 3- Expressing legal opinion on topics referred to it.
- 4- Drafting contracts, agreements and memorandums of understanding relating to the QFMA's activities, in coordination with the relevant departments.
- 5- Investigating facts and violations attributed to QFMA staff, preparing the required notes for the investigation results along with the legal opinion & recommendations to be presented to the competent authority, as well as following up the implementation of the decisions made thereof.
- 6- Following up the implementation of Disciplinary Committee decisions.
- 7- Following up disputes & issues that relate to the QFMA, in coordination with the competent authorities.

COMPLAINTS DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Developing a manual for complaint and investigation procedures.
- 2- Receiving and considering complaints filed by investors and persons dealing in the market and taking the necessary measures for suitable solutions.
- 3- Considering complaints and acting appropriately to control violations of entities subject to the QFMA's jurisdiction.
- 4- Participating in the investigation of violations of the QFMA Law and the relevant legislations.
- 5- Participating in the investigation of electronic violations, suspicious breaches of accounts, investment portfolios and others.
- 6- Coordinating with the regulatory authorities in investigations of violations of relevant legislations.

PUBLIC RELATIONS & COMMUNICATION DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Issuing publications and media programs to raise awareness on the QFMA's responsibilities and activities in coordination with relevant departments.
- 2- Following up media coverage relating to the QFMA, presenting to officials and drafting replies when needed.
- 3- Processing public enquiries and complaints, referring them to the relevant departments.
- 4- Arranging travel, hospitality and accommodation requirements for the QFMA's guests and delegations in coordination with relevant departments.
- 5- Organising cultural, social & sports activities for QFMA staff and supervising events organized or in participation of the QFMA.
- 6- Organising conferences, seminars & exhibitions held by the QFMA and preparing the budgets needed therefor, in collaboration with relevant departments.

INFORMATION SYSTEM DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Developing, supervising & updating, in coordination with the competent entities, the financial information systems in line with the e-Government Strategy.
 - 2- Designing, managing, and maintaining, in coordination with the governmental entities, the QFMA systems and render protection thereof, and provide the technical support thereto.
 - 3- Developing & implementing plans and policies of using the computer in the QFMA's activities.
 - 4- Developing, designing and implementing the E-crisis response plan.
 - 5- Developing information systems and databases required to perform the QFMA's activities.
 - 6- Identifying the specifications of hardware, software and networks required for the QFMA's electronic systems.
 - 7- Providing and maintaining electronic equipment, software and networks for the QFMA's electronic systems in coordination with relevant departments.
 - 8- Developing and managing all types of databases.
 - 9- Providing training and required technical support for the QFMA's electronic network users.
 - 10- Developing and maintaining the QFMA's website.
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HUMAN RESOURCES DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Implementing laws, regulations and policies related to personnel affairs.
- 2- Identifying QFMA needs of staff in coordination with various departments.
- 3- Preparing, implementing and developing job descriptions and job classifications.
- 4- Preparing draft of part one of the budget in collaboration with relevant departments.
- 5- Implementing procedures of performance reviews and appraisals for employee.
- 6- Processing appointment, transfer, secondment and delegation details.
- 7- Processing employee leave entitlements according to the Law.
- 8- Preparing studies for QFMA career structure and presenting proposals needed for developing its organisational structure.
- 9- Identifying, implementing and evaluating the staff training needs & programmes in coordination with various departments.
- 10- Developing and updating databases of the QFMA personnel.

INTERNAL AUDIT DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Developing annual audit plans of the QFMA's departments, seeking chairman approval and preparing reports of audit findings.
- 2- Making sure the implementation of laws, regulation & decisions relating to QFMA's activities.
- 3- Monitoring financial documents such as receipts, invoices, vouchers, etc.
- 4- Reviewing financial instructions, proposing necessary amendments and monitoring their implementation.
- 5- Monitoring procedures related to recruitment, leave entitlements, promotions, and other personnel related issues and ensuring the compliance with relevant laws, rules, regulations & decisions.
- 6- Ensuring the safety and security of QFMA owned and controlled funds, properties, furniture, equipment, buildings and other assets.
- 7- Participating in the inspection of stores inventories, and other controlled properties.

FINANCE & ADMINISTRATION DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Implementing financial & administrative laws, regulations & policies related to the QFMA's activities.
- 2- Preparing annual budgets and final accounts in coordination with the relevant departments.
- 3- Providing QFMA and its administrative departments with required support for appropriate performance, in coordination with the relevant departments.
- 4- Implementing processes of procurement, tenders and auctions in line with rules and regulations in force.
- 5- Monitoring the execution of endorsements, audit revenues and expenditure accounts.
- 6- Processing all QFMA's mail.
- 7- Organising and safeguarding the archives.
- 8- Preparing of financial documents and transactions.
- 9- Taking the necessary measures for allocating government accommodation & furniture allowance for QFMA employees, in coordination with the competent entities.
- 10- Collecting service fees provided by the QFMA.
- 11- Performing all administration services.
- 12- Monitoring the QFMA's stores.

NEW FINANCIAL PRODUCTS DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Developing the capital market, and providing innovative frameworks to facilitate the issuance of new securities.
 - 2- Submitting proposals to develop the financial institutions and technical aspects, which would facilitate and raise the growth potential of the financial market.
 - 3- Following up the key indicators of the financial market performance and developing long-term solutions to address deficiencies.
 - 4- Proposing new investment products that enhance the depth and width of the financial market and enhance access to capital as to make the market compatible for new investment product.
 - 5- Identifying the weaknesses of financial market performance, and proposing to address them, promoting the development of the financial market and the working financial institutions, through coordination with the competent authorities.
 - 6- Proposing initiatives to effectively implement disclosure rules of product and product risks.
 - 7- Proposing and developing standards of disclosure practices, in particular with respect to assessments and risks.
 - 8- Reviewing the disclosure practices of companies obtained by external auditors.
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CORPORATE GOVERNANCE & DISCLOSURE DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Auditing the financial statements of the companies and verifying their fulfillment of disclosure requirements, the extent of compatible of such requirements with the international accounting and auditing standards, as well as analyzing them for financial periods to be provided to the QFMA within the determined period, and preparing the reports and recommendation thereon.
- 2- Monitoring the compliance of the companies and entities subject to the QFMA's jurisdiction with disclosure and corporate governance principals.
- 3- Reviewing and identifying shortcomings of corporate governance reports, and making sure that they are issued in a timely manner and in line with Corporate Governance Code.

INSPECTION & SURVEILLANCE DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Proposing a plan for periodic inspection over the financial services companies, financial markets, depository and other licensed entities.
- 2- Proposing the procedures of periodic & sudden inspections, controls and cases of sudden inspections, and prior notification over the financial services companies, financial markets, depository and other licensed entities.
- 3- Conducting on periodic & sudden inspections over the financial services companies, financial markets and depository, and preparing reports thereon.
- 4- Conducting documentary surveillance over the financial services companies, financial markets, depository, and their staff to ensure their compliance with QFMA's legal legislations.
- 5- Implementing, as per the relevant rules, specialized inspection programs over licensed persons to ensure the efficiency and effectiveness of their programs & procedures of combating anti-money laundering and combating terrorist financing and relevant regulations.
- 6- Implementing special inspection programs for non-licensed persons who are suspected of their involvement in practicing securities activities or money laundering.
- 7- Monitoring the compliance with the rules of dealing among people dealing in securities trading activities.
- 8- Following-up and monitoring trading transactions, preparing periodic reports on daily analysis of market dealings, orders and executed transactions, to ensure compliance with legislation and regulations.
- 9- Analyzing the alerts issued by the electronic program of trading surveillance and reporting thereon.

PLANNING & QUALITY DEPARTMENT

THE DEPARTMENT IS RESPONSIBLE FOR:

- 1- Developing and obtaining approval on the QFMA's general strategic plan in coordination with the competent authorities and relative departments.
- 2- Obtaining chairman approval on departments' executive plans and programs.
- 3- Implementing and evaluating the QFMA's strategic and executive plans and results and raising regular reports thereon.

- 4- Identifying and resolving any issues encountered the implementation of the strategic and executive plans.
 - 5- Ensuring work methodology used is aligned with the QFMA's functions and objectives and recommending improvements accordingly.
 - 6- Developing evaluation programs that measure institutional performance to ensure the service quality in the departments.
 - 7- Reviewing and evaluating the departments' performance and recommend improvements to increase overall efficiency.
 - 8- Developing solutions for potential issues and obstacles within the QFMA's departments.
 - 9- Proposing, in coordination with competent entities and relevant departments, the plans for development and simplification of the internal processes and procedures.
 - 10- Preparing studies and researches related to international practices in terms of planning and quality and ways of optimizing the available resources.
-

INTERNATIONAL COOPERATION UNIT

THE UNIT IS RESPONSIBLE FOR:

- 1- Preparing material related to (local, regional and international) conferences, seminars and meetings concerning the QFMA's activities, in coordination with the relevant departments and competent entities.
- 2- Making the needed preparations to attend relevant conferences, meetings held by regional and international organisations and authorities of which the State of Qatar is a member.
- 3- Preparing reports and responses required by regional and international organisations and authorities concerning the QFMA's activities in coordination with relevant departments.
- 4- Monitoring the implementation of recommendations of regional and international organisations and authorities, in coordination with competent entities in the State.
- 5- Preparing reports on regional and international organisations' contribution in developing and supporting the various activities of the QFMA's work, in coordination with the competent entities.
- 6- Following-up on the payments of the State's financial contributions in the organizations in relation with the QFMA's work, in coordination with competent entities.
- 7- Researching ways of activating Qatar's role in the QFMA's activities among regional and international organisations and authorities.
- 8- Collecting information and publishing research issued by relevant local, regional and international organisations and authorities.

RISK UNIT

THE UNIT IS RESPONSIBLE FOR:

- 1- Proposing and developing policies and foundations of the QFMA's work according to the approved standards.
- 2- Proposing the foundations for addressing risks of non-compliance with the approved standards by participants in the capital market.
- 3- Considering and following the implementation of the work policies proposed by the QFMA's departments based on the approved policies.
- 4- Considering the reports issued by Surveillance & Inspection Department to develop addressing strategies for different risks.
- 5- Considering projects proposed by the competent departments based on the approved policies.
- 6- Identifying risks of the work of QFMA and financial markets and regulatory risks, as well as proposing and following up evaluation mechanisms.

PARTIES SUBJECT TO QFMA'S JURISDICTION

The QFMA shall regulate, supervise and 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 and 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- External auditors and financial evaluators.
- 7- Offering and listing advisors.
- 8- Investors.



PART THREE

QATAR'S
EFFORTS

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The QFMA's most significant achievements and efforts during the year can be summarized through six key pillars as follows:

1- LEGAL LEGISLATIONS

IN ORDER TO STRENGTHEN THE REGULATORY AND SUPERVISORY ROLE OF THE QFMA, PROVIDE THE LEGISLATIVE ENVIRONMENT THAT ATTRACTS INVESTMENTS, AND PROTECT THE RIGHTS OF INVESTORS, THE QFMA ENACTED, AMENDED AND ISSUED A NUMBER OF LEGISLATIONS AND PROCEDURES REGULATING THE CAPITAL MARKET, OFF WHICH THE MOST IMPORTANT WERE:

- Amending some provisions of Selling Rights Issue Rules after evaluating the two experiences of selling rights issue in the Qatari market during the last year. The system become for trading rights Issue rather than selling in order to provide an opportunity for investors to trade rights issue by both selling & buying during the period allocated therefore which leads to increase and activate volumes of rights issue trading.
- Amending Margin Trading Rules so as to encourage investors to trade securities in the Qatari market according to margin buying rules.
- Amending Corporate Governance Code for Companies Listed on the Main Market, in order to develop & improve the procedures of corporate governance for public shareholding companies and other entities listed on QSE.
- Amending some provisions of Merger & Acquisition Rules, that allows 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.
- Lunching, in collaboration with the QSE, single window system for companies & entities wishing to be listed on the Qatari market, where those shall deal with one entity that holds the procedures and the coordination with other parties in order to facilitate the procedures, reduce business volume and make deciding on listing applications speedier. As well as reduce the intra-periods for offering and listing applications.
- Preparing a proposal for regulating and restructuring the trading commissions among the concerned parties that came within the framework of reviewing the fees & commissions system on the Qatari market in the light of establishing specialized company for central depository and clearing (QCSD). The procedures of adopting the new schedule of the trading commissions & listing fees is still in process.

- Participating in the work of Financial Stability and Risk Control Committee (FSRCC) in order to coordinate and organize competencies among the financial sector regulators & the efficiency of managing the risks facing the Qatari financial sector.

2- SUPERVISION, SURVEILLANCE & LICENSING

ONE OF THE QFMA'S KEY FUNCTIONS IS REGULATING & SUPERVISING FINANCIAL MARKET ACTIVITIES, IN ORDER TO ENCOURAGE INSTITUTIONAL INVESTMENT AND MAINTAINING THE INTEGRITY OF DEALINGS IN THE MARKET BY CREATING COMPETENT PROFESSIONALS. THE MOST IMPORTANT QFMA'S EFFORTS RELATED TO THIS AREA WERE AS FOLLOWS:

- Exchanging information with the National Anti-Money Laundering and Terrorism Financing Committee, as well as the International Monetary Fund in order to develop and improve operations of combating money laundering and terrorism financing.
- Conducting (26) inspections (periodic and sudden) on the financial services companies.
- Conducting (23) inspections related to anti-money laundering and terrorism financing.
- Issuing (23) reports on inspection and surveillance over the systems of trading, depository and financial services.
- Granting licenses for (3) existing financial services companies to conduct additional new financial services activities. Thus, the number of financial service activities licensed during the year were (7) represented in:
1) Margin trading - 2) Managing securities investment
3) Lending & borrowing securities - 4) Managing issuance of securities
5) Providing advice on securities.
- Granting license for a new financial services company to conduct the activities of managing investment of securities and managing issuance of securities.
- Issuing an approval for appointing (1) Broker Agent for a financial service company.
- Issuing an approval for new company to conduct the functions of offering manager and listing advisor.
- Issuing an approval for (1) company to conduct the functions of Listing Advisor.
- Issuing an approval for (2) companies to conduct the functions of investment manager.
- Renewing the registration of (6) offices or companies in external auditors' list of QFMA.

- Renewing the registration of (7) offices or companies in financial evaluators' list of QFMA.
- Licensing (2) listing advisors on Venture Market.
- Supervising on the development of the QSE-QCSD Data Replication.
- Following up the implementation of Business Continuity Plan of the QSE (QSE-BCP).
- Approving the procedures of licenses renewal for financial services companies, as well as the persons dealing in the financial markets.
- Receiving periodic reports on the capital adequacy of financial services companies to follow up the financial position of such companies.
- Listing shares of Qatar First Bank (QFB) on the QSE main market.
- Receiving one shares listing request on the main market, as well as one request for offering shares in the main market.
- Receiving (2) listing requests for investment funds on the QSE main market.
- Issuing approval on shares offering of Investment Holding Group Company.
- Issuing approval on listing (36) Treasury Bills (T-Bills) with standard maturity periods of either (3) months, (6) months or (9) months. (27) T-Bills were listed in QSE during the year.
- Issuing approval on listing (16) Debt Bonds. (12) Debt Bonds were listed during the year with maturities of (3), (5) and (10) years.
- Issuing approval on listing capital increase shares for (3) companies.
- Issuing approval on listing rights issue capital increase for (2) companies listed on the QSE main market.
- Following up the information disclosed by the listed companies to the public investors.
- Conducting surveillance over the listed companies and verifying their compliance with the QFMA regulations and hold accountability in case of non-compliance.
- Reviewing the disclosure of the listed companies regarding their basic statements and financial statement in the determined dates.
- The QFMA received (174) financial statements issued by the QSE listed companies, as follows:
 - Financial statements of the first quarter of 2016.
 - Financial statements for the half year of 2016.
 - Financial statements for the third quarter of 2016.
 - The annual financial statements of 2016.
- Following up (20) acquisition requests & one (1) merger request, and verifying the companies' compliance with relevant rules & legislations.
- Completing membership requirements with Association of National Numbering Agencies (ANNA), and preparing the final list of securities numbers as per the ASB requirements.
- Following up the working of E-services for numbering of securities.
- Issuing ISIN and CFI for (36) T-Bills, (16) debt bonds and (2) rights issue, as well as issuing ISIN and CFT for Qatar First Bank (QFB).
- Receiving (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:
 - (92%) compliance with the CG Code articles.
 - (7%) non-compliance with the CG Code articles.
 - (1%) non- applicable of the CG Code articles.

3- COMPLAINTS & INVESTIGATION, DISCIPLINARY & APPEALS

40

THE QFMA DEVELOPED RULES & PROCEDURES OF COMPLAINTS, AND PROCEDURES FOR THE WORK OF INVESTIGATION COMMITTEE, DISCIPLINARY COMMITTEE AND APPEALS COMMITTEE. THESE RULES & PROCEDURES DESCRIBES AS WELL AS THE PRINCIPLES ADOPTED TO DEAL, STUDY AND MAKE RESEARCH ABOUT THE COMPLAINTS AND VIOLATIONS THEN TO PREPARE THE FINAL REPORT AND RECOMMENDATIONS THEREON.

THE QFMA'S EFFORTS REGARDING SUCH AREAS ARE SUMMARIZED AS FOLLOWS:

- Receiving (23) complaints
- Considering and adjuticating (21) complaints.
- Considering (2) complaints before the competent department.
- Referring (21) violation cases by the CEO to the Investigation Committee.
- Directing one warning in (3) cases for (3) companies with regard to the violation alleged against during the year.
- Keeping (3) cases that were pending before the Investigation Committee.
- Reaching to settlement for (3) cases.
- Referring (11) cases to the QFMA's Disciplinary Committee by Investigation Committee.
- Addressing Ministry of Economy and Commerce in one case to be followed up with the shareholding company regarding to amendment of the membership of its Board of Directors.
- Looking into (11) violations by the Disciplinary Committee and adjuticating 10 of them.
- The Appeals Committee looked into (10) appeal cases and requests of a stay of QFMA proceedings, (5) appeal cases and requests of a stay of QFMA proceedings were adjuticated, while (5) appeal cases and requests of a stay of QFMA proceedings were still pending before the Committee. 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. It shall have the power to decide on appeals of punitive decisions issued by the QFMA.

4- INTERNATIONAL COOPERATION

THE QFMA CONTINUED IN STRENGTHENING ITS EFFORTS AT REGIONAL & INTERNATIONAL LEVELS AND THE MOST IMPORTANT POSTS & EFFORTS UNDERTAKEN DURING THE YEAR AS FOLLOWS:

- Participating in the annual Meeting of the Union of Arabic Securities Authorities (UASA).
- Participating in the Annual Meeting of the International Organization of Securities Commissions (IOSCO).
- Hosting the workshop of the African and Middle East Regional Committee (AMERC).
- Starting working on the project of evaluating the QFMA's regulations and legislations based on the IOSCO principles.
- Obtaining approval of QFMA's Board on the drafts of MoU between the QFMA & ADGM's Financial Services Regulatory Authority (FSRA) in Abu Dhabi Global Market.
- Organizing the 12th Meeting of the GCC Capital Markets' Supervision/ Oversight Taskforce, it addressed the most important developments in the field of supervision and control of the financial markets in the GCC financial markets regulators.
- Organizing, in cooperation with the GCC General Secretariat, a workshop on the trading times in the GCC financial markets with the of the participating delegations from the GCC capital market regulators & exchanges. The workshop discussed the key themes and give an overview of the GCC markets and compared them at the international level, preliminary analysis of the best options that can be applied to reach harmony in trading times among the GCC markets in addition to the basic benefits of unifying the trading times as well as the challenges that may face the markets to move forward with this initiative.
- The QFMA and the International Capital Market Association (ICMA) organized a conference on 'Developing a Corporate Debt Market'. The conference, held in Doha, hosted 55 parties represented by 125 participants of experts from the capital market with participants from relevant local and regional regulators. They discussed the role that corporate debt capital markets play in economic development. Corporate bonds are a stable and reliable source of funding for companies to finance their business needs and their expansion. They are an essential mechanism for economic growth.
- Organizing, in collaboration with the IOSCO, a training seminar for capacity building on "Risk Based Supervision and SME Financing Through Capital Markets". The seminar is primarily targeted participants of 14 countries from IOSCO AMERC Members, in addition to the participants of 12 entities from the financial sector in the State relating to capital markets.

5- INVESTORS' AWARENESS

THE STEPS IN THE DEVELOPMENT, SKILLS DEVELOPMENT AND KNOWLEDGE AND PARTIES RELATING TO SECURITIES MARKET ARE SUMMARIZES AS FOLLOWS:

- Organizing a workshop on "The Latest Developments in Anti-Money Laundering & Combating Terrorist Financing and Ways to Improve the Licensed Parties' Compliance of their Requirements". The workshop targeted Qatar Stock Exchange "QSE", Qatar Central Securities Depository "QCSD" and financial services companies and their agents.
- Organizing a workshop on "Corporate Governance Code for Shareholding Companies Listed on the Main Market". The workshop, which targeted the shareholding companies listed on the main market, included a range of topics related to corporate governance mechanisms and preparation of governance report as well as the voting mechanism for election Board of Directors in the listed shareholding company.

6- INSTITUTIONAL DEVELOPMENT

THE QFMA CONTINUED EXERTING ITS EFFORTS IN DEVELOPING EFFICIENCY OF THE SERVICES & INSTITUTIONAL PERFORMANCE. SUCH EFFORTS ARE SUMMARIZED AS FOLLOWS:

- Activating the new organizational structure through positioning staff on the new structure, implementing decisions of appointments in key leadership positions, and updating the electronic system in line with the new structure.
- Amending Mawared SAP system in accordance with the new law and the new organizational structure. The QFMA is currently working on the implementation of the second phase of the program to be activated during 2017 (self-service phase).
- Appointing (10.2%) Qataris of the career cadre during 2016 in the light of the budget rationing and stopping the appointment of non-Qataris in the financial year of 2016 to become the percentage of Qatari employees 50% with increase of (6%) from last year.
- In implementation of the Qatarization policy, the QFMA coordinated with the competent ministry to provide scholarships for (18) Qataris for positions in the QFMA in the future such as law, economy, finance, accountancy, international cooperation, and human resources.
- Participating of (38) employees from different job categories in (138) training courses, including courses to link career path with the training path, and some courses as a part of implementation of the training plan prepared in advance with the relevant departments.
- Implementing the project of BI and Reporting System.
- Implementing the project of Correspondence System.
- Developing the QSE-QCSD To QFMA Data Replication.
- Updating the attendance system.
- Preparing the first part of the new QFMA portal.
- Preparing and implementing the website prepared for the conference "Developing a Corporate Debt Market".
- Participating and following-up of the implementation of the Business Continues Plan of Qatar Stock Exchange (QE BCP).
- Participating in workshops regarding the implementation of 2020 of e-government strategy.
- Participating in the work of Financial Sector Information Security Committee.
- Participating in the technical works for the implementation of FATCA law.
- Participating in the preparation of the report on measuring the second digital transformation (2016) of government agencies in collaboration with Ministry of Transport and Telecom.
- Conducting the electronic link with the systems of Ministry of Finance and Ministry of Economy and Commerce.
- Preparing a budget draft of the first part of 2017 for actual staff and required vacancies.

- Developing work plan to authentic Job Description cards for the developed jobs in the new organizational structure.
- Developing human resources manual including all administrative procedures and processes of Human Resources Department, and updating such manual in accordance with the Civil Human Resources Law.
- Conducting identification of staff training needs and developing the 2017 training plan.
- Preparing draft of the annual budget and final accounts in coordination with the relevant administrative departments.
- Providing QFMA and its administrative departments with required support for appropriate performance, in coordination with the relevant administrative departments.
- Implementing processes of procurement, tenders & auctions in line with rules & regulations in force and monitoring the execution of endorsements, audit revenues and expenditure accounts.
- Organizing and safeguarding the archives and the administrative and financial documents according to the latest methods.



PART FOUR

STATISTICS OF
THE QFMA'S
EFFORTS

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ACTIVITIES SUBJECT TO THE QFMA'S JURISDICTION

THE MOST IMPORTANT FINANCIAL SERVICES ACTIVITIES LICENSED OR REGISTERED BY THE QFMA AND SUBJECT TO ITS JURISDICTION ARE:

- Executing orders of buying or selling securities for others.
 - Trading securities for the person's own benefit.
 - Investment trusteeship.
 - Lending and borrowing securities.
 - Margin trading.
 - Providing advice on securities.
 - Providing custody services (cash or securities).
 - Managing securities investment.
 - Underwriting issuance of securities.
 - Managing issuance of securities.
 - Providing liquidity.
 - Performing the tasks of Listing Advisor on Venture market.
 - External auditing of listed entities and entities subject to the Authority's jurisdiction.
 - Financial evaluating of listed entities and entities subject to the Authority's jurisdiction.
 - Operations and services conducted by the regulated financial markets.
 - Operations and services conducted by the QCSD.
 - Operations and services conducted by the Clearing Company.
 - The other operations, services and activities determined by the QFMA's rules and regulations.
-

Company	Activity
The Group	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit. 3- Providing liquidity. 4- Managing securities investment. 5- Margin trading. 6- Lending and borrowing securities. 7- Managing issuance of securities. 8- Providing advice on securities.
Diala Brokerage	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
Gulf Investment Group	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
Islamic Financial Securities Company	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
Diala Islamic	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
Qatar Securities Co.	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
International Financial Securities	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
QNB Financial Services	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit. 3- Providing advice on securities. 4- Margin trading.
Ahli Brokerage Company	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit. 3- Providing advice on securities.
Commercial Bank Financial Services	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit. 3- Providing advice on securities. 4- Providing liquidity. 5- Margin trading.
Al Rayan Brokerage Trading (The company's licensed activities have been suspended upon their request for two years ending on February 22, 2019)	<ol style="list-style-type: none"> 1- Executing orders of buying or selling securities for others. 2- Trading securities for the person's own benefit.
HSBC	Providing custody services (cash or securities).
Standard chartered bank	Providing custody services (cash or securities).
Qatar National Bank	Providing custody services (cash or securities).
QINVEST	<ol style="list-style-type: none"> 1- Investment trusteeship. 2- Underwriting issuance of securities. 3- Managing issuance of securities. 4- Providing advice on securities.
Al Rayan Investment	<ol style="list-style-type: none"> 1- Managing securities investment. 2- Managing issuance of securities.

ACTIVITIES LICENSED BY THE QFMA FOR FINANCIAL SERVICES COMPANIES DURING 2016

Company	No. of Licenses	Activity
The Group Commercial Bank Financial Services QNB Financial Services	3	Margin trading.
The Group Al Rayan Investment	2	Managing securities investment.
The Group	1	Lending and borrowing securities.
The Group Al Rayan Investment	2	Managing issuance of securities.
The Group	1	Providing advice on securities.
PricewaterhouseCoopers (LLC) ACCESS MOORE STEPHENS W.L.L	2	Listing advisor on venture market.

FINANCIAL MARKETS LICENSED BY THE QFMA

Name	Activity 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

DEPOSITORY & CLEARING COMPANIES LICENSED BY THE QFMA

Name	Activity Type	License Date
Qatar Central Security Depository - QCSD	Central depository and clearing of securities	2013

By the end of the year, the number of listed companies on Qatari market was 44, distributed among seven (7) key sectors:

- 1- Banks & Financial Services,
- 2- Insurance,
- 3- Industrials,
- 4- Services,
- 5- Real Estate,
- 6- Telecoms
- 7- Transport

The total market capitalization of the listed companies' capital has reached 563.4 QR billion (USD \$154.3 billion).

Company Name	Symbol	Total No. of Subscribed Shares
Qatar National Bank	QNBK	839,675,325
Qatar Islamic Bank	QIBK	236,293,200
Commercial Bank of Qatar	CBQK	326,629,210
Doha Bank	DHBK	258,372,252
Ahli Bank	ABQK	190,803,115
Qatar International Islamic Bank	QIIK	151,368,749
Masraf Al Rayan	MARK	750,000,000
Al Khalij Commercial Bank	KCBK	360,000,000
Qatar First Bank	QFBQ	200,000,000
National Leasing	NLCS	49,480,200
Dlala	DBIS	28,416,000
Qatar Oman Investment Company	QOIS	31,500,000
Islamic Holding group	IHGS	5,663,581
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	91,216,125
Widam Food Company	WDAM	18,000,000
Mannai Corp	MCCS	45,619,200
Al Meera Consumer Goods Company	MERS	20,000,000
Qatar Industrial Manufacturing	QIMD	47,520,000
Qatar Cement	QNCD	59,411,722
Industries Qatar	IQCD	605,000,000
Qatari Investors Group	QIGD	124,326,778
Electricity & Water	QEWS	110,000,000
Aamal	AHCS	630,000,000
Gulf International Services Company	GISS	185,840,869
Mesaieed Petrochemical Holding Co.	MPHC	1,256,317,500
Qatar Insurance	QATI	241,138,659
Doha Insurance	DOHI	50,000,000
Qatar General Insurance	QGRI	87,506,703
AlKhaleej Takaful Group	AKHI	25,527,902
Qatar Islamic Insurance	QISI	15,000,000
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	110,250,000
Ooredoo	ORDS	320,320,000
Vodafone Qatar	VFQS	845,400,000
Qatar Navigation	QNNS	114,525,200
Gulf Warehousing	GWCS	58,603,148
Qatar Gas transport	QGTS	554,026,360
Total		12,612,829,926

PERSONS DEALING IN THE FINANCIAL MARKETS LICENSED BY THE QFMA

Position (job title)	2014	2015	2016
Board Chairman			1
Board Member	1	5	3
General Manager			2
General Manager Deputy	4		1
Investment Manager			3
Compliance Officer	3	3	2
Anti-Money Laundering Officer (MLRO)	2	3	2
Anti-Money Laundering Officer Deputy (deputy MLRO)	1	1	1
Back Office Operations Manager	5	1	1
Account Manager	11	2	1
Trading Manager		2	2
Financial Manager	3		1
Broker Representative	13	4	5
Custodian Representative	6	3	1
Internal Auditor	2	3	
Risk Management Officer	2	1	
Financial Advisor			
Financial Analyst		3	1
Total	53	31	27

STAFF EDUCATION & TRAINING PROGRAMS

	Country	Inside Training	Outside Training	Total
2016	Workshop	84	14	98
	Training program	14	10	24
	Others	3	15	18
	Total	101	39	140
2015	Workshop & Training program	98	7	115
	Link the training path with the career path	56	-	56
	Conferences, seminars, exhibitions	12	5	17
	Others	59	-	59
	Total	225	12	237

TOTAL PERCENTAGE OF QATARIZATION AT QFMA

Item	Total no. of Qatari employees	Total no. of non-Qatari employees
No. of employees until end of 2016	(53) Employees	(53) Employees
Total percentage of qatarization in 2016	50 %	50 %
Total percentage of qatarization in 2015	44 %	56 %

STATISTICS ABOUT THE INSPECTIONS OVER THE FINANCIAL MARKETS CONDUCTED BY THE QFMA

Item	2014	2015	2016
No. of companies	11	11	11
No. of inspections	30	20	44
No. of submitted reports	9	7	14
No. of programs & reports have been developed for the benefit of supervision & inspection	0	10	9

DETAILS ON SURVEILLANCE AND INSPECTIONS

Type	No.
Periodic inspections	18
Sudden inspections	8
Reports of surveillance over trading	14
Reports of surveillance over trading and depository systems	7
Reports of surveillance over financial services companies systems	2
Inspections related to AML/CFT	18

STATISTICS ABOUT WORKS OF COMPLAINTS, INVESTIGATIONS, DISCIPLINARY CASES & APPEALS

COMPLAINTS

Item	2015	2016
No. of complaints	9	23
Complaints adjudicated	9	22
Complaints that still pending	0	1

INVESTIGATIONS

Item	2015	2016
No. of investigations	19	21
cases referred to Disciplinary Committee	7	11
Cases kept	2	3
Cases adjudicated by warning	1	3
Cases adjudicated by settlement	5	3
Cases adjudicated by punishment of cautioning	3	
Cases adjudicated by pledges	1	
Cases still pending		
Cases adjudicated by other measures		1

DISCIPLINARY

Item	2015	2016
No. of violations referred	12	11
No. of violations adjudicated	8	10
No. of violations that still pending	4	9

APPEALS

Item	2015	2016
Appeals that registered in the appeals record	3	5
Requests of a stay of QFMA proceedings submitted to the Committee	1	5
Total of appeals and requests of a stay of QFMA proceedings considered by the Committee	12	10
Total of appeals and requests of a stay of QFMA proceedings adjudicated	12	5
Total of Appeals and requests of a stay of QFMA proceedings which are still under consideration by the Committee	0	5
No. of the Committee hearings	8	2
No. of the Committee meetings	16	4

STATISTICS OF ISIN OF SECURITIES

54

Item	2014	2015	2016
ISIN of shares	1	0	1
ISIN of rights issues	0	2	2
ISIN of government bonds	3	8	16
ISIN of treasury bills	36	36	36

STATISTICS OF LISTING AND ACQUISITION

Item	2014	2015	2016
Requests of listing securities	28	29	52
Requests of listing rights issues	0	2	2
Requests of offering & listing	1	1	1
Requests of merger & acquisition	12	11	21

PERCENTAGE OF COMPANIES COMPLIANCE WITH THE CG CODE

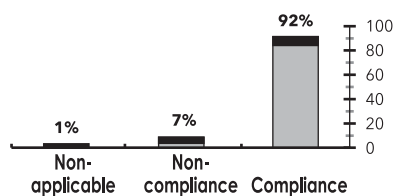
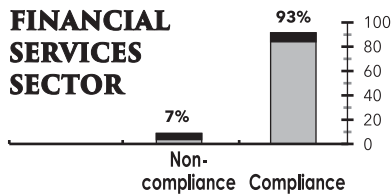
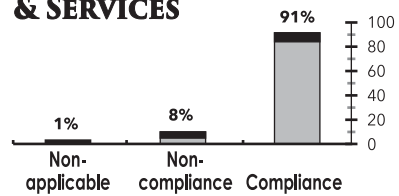


Diagram shows the percentage of companies compliance with the CG Code

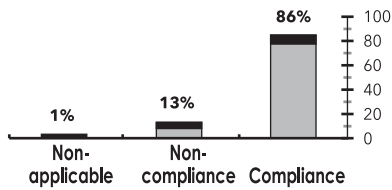
BANKS AND FINANCIAL SERVICES SECTOR



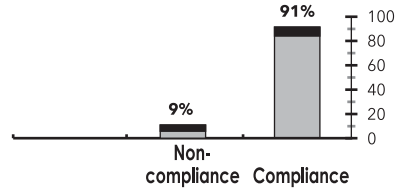
CUSTOMER GOODS & SERVICES



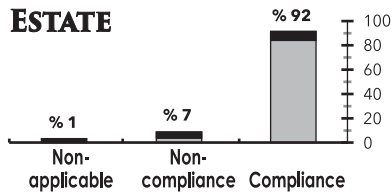
INDUSTRIALS



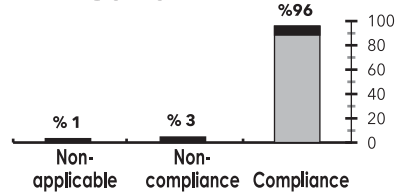
INSURANCE



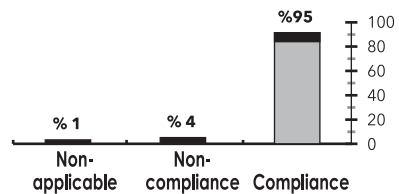
REAL ESTATE



TELECOMS



TRANSPORTATION



Project	Brief Description	Completion Percentage
BI and Reporting System	The system reads data of QSE and QCSD from the QFMA's database allocated for such purpose, then displays automatically a set of dashboards and reports designed by the QFMA's experts to analyze and assist decision makers in making appropriate decisions	%100
Correspondence System	The system is used to address all types of QFMA correspondence, and provides the ability of tracking the correspondence and its status according to each correspondence workflow as well as issues necessary alerts when delay in the execution of a specific action in addition to the multi search & archiving of features	%100
Updating Attendance System	Updating the current system to more up-to-date version compatible with devices and systems in place	%100
Developing the QE-QCSD To QFMA Data Replication Phase 1	The system copies immediately data of QSE and QCSD to the QFMA database. New required data has been added in response to QFMA's requirements	%40
Developing and implementing the website prepared for the conference "Developing a Corporate Debt Market"	The website provides all the information related to the conference, the electronic registration for participants and the immediate follow-up for the QFMA to conference preparation	%100

Reopening of Khalifa international stadium in May 2017 Following renovation, the stadium is now ready to host matches of the 2022 FIFA World Cup Qatar™.



KHALIFA STADIUM 20 17



5

PART FIVE

PERFORMANCE
OF QATARI
SECURITIES
MARKET

السندات الحكومية المدرجة
خلال عام 2016
GOVERNMENT BONDS LISTED DURING 2016

القيمة (ألف ريال قطري) Value (QR thousands)	العدد Numbers	السندات الحكومية المدرجة بحسب المدة الزمنية Type of listed G. Bonds
2,550,000	255,000	3 سنوات - 3 years
1,925,000	192,500	5 سنوات - 5 years
1,125,000	112,500	7 سنوات - 7 years
875,000	87,500	10 سنوات - 10 years
6,475,000	647,500	TOTAL - الإجمالي

أدوات الدين
الحكومية
GOVERNMENT DEBT INSTRUMENT

أذونات الخزينة المدرجة
خلال عام 2016
TREASURY BILLS LISTED
DURING 2016

القيمة (ألف ريال قطري) Value (QR thousands)	العدد Numbers	أذونات الخزينة المدرجة بحسب المدة الزمنية Type of T. Bills
4,330,000	433,000	3 أشهر - 3 months
2,990,000	299,000	6 أشهر - 6 months
2,320,000	232,000	9 أشهر - 9 months
9,640,000	964,000	الإجمالي - TOTAL

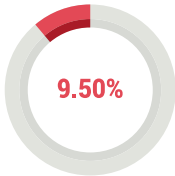
نسب ملكية الأسهم بحسب فئات المستثمرين

(حسب القيمة الإجمالية للأسهم)

PERCENTAGE OF EQUITY OWNERSHIP BY INVESTORS

(AS PER SHARES TOTAL VALUE)

المستثمرون غير القطريين Non-Qatari Investors		المستثمرون القطريون Qatari Investors		
المؤسسات Institutions	الأفراد Individuals	المؤسسات غير الحكومية Non-governmental institutions	المؤسسات الحكومية Governmental institutions	الأفراد Individuals
7.96 %	1.54 %	22.05 %	41.75 %	26.70 %
9.50 %		90.50 %		



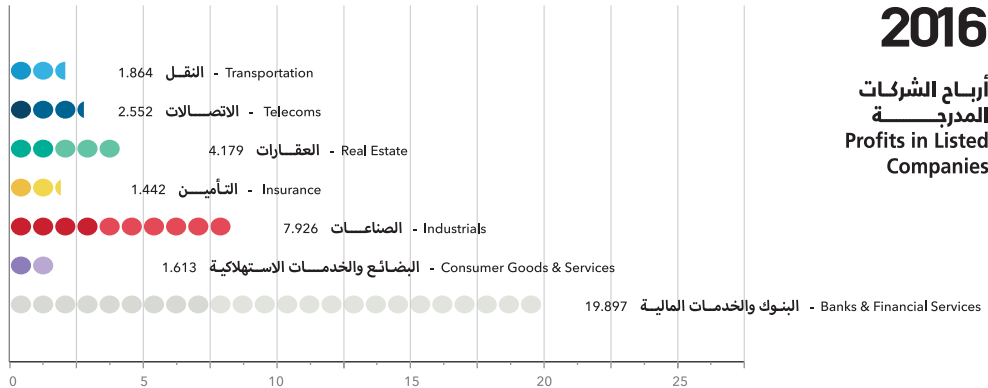
المستثمرون غير القطريين
Non-Qatari



المستثمرون القطريون
Qatari

إجمالي الأرباح المحققة بالشركات المدرجة TOTAL PROFITS IN LISTED COMPANIES

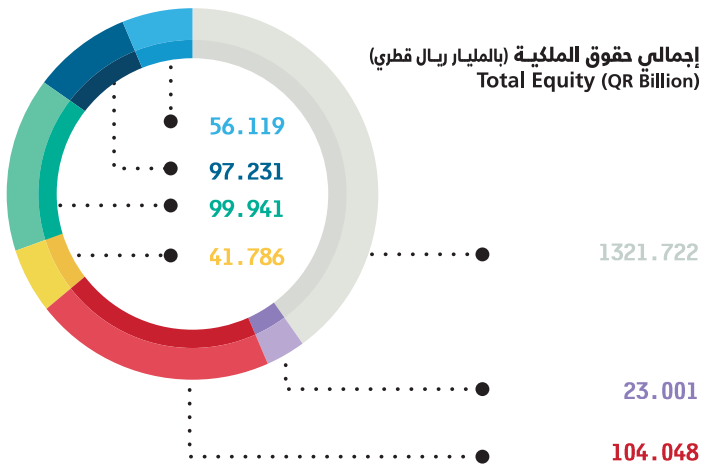
قطاع Sector	الأرباح / الخسائر المحققة (بالمليار ريال قطري) Loss / profit (QR Billion)	% معدل النمو Growth Rate %
2015	2016	
البنوك والخدمات المالية Banking & Financial Services	19.897	- 0.48 %
البضائع والخدمات الاستهلاكية The Consumer Goods & Services	1.613	-12.72 %
الصناعات Industrials	7.926	-19.88 %
التأمين Insurance	1.442	-34.60 %
العقارات Real Estate	4.179	-30.12 %
الاتصالات Telecoms	2.552	27.15 %
النقل Transportation	1.864	-18.17 %
المجموع Total	39.473	-10.70 %
44.204		



إجمالي حقوق الملكية بالشركات المدرجة

TOTAL EQUITY IN LISTED COMPANIES

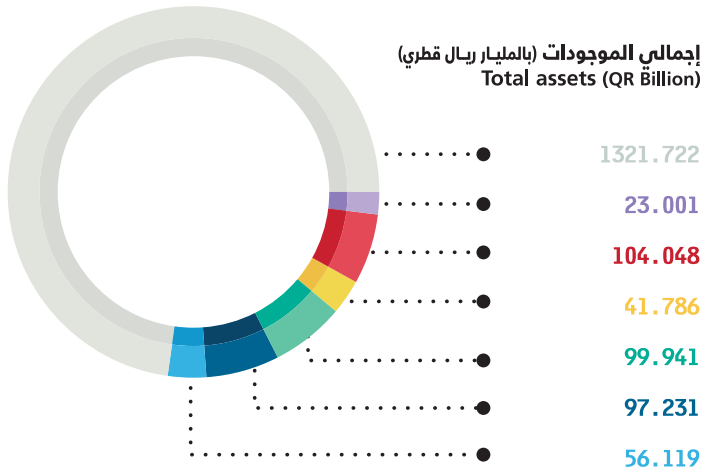
القطاع Sector	حقوق الملكية (بالمليار ريال قطري) Equity (QR Billion)	% معدل النمو Growth Rate %
2015	2016	
البنوك والخدمات المالية Banking & Financial Services	158.575	11.80 %
البضائع والخدمات الاستهلاكية The Consumer Goods & Services	13.51	1.35 %
الصناعات Industrials	78.285	2.72 %
التأمين Insurance	16.604	17.84 %
العقارات Real Estate	61.696	2.21 %
الاتصالات Telecoms	33.728	1.30 %
النقل Transportation	21.018	7.62 %
المجموع Total	383.416	6.91 %



إجمالي الموجودات بالشركات المدرجة

TOTAL ASSETS IN LISTED COMPANIES

القطاع Sector	إجمالي الموجودات (بالمليار ريال قطري) Total assets (QR Billion)	% معدل النمو Growth Rate %
2015	2016	
البنوك والخدمات المالية Banking & Financial Services	1321.722	20.81 %
البضائع والخدمات الاستهلاكية The Consumer Goods & Services	23.001	11.12 %
الصناعات Industrials	104.048	3.46 %
التأمين Insurance	41.786	14.46 %
العقارات Real Estate	99.941	3.46 %
الاتصالات Telecoms	97.231	-3.87 %
النقل Transportation	56.119	0.48 %
المجموع Total	1743.848	15.84 %

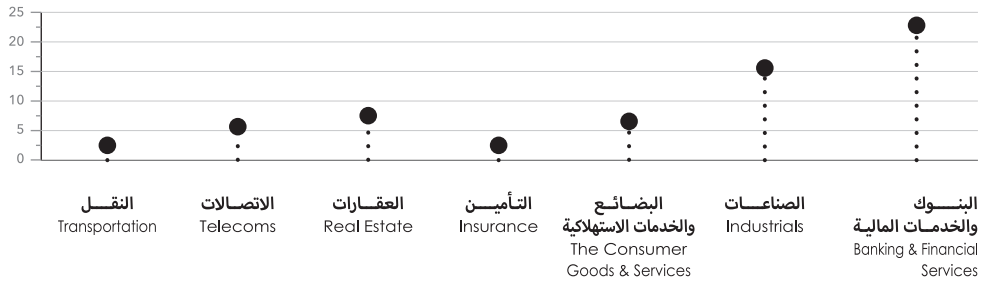


نسب الأسهم حرة التداول بالشركات المدرجة

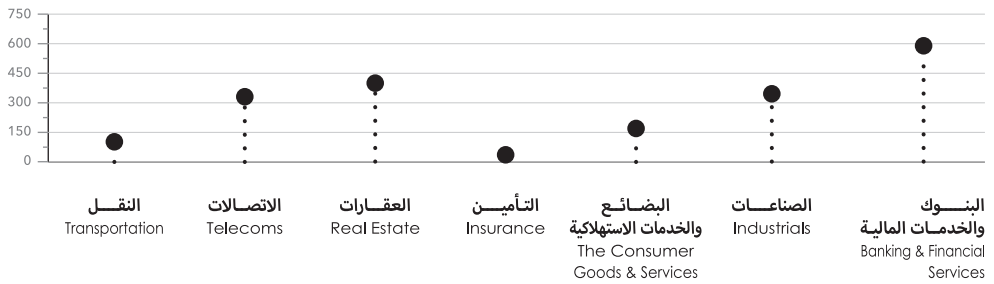
PERCENTAGES OF FREE FLOAT SHARES IN LISTED COMPANIES

القطاع Sector	إجمالي عدد أسهم رأس المال Total No. capital shares	عدد الأسهم حرة التداول No. free float shares	% الأسهم حرة التداول الى اجمالي عدد أسهم رأس المال % of free float shares to total No. capital shares
البنوك والخدمات المالية Banking & Financial Services	3,428,201,632	2,742,468,015	80.00 %
البضائع والخدمات الاستهلاكية The Consumer Goods & Services	348,205,875	319,829,264	91.85 %
الصناعات Industrials	3,018,416,869	1,697,131,448	56.23 %
التأمين Insurance	419,173,264	410,557,710	97.94 %
العقارات Real Estate	3,505,957,578	3,504,147,578	99.95 %
الاتصالات Telecoms	1,165,720,000	493,261,403	42.31 %
النقل Transportation	727,154,708	704,770,744	96.92 %
المجموع Total	12,612,829,926	9,872,166,162	78.27 %

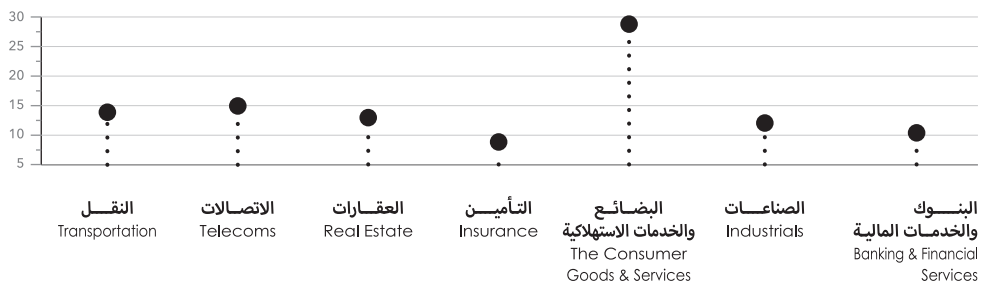
TRADING VALUE / قيمة التداول



NO. TRADED SHARES / عدد الأسهم المتداولة



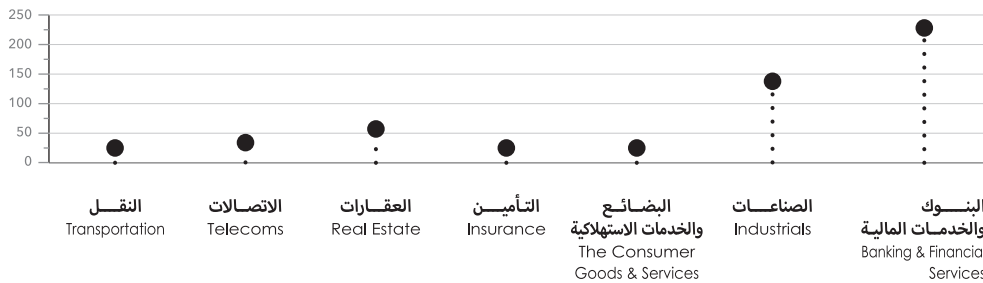
TURNOVER RATIO / معدل الدوران



إحصاءات الشركات المدرجة STATISTICS OF LISTED COMPANIES

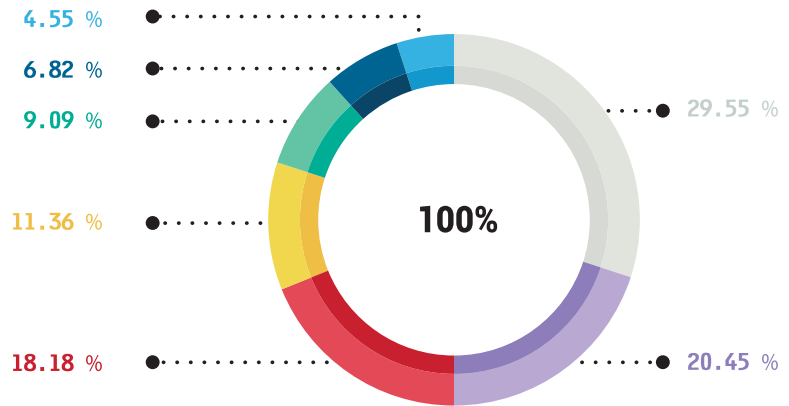
القطاع Sector	مؤشر القطاعات Sectors Index	القيمة السوقية (الف ريال قطري) Market Cap (QR Thousands)	قيمة التداول (الف ريال قطري) Trading Value (QR Thousands)	عدد الأسهم المتداولة No. Traded Shares	% معدل الدوران Turnover Ratio %
البنوك والخدمات المالية Banking & Financial Services	2,912.22	236,321,493.71	24,522,438.93	593,392,220	10.38 %
الصناعات Industrials	3,306.67	144,771,032.13	16,602,675.64	360,262,185	11.47 %
البضائع والخدمات الاستهلاكية The Consumer Goods & Services	5,897.82	26,135,694.74	7,353,781.53	169,574,961	28.14 %
التأمين Insurance	4,435.20	26,769,012.06	2,411,951.90	37,847,057	9.01 %
العقارات Real Estate	2,244.46	61,915,997.74	8,172,846.46	397,929,201	13.20 %
الاتصالات Telecoms	1,206.04	40,529,974.00	6,168,006.26	312,963,036	15.22 %
النقل Transportation	2,547.37	27,022,854.06	3,757,385.09	104,604,666	13.90 %
المجموع Total		563,466,058.44	68,989,085.81	1,976,573,326	12.24 %

MARKET CAP / القيمة السوقية



إحصاءات الشركات المدرجة STATISTICS OF LISTED COMPANIES

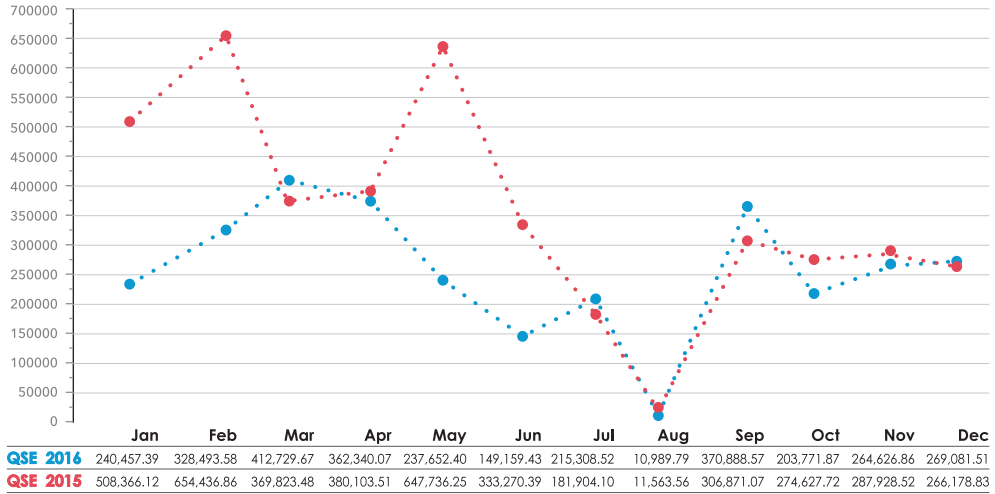
نسبة عدد الشركات المدرجة بالقطاعات
Percentage of No. listed companies by sector

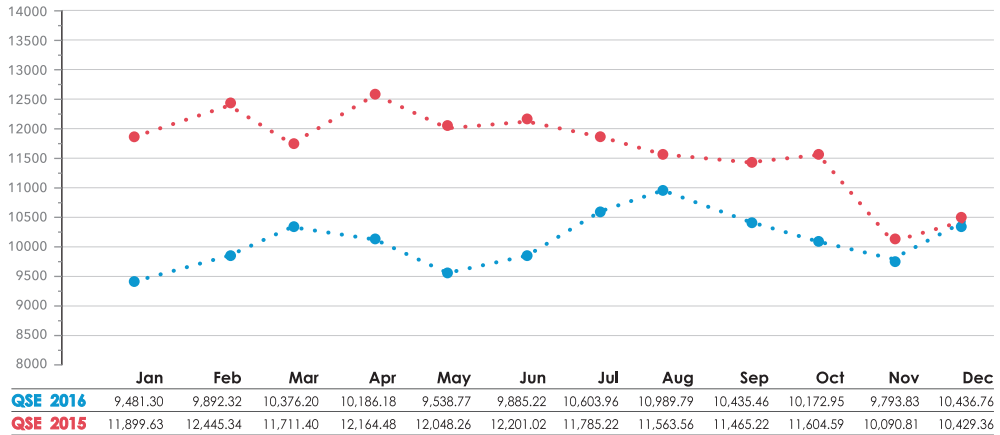


القطاع Sector	عدد الشركات المدرجة No. of listed companies	% للمجموع % to Total
البنوك والخدمات المالية Banking & Financial Services	13	29.55 %
البضائع والخدمات الاستهلاكية The Consumer Goods & Services	9	20.45 %
الصناعات Industrials	8	18.18 %
التأمين Insurance	5	11.36 %
العقارات Real Estate	4	9.09 %
النقل Transportation	3	6.82 %
الاتصالات Telecoms	2	4.55 %
المجموع Total	44	100.0 %

معدل قيمة التداول اليومي (ألف ريال قطري) (QR THOUSANDS) AVERAGE FIGURES PER DAY

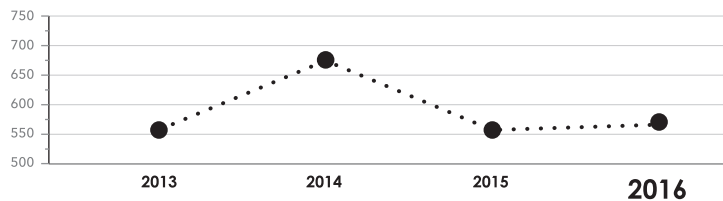
البيان Item	2016	2015	% التغير Change %
معدل قيمة التداول (ألف ريال قطري) Average Traded Value (QR Thousands)	277,064.60	374,880.22	-26.09 %
معدل كمية التداول Average Traded Volume	7,897,568.32	9,209,638.83	-14.25 %
معدل الصفقات المتداولة Average no. Transactions	4,005.96	4,763.23	-15.90 %





القيمة السوقية (ألف ريال قطري) (QR THOUSANDS) MARKET CAP

% Change التغير 2016 - 2015	2016	2015	2014	2013
1.86 %	563,466,058.44	553,176,101.21	676,791,631.97	555,606,339.79



مؤشرات سوق الأسهم EQUITY MARKET INDICES

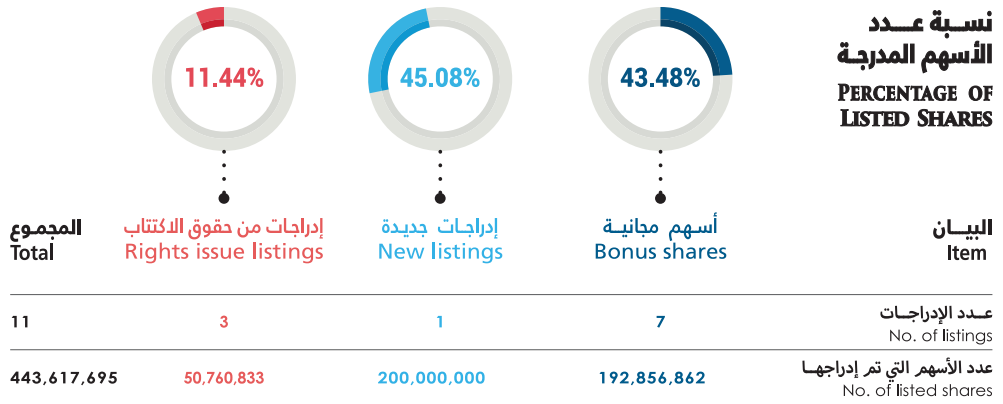
عدد الأسهم المتداولة تراكمياً No. Traded Shares Cumulatively	قيمة التداول التراكمي (الف ريال قطري) Cumulative Trading Value (QR Thousands)	القيمة السوقية (الف ريال قطري) Market Cap (QR Thousands)	المؤشر العام (نقطة) General Index (Point)	عدد الشركات المدرجة No. Listed Companies	الفترة Period
2,302,409,707	93,720,054.49	553,176,101.21	10,429.36	43	2015
615,854,260	20,699,529.52	554,030,976.06	10,376.20	43	الربع الأول من عام 2016 (يناير - مارس) 1st Quarter of 2016 (Jan - Mar)
1,085,534,198	36,693,843.40	532,704,248.47	9,885.22	44	الربع الثاني من عام 2016 (أبريل - يونيو) 2nd Quarter of 2016 (Apr - Jun)
1,479,574,523	53,302,683.39	560,743,619.89	10,435.46	44	الربع الثالث من عام 2016 (يوليو - سبتمبر) 3rd Quarter of 2016 (Jul - Sep)
1,976,573,326	68,989,085.80	563,466,058.44	10,436.76	44	2016

المؤشر العام GENERAL INDEX

% Change التغير 2016 - 2015	2016	2015	2014	2013
0.07 %	10,436.76	10,429.36	12,285.78	10,379.59

الأسهم المدرجة LISTED SHARES

البيان Item	2016	2015	% التغير Change %
عدد الإدراجات No. of listings	11	10	10 %
عدد الأسهم التي تم إدراجها No. of listed shares	443,617,695	130,697,427	239.42 %



حقوق الاكتتاب RIGHTS ISSUE

الشركة Company	القيمة المتداولة (ريال قطري) Traded value (QR)	عدد الأسهم المتداولة No. Traded shares	عدد الصفقات المتداولة No. transactions
قطر للتأمين Qatar Insurance	12,127,647.30	408,840	279
البنك التجاري Commercial Bank	21,527,298.62	4,098,221	1,605
المجموع - TOTAL	33,654,945.92	4,507,061	1,884