

10

YEARS OF DEVELOPMENT
Q F M A

20
17

Q F M A



QFMA
ANNUAL
REPORT



Qatar Financial Markets Authority

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

قللها

بمنزلة

السلامة

الله

H.H. Sheikh

TAMIM
BIN HAMAD
AL-THANI

Emir of the State of Qatar



10

YEARS OF DEVELOPMENT
Q F M A

قلمها بيمين نشر الضياء

بيمين نشر الضياء



Our

**BOARD
OF DIRECTORS
&
CHIEF EXECUTIVE OFFICER**



CHAIRMAN

The Governor of Qatar Central Bank
H.E. Sheikh./ **Abdulla Bin Saoud Al-Thani**

His Excellency Sheikh Abdulla Bin Saoud Al-Thani was appointed Governor of Qatar Central Bank in May 2006, having started his career in the Bank in 1981. He was Deputy Governor from 1990 to 2001 and subsequently left to serve as Chairman of the State Audit Bureau from 2001 to 2006, before assuming his current position.

His Excellency was appointed as Chairman of the Board of Directors of the Qatar Finance Center Regulatory Authority in March 2012, and as Chairman of Board of Directors of Qatar Financial Markets Authority later in 2012.

His Excellency is also the Chairman of Qatar's Financial Stability and Risk Control Committee.

He was appointed as the Chairman of the Islamic Financial Services Board (2013) as well as Chairman of the International Islamic Liquidity Management Corporation until December 2013 and is currently a member of both institutions.

He also serves as the Chairman of the Board of Directors of Qatar Development Bank and is a member of the Board of Directors of the Supreme Council for Economic Affairs and Investment.

He served as the Chairman of the Board of Directors of the Gulf Monetary Council for 2014, and headed the committee of the Governors of GCC Monetary Agencies and Central Banks for 2015. He is currently a Board member at Qatar Investment Authority.



VICE-CHAIRMAN

Deputy Governor of Qatar Central Bank

H.E. Sheikh/ **Mohammed Bin Hamad Al-Thani**

H.E. Sheikh Mohammed Bin Hamad Al-Thani was appointed Deputy Governor and Vice-Chairman of the Qatar Central Bank in March 2018. In this capacity, he oversees the Bank's supervision of financial institutions, strategic planning, financial research as well as administrative and operational responsibilities.

He has joint responsibility with the Governor for the investment and monetary policy of the Central Bank through the various committees in the Central Bank.

Prior to his appointment, H.E. Sheikh Mohammed had a broad range of senior roles. His previous role at the Qatar Central Bank was as Director of the Risk Management Department until 2012.

His next role was CEO and Vice-Chairman of Aspire Katara Investments, which was engaged in a wide range of investment and operations in the retail and hospitality sector locally and internationally. He also since 2013 held the role of the Secretary of the Personal Representative of His Highness the Emir for the Follow Up Affairs.

H.E. Sheikh Mohammed holds a BA in Banking and Financial Studies from Qatar University.





MEMBER

Expert in the Authority's field

H.E. Dr./ **Hessa Sultan Al-Jaber**

Dr. Hessa Al Jaber is the chairperson for Trioinvestment, a technology investment company engaged in using mobile technology in the field of health care to address some of the most pressing problems in the region.

She is the chairperson of Suhailsat - Qatar Satellite Company, and the chairperson of Malomatia - a leading provider of professional technology services and solutions in Qatar.

Currently, she is a member of the Consultative Assembly (Majlis Al-Shura). She is member of several boards including; Volkswagen Supervisory Board, Qatar University's Board of Regent, Qatar Museums Authority's Board of Regent, Qatar National Library Board of Trustees, Silatik Board of Trustees. She is an expert in technology, media and communications and a focus on the impact of the digital economy on productivity and competitiveness.

She was the former Minister of Information and Communications Technology for the State of Qatar. During her tenure, Dr. Hessa has overseen the liberalization of Qatar's telecommunications market, ushering in an era of choice and competition.



MEMBER

Representative of Ministry of Finance

H.E. Mr./ **Khalaf Ahmad Almannai**

Mr. Khalaf Al Mannai is currently the Undersecretary of Ministry of Finance – Minister Degree. He is a Board member of Qatar Central Bank, and a Board member of Qatar Insurance Company.

Mr. Khalaf also served as Director of Public Finance at Ministry of Finance and Assistant Undersecretary of Ministry of Finance. He was a member of the Consultative Assembly (Majlis Al-Shura).

Mr. Khalaf holds a bachelor's degree in accounting from Cairo University.



MEMBER

Expert in the Authority's field

H.E. Sheikh./ **Saoud Bin Nasser Al-Thani**

His Excellency Sheikh Saoud Bin Nasser Al-Thani is currently a consultant of the Minister of Finance and is a Board member of the beIN Sport channel, Vice Chairman of SPN and the first Board chairman of Qatar Rail.

He also served in a number of positions such as Board Member of Qatar Development Fund, Board member of Qatar Zakat Fund, Board member of Qatar Endowment Authority (Awqaf).

He also serves as Board Vice-Chairman and the head of the football team at Al Rayyan Sports Club, and the Chairman and head of the Investment and Finance Committees at ASAS Real Estate Co..

Sheikh Saoud is highly experienced finance leader with a B.A of Business Administration - Accounting from University of Oklahoma-USA with a track record of more than 20 years hands-on experience in risk assessment, financial fraud finding and implementing internal control systems, whilst assuring quality in management and financial accounting to year end. Expert knowledge in financial, HR and Local and international regulations and laws in Public and Private Sectors.



MEMBER

CEO of Qatar Financial Center Regulatory Authority

Mr./ **Michael Ryan**

Mr Ryan is the Chief Executive Officer of the QFC Regulatory Authority. Mr Ryan joined the QFC Regulatory Authority in 2009 from Bank of America Merrill Lynch where he served in a number of senior management positions in London and Dublin, including as Chief Executive Officer of Merrill Lynch International Bank Limited and Country Executive for Bank of America Merrill Lynch in Ireland.

Prior to joining Merrill Lynch, Mr Ryan was Vice President at Credit Suisse Financial Products and an associate with Cadwalader, Wickersham and Taft specialising in banking, securities and corporate law. Mr Ryan is a member of Qatar's Financial Stability and Risk Control Committee, a member of the Qatar National Anti-Money Laundering and Combating the Financing of Terrorism Committee.





CHEIF EXECUTIVE OFFICER

of Qatar Financial Center Regulatory Authority

Nasser Ahmad Al-Shaibi

Mr. Nasser Ahmed Al-Shaibi was appointed the Chief Executive Officer (CEO) of the Qatar Financial Markets Authority (QFMA) pursuant to Emiri Decision No. (88) of 2009.

Prior to which, Mr Al-Shaibi served as Deputy CEO of QFMA and the team leader behind the establishment of the QFMA since his joining in 2006. He also served in a number of positions within Qatar Gas and the Doha Securities Market (Qatar Stock Exchange) from 1993 to 2005.

Mr. Nasser Al-Shaibi was appointed a Deputy Chairman of the Qatar Finance and Business Academy (QFBA) in November 2013. He is also a member of numerous national steering committees such as the Financial Stability and Risk Control Committee (FSRCC), the Qatar National Anti-Money Laundering and Terrorism Financing Committee (NAMLC), the Financial Markets Development Committee (FMDC). He was a member in the Founding Committee of the Establishment of Aspire Sports Academy.

In addition to that, Mr. Al-Shaibi is a member of several committees within the International Organization of Securities Commissions (IOSCO) including the Presidents Committee, the Growth and Emerging Markets Committee and the Africa/Middle-East Regional Committee. At the regional level, he was President of the Union of Arab Securities Authorities for the year 2012-2013.



Qatar Financial Markets Authority

2017

QFMA

10

YEARS OF DEVELOPMENT
Q F M A

قطر سابقا فرا





CHAIRMAN
& CEO
MESSAGES

CHAIRMAN MESSAGE



Since its inception, the QFMA has undertaken the task of maintaining the stability of the Qatari financial markets in light of the successive crises facing the global economy in various sectors, especially the energy and industrial sectors.

The QFMA plays a significant role and has a great responsibility to contribute in developing the Qatari capital market in line with QNV 2030, which is a clear road map for Qatar's future, and aims at balancing the achievements of economic growth with the natural & human resources of the State. This vision is a beacon that guides all official and private bodies for the State's renaissance and development .

The QFMA, in cooperation and coordination with the financial sector regulators in the State, exerted great efforts during the last period in order to continue in maintaining the Qatari capital market to its leading position in the region and the world,

as per stated by several international classifications issued by major specialized agencies and international financial institutions.

The results of such classifications is clearly shown in the continued growth of the Qatari market on the emerging market status, after the upgrade from a frontier market on more than one index, to be one of the best and largest financial markets in the region, as well as maintaining an advanced ranking in Financial Market Development Index based on the World Economic Forum's (WEF) Global Competitiveness Report.

C H A I R M A N



In addition, the legislations regulating the Qatari capital market issued by the QFMA is considered the best Arab legislations, and within the first and advanced ranks at the international level

The efforts of the QFMA and financial sector regulators during the second half of 2017 particularly resulted in achieving a record success and addressing the attempts of the unjust blockade imposed on the State to harm the Qatari financial sector. The procedures and decisions issued by the QFMA have played an active role not only in strengthening the functioning of the Qatari capital market under the blockade, but also in delivering more achievements and development of such market as well as making it more resilient to face any sudden fluctuations or Subversive plans may be managed to undermine the development of the Qatari financial markets.

The QFMA is exerting great continues efforts to ensure maintaining the achievements and gains of the Qatari capital markets. Moreover, the QFMA still believes that it needs more effort and steps to achieve further progress and prosperity for these markets and for the development of the State of Qatar. It should be emphasized that Qatar's economy has for several years achieved more successes and achievements that clearly contribute to establish a strong and developed economic structure for the greater achievement of hosting the 2022 FIFA World Cup.

Finally, I take this opportunity to extend the highest thanks and gratitude 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. Sheikh Abdullah Bin Nasser Bin Khalifa Al-Thani, the Prime Minister, Minister of Interior for their incisive guidance and continued 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 Jasoud Al Thani
The Chairman



CEO MESSAGE



The QFMA is working hard to maintain the achievements of the last period related to the development of the Qatari capital market.

Despite of a lot of regional and international challenges have been facing the financial markets in the region, the QFMA's efforts in cooperation with all financial sector regulators in the State made the Qatari capital market succeed in overcoming any side effects might affect the market. Such efforts also helped in upgrading the Qatari capital market rankings to advanced positions according to the classifications of international institutions specialized in tracking the performance of capital markets around the world.

The QFMA achieved a typical success in facing the unjust blockade imposed on the State of Qatar with adopting effective measures and policies that have supported the market during the past year. The QFMA's intensive efforts to maintain the capital market gains play an active role towards maximizing such gains and achievements of the capital market in the State.

The QFMA launched its strategic plan until 2022, adopting the best results to serve Qatar's national vision and the financial sector strategy in the State and to achieve the required development in the capital market sector. The QFMA's role is not only limited to issuing procedures and legislation, but also it is continuously pursuing the evaluation of those procedures and legislation to determine their impact on all concerned parties in the market in order to take the appropriate decisions to be developed and updated in a timely manner to achieve the key objective which is to ensure the stability & protection of the market and protect people dealing in the market.

C E O



The QFMA is moving forward with steady and deliberate steps towards continuing efforts to develop the capital market in the State. Regardless of all the circumstances in the region and all the global economic challenges, the QFMA will continue its efforts for institutional development and capacity building. Such efforts will ensure maintaining the highest levels of regulatory efficiency, thus contributing to enhancing the QFMA's independency and ensuring its strong competitiveness as an active member of the International Organization of Securities Commissions (IOSCO).

The QFMA also affirms that these efforts and actions would not have been achieved without the support of the wise leadership, the continuous directives of the officials and its Board of Directors, as well as the active role of the capital market participants such as Qatar Stock Exchange (QSE), Qatar Central Securities Depository (QCSD), financial services companies, listed public shareholding companies and all people dealing in the market.



Nasser Ahmad Al Shaïbi
Chief Executive Officer



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QATARI
CAPITAL
MARKET

تسليم
تسليم
برووم
الراو فياء

The Legislative Establishment of the Shareholding Companies in Qatar



1957

The first Qatari shareholding company "Qatar Navigation Company" was established on July 1957. The company's name was amended as "Qatar National Navigation and Transportation Company Limited" under Circular No. (128) of 1958.



1961

Law No. (3) of 1961 on regulation of shareholding companies.



1964

Decree No. (1) of 1964 on the establishment of the Qatari shareholding company "Qatar Insurance Company".



1964

Decree No. (7) of 1964 on the establishment of the Qatari shareholding company "Qatar National Bank".

**Dealing with Securities
Prior to the Establishment of the
Doha Securities
Market (DSM)**

- * Non regulated market trading.
- * Unspecialized or unlicensed brokerage offices.
- * The absence of sound trading basis, supervision, transparency and disclosure.
- * The absence of sound fundamentals and a modern mechanism for the fair pricing of securities based on supply and demand.
- * The urgent need to regulate the securities market to ensure integrity of dealing and protection of the investors.



* **One legislation**

The Amiri Law No. (14) of 1995 on the Doha Securities Market's (DSM) Establishment and its bylaws/1997.

* **One market**

DSM / 1997. There were 17 listed companies with a market value of about one billion QAR, and 7 brokerage firms.

* **One activity**

Buying and selling shares.

The number of listed companies amounted from 17 to 33 (1997-2005).

* **One security**

Shares.

**The Capital Market Sector
Prior to the Establishment of the
Qatar Financial
Market's Authority
(QFMA)**



The Establishment of the Qatar Financial Markets Authority

2005

Qatar Financial Markets Authority was established by virtue of Law No. (33) of 2005 as an independent supervisory authority of the financial markets and the firms authorized of securities-related activities in or from the State of Qatar.

DEVELOPMENT OF
QFMA
LAW

2007

September 2007, Market notification of the official transfer of the supervisory and regulatory functions to QFMA.

2008

QFMA Regulation's promulgation.

2009

Law No. (10) of 2009 promulgation to amend some provisions of Law No.(33) of 2005 regarding the QFMA.

2012

Law No. (8) of 2012 promulgation on QFMA replacing Law No. (33) of 2005 and its amendments and confirming QFMA's independence and having all regulatory, supervisory, and control powers required for conducting its functions in compliance with the provisions of the Law.

Securities after the Establishment of QFMA

- * **Shares**
- * **Government Bonds**
- * **Treasury Bills**
- * **Investment Funds Units**
- * **Bonds & Sukuk of Listed Shareholding Companies**
- * **Rights Issue**



Capital Markets after the Establishment of QFMA

Continuous Development

- * *Main Market for shareholding companies.*
- * *Investment Funds Market (ETF).*
- * *Debit Instrument Market (Sukuk and Bonds Market - Government Bonds - Treasury Bills).*
- * *Second Market for Small & Medium Enterprise (SME).*
- * *QFC's companies.*



Financial Services Activities

after the Establishment
of QFMA

Financial Services Activities Licensed by the QFMA after its establishment are (19) activities

Execution of securities purchase or sale's orders for a third party

Own securities' trading

Liquidity provider

Market maker

Securities' investment management

Margin trading

Securities' lending and borrowing

Advice on securities

Custody services (cash or securities)

Investment trusteeship

Underwriting issuance of securities

Operations and services conducted by regulated financial markets

Operations and services conducted by clearing Companies

Operations and services conducted by the Depository

Listing's advisor's function in the venture market

External auditing of listed entities and entities subject to the Authority's supervision

Financial evaluation of listed entities and entities subject to the Authority's supervision

Securities' issuance management

Other operations, services and activities stipulated in the QFMA's rules and regulations

Key Legislations after the Establishment of QFMA

QFMA ISSUED (40) LEGISLATIONS SINCE ESTABLISHMENT

Offering & Listing of Securities on the Venture Market Rulebook / 2011

The Regulatory Rules & Procedures Concerning Allowing Companies to Buy Their Own Shares (Buy Back) / 2006

2009 المالية

ضوابط أسهم تحفيز الموظفين

نظام طرح وإدراج الأوراق المالية 2010

Procedures of Investigation Committee & Disciplinary Committee / 2009

قواعد بيع حقوق الاكتتاب / 2006

QSE Rulebook 2010

معايير الملاءة المالية لشركات
الخدمات المالية 2013

معايير الدخول المكفول للسوق / 2012

Direct Market Access Standards 2012

Governance Code for Companies & Legal Entities Listed in the Main Market / 2016

دليل قواعد مكافحة غسل الأموال وتمويل الإرهاب / 2010

قواعد طرح وإدراج السكوك والسندات / 2011

قواعد التداول بالبامش 2014

إجراءات إلغاء الإدراج لتحويل نوع الشركة

نظام المحققين الخارجيين والمقيمين الماليين للجهات المدرجة والجهات الخاضعة لرقابة الرقابة / 2014

نظام طرح
وإدراج الأوراق
المالية في السوق
الثانية / 2011

قواعد إدراج وحدات
صناديق الاستثمار 2012

معايير الدخول المكفول للسوق

الضوابط والإجراءات
التنظيمية للسماح
للشركات بشراء
أسهمها / 2006

The Regulatory Rules & Procedures Concerning Allowing Companies to Buy Their Own Shares (Buy Back) / 2006

إجراءات الشكاوى 2009

Offering & Listing of Securities Rulebook / 2009

Financial Services Rulebook 2009

لائحة تسوية المنازعات / 2010

The Regulatory Rules & Procedures Concerning Allowing Companies to Buy Their Own Shares (Buy Back) / 2006

قواعد ترخيص وتنظيم
جهة الإيداع / 2006

إجراءات عملية
البيع على المكشوف
المغطى

قواعد التعامل في البورصة 2010

ضوابط تحويل
الشركات إلى
شركة مساهمة عامة لإدراجها

Anti-Money Laundering and Combating Terrorist Financing Rules / 2010
Dispute Settlement Regulation / 2010



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سبيرة على نهج الألى سيرة



QATAR'S ECONOMY

AND ITS INTERNATIONAL
CLASSIFICATIONS

Qatar's Economy and Its International Classifications

Qatar's Economy

Despite all challenges of the global economic and the attempts of the blockade countries to affect the Qatari economy, it still ranks first among GCC countries in the IMF's outlook growth rate (October - 2017) which was 2.52%.

The Emiri directives regarding the national economy are clear and well defined. In his first speech following the blockade on Qatar last June, His Highness the Emir stressed the need to open the national economy to initiatives & investment, so that the country produces the food and medicine it needs, diversify our sources of income, and achieve our economic independence through bilateral relations of cooperation with other countries, in our geographical environment and worldwide, and on the basis of mutual interests and mutual respect

In fact, these policies and directives have had a major positive impact on the durability and strength of the Qatari economy and its ability to adjust to the increasing pressures imposed by the unjust blockade, which was confirmed by the IMF mission in its visit to the State of Qatar at the end of August 2017.

Upon the visit, the IMF report stated that the Qatari economy and financial markets continue to adjust to the effects of the diplomatic rift and the fiscal consolidation is proceeding, underpinned by current expenditure cuts and an increase in non-oil revenues.

A comprehensive review of the economic map shows that the Qatari economy has the highest growth rates in the region during 2017 and the highest per capita income in the world as per international institutions.

The Qatari economy started the year attracting more foreign investments, with a budget that includes increased spending and higher revenues .

The country's expenditure on major projects is expected to increase during 2018, targeting projects in education, sports, health, and construction sectors in preparation for hosting the FIFA World Cup in 2022.

Qatar also plans to award contracts to boost the private sector to food security projects, small & medium enterprises, and the development of infrastructure in economic and free trade zones.

Qatar's economy is looking towards the future and moving ahead with great strides and effective decisions and legislation, to implement QNV 2030, diversify sources of income, expand the productive base of the Qatari economy and develop and revitalize the private sector role.

The strength of the Qatari economy and its many benefits, especially in the field of Tax incentives and others, still make it attractive for Qatari and non-Qatari investments.

The State of 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 as well as increase the contribution of non-oil sector in GDP.



Key Indicators of Qatar's Economy

Indicator	2017	2016
Gross Domestic Product (GDP) at current prices (QR billion)	610.08	554.99
Gross Domestic Product (GDP) at current prices (USD billion)	167.15	152.05
Per capita GDP (thousand QR)	224.00	212.00
Per capita GDP (thousand USD)	61.37	58.08
Population - by mid year (million people)	2.72	2.62

Ministry of Development Planning and Statistics



International Classifications

Trading Economics website- January 2017



Credit Rating

The State of Qatar used to have high sovereign credit ratings due to the strength of the national economy and financial efficiency, where classified within the high grade list of classifications (**AA**). Thus, Qatar's sovereign rating is the strongest in the GCC region and among the strongest in the world.

Immediately following the unjust blockade, the international classification institutions downgraded the credit rating of the State of Qatar, as a precautionary measure by those institutions for any possible effect of such blockade. Despite of such action, this decision currently subject to review by these institutions due to the continuous positive performance of the Qatari economy without being effectively affected by the blockade imposed since 5 June, 2017.

Accordingly, the State of Qatar was classified at (**AA-**) according to Standard & Poor's (S&P), and at (**Aa3**) according to Moody's. According to these ratings, Qatar's sovereign rating reflects a high level of creditworthiness and very limited risk.

2017-18 World Economic Forum Global Competitiveness Index



Global Competitiveness

In 2017/2018, Qatar's economy received the **2nd** rank at **Arab level** and the 25th rank at the international level out of **137 countries** (according to the report issued by the World Economic Forum).

2016 Index of Economic Freedom issued by The Heritage Foundation



Economic Freedom

*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 2017 Index of Economic Freedom issued by The Heritage Foundation. Qatar's economy freedom is ranked the **2nd** rank at **Arab level** and it is ranked the **29th** freest at the international level among **180 countries** covered by the classification.*

Transparency International, The global coalition against corruption 2017



Anti-Corruption

*Qatar's economy has achieved the **2nd** rank at the **Arab level** and the **29th** at the international level in the efforts exerted for anti-corruption, according to Corruption Perceptions Index 2017 of Transparency International, the global coalition against corruption level which covered **180 countries**.*

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



Anti-Money Laundering

*According to the 2017 edition of the Basel Anti-Money Laundering (AML) Index developed by the Basel Institute on Governance covered **146 countries**, Qatar's economy came in the **2nd** rank at **Arab level** and the **40th** rank at the international level, with a score of 5.10, which indicates less than average of probability of occurrence of terrorist financing or money laundering in Qatar.*



International Classifications of Qatari Capital Market

Market Capitalization

Qatari market still maintain its **2nd** rank at the **Arab level** and the 17th at the level of European countries, Africa and the Middle East, in terms of market capitalization of listed shares according to the World Federation of Exchanges (WFE) statistics.

129.32

(USD Billion) - Dec. 31st of 2017

International Classifications for Financial Markets Development

by the World Economic Forum's (WEF) Global Competitiveness Report 2017 – 2018

The Global Competitiveness Report 2017 – 2018 issued by the World Economic Forum's (WEF) 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 at the

2nd rank at Arab level.

In the sub-index relating to efficiency of financial markets development, it ranked the 1st. As well as came in the 2nd rank among Arab countries in the sub-index of trustworthiness and confidence in financial markets.

2

at Arab Rank

*Financial Market Development

25th rank at International level

1

at Arab Rank

Efficiency of Financial Markets Development

10th rank at International level

3

at Arab Rank

Availability of Financial Services29th rank at International level

1

at Arab Rank

Affordability of Financial Services18th rank at International level

1

at Arab Rank

Financing through Local Equity Market12th rank at International level

1

at Arab Rank

Venture Capital Availability5th rank at International level

2

at Arab Rank

Trustworthiness and Confidence60th rank at International level

1

at Arab Rank

Regulations of Securities Exchange9th rank at International level

*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.



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YEARS OF DEVELOPMENT
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THE BOARD

THE CEO



Our ORGANIZATIONAL STRUCTURE

SECURITIES OFFERING & LISTING DEPARTMENT

- * Offering & Listing Sector
- * Mergers & Acquisitions Sector



INSPECTION & SURVEILLANCE DEPARTMENT

- * Financial Markets & Depositories & Surveillance Sector
- * Financial Services Companies Inspection & Surveillance Sector
- * Trading Surveillance Sector
- * Anti-Money Laundering Sector



FINANCE & ADMINISTRATION DEPARTMENT

- * Finance Sector
- * Procurement Sector
- * Administration Sector
- * Archiving Sector



CORPORATE GOVERNANCE & DISCLOSURE DEPARTMENT

- * Corporate Governance Sector
- * Financial Disclosure Sector



NEW FINANCIAL INSTRUMENTS DEPARTMENT

- * Innovative Products & Research Sector
- * Disclosure Development Sector



INFORMATON SYSTEMS DEPARTMENT

- * Systems & Programs Sector
- * Networks & Technical Support Sector



HUMAN RESOURCES DEPARTMENT

- * Recruitment & Manpower Planning Sector
- * Personal Affairs Sector
- * Administrative Development & Training Sector



INTERNATIONAL COOPERATION UNIT



LEGAL AFFAIRS & ENFORCEMENT DEPARTMENT

- * Legal Studies Sector
- * Litigation & Investigation Sector



Our KEY FUNCTIONS

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, control and supervise the financial markets.
- 2 Regulate the dealing of the securities activities with fairness, competitiveness and transparency.
- 3 Raise public awareness of securities activities and promote in securities' investment and development.
- 4 Monitor the investors' dealing rules governing activities related to trading of securities and other type.
- 5 Implement disclosure policy in order to achieve fairness, transparency and prevent conflict of interests and internal information exploitation.
- 6 Combat the causes of crimes related to the financial markets.
- 7 Enhance liaison, communication and information exchange with foreign financial markets, and regional and international regulators, organizations and institutions to benefit from their dealing methodologies in order to develop the financial markets within the State of Qatar.
- 8 Conduct studies, collect information and compile statistics on the financial markets' activities and publish relevant reports.

Our MISSION

Investor's protection,
maintenance of Qatari
capital markets' stability,
integrity & transparency;
and development of
proficiency & knowledge
to enhance the growth
and diversity of the
national economy.

Our VALUES

Integrity

Excellence

Fairness

Responsibility

Teamwork

Identity

Our VISION

*Advancement of
Qatari capital
markets to serve as
a model for
financial services.*



Qatar National Vision 2030 aims at

transforming Qatar into an advanced country by 2030, capable of sustaining its own development and providing for a high standard of living for all of its people for generations to come. Qatar's National Vision defines the long-term outcomes for the country. It also provides a framework within which national strategies & implementation plans can be developed. Qatar's sound management of its bountiful hydrocarbon resources will continue to secure improvements in standards of living. However, an improved standard of living cannot be the only goal of a society.

To remain true to its values, Qatar must balance **five major challenges**:

- I. Modernization and preservation of traditions.
- II. The needs of this generation and the needs of future generations.
- III. Managed growth and uncontrolled expansion.
- IV. The size and the quality of the expatriate labor force and the selected path of development.
- V. Economic growth, social development and environmental management.

The National Vision builds on a society that promotes justice, benevolence and equality. The Vision embodies the principles of the Permanent Constitution which protects public and personal freedoms; promotes moral and religious values and traditions; and guarantees security, stability and equal opportunities. In line with these principles, Qatar National Vision 2030 sets on **four pillars**:

- Human development
- Social development
- Economic development
- Environmental development



Economic Development

Economic development is an essential part of the QNV 2030, as the engine that drives progress by providing better opportunities and a better way of life for the country's citizens. Achieving that objective hinges on Qatar's ability to create a balance between an oil-based and a knowledge-based economy, helping diversify the country's economy and guaranteeing a stable and sustainable business environment.

The QNV 2030 will also guide the wise management of the Qatari economy, helping increase competition, attracting more investments, and stimulating growth. However, economic growth is not enough to ensure Qatar's prosperity, as social and human development are key pillars of the country's progress.

The 2nd Strategic Plan for Financial Sector Regulation (SSP)

2017 - 2022



The Second Strategic Plan for Financial Sector Regulation (SSP) has been prepared by QCB, QFMA and QFCRA ("the financial sector regulators") within the overarching framework of the QNV 2030 and the QNDS 2017-2022. The SSP is the key roadmap to guide the State of Qatar in its future endeavours in building a sound and resilient financial sector towards fostering sustainable economic growth.

The Second Financial Sector Regulator Strategic Plan is underpinned by **five core goals**:

- 1 Enhancing financial sector regulation and promoting regulatory cooperation.
- 2 Developing financial markets and fostering financial innovation.
- 3 Maintaining integrity of and confidence in the financial system.
- 4 Promoting financial inclusion and financial literacy.
- 5 Developing human capital.

In the process of pursuing these goals, the financial sector regulators are committed to continuously learn and adapt to the evolving economic environment and appropriately respond to challenges. The achievement of these goals will be supported by clear-cut objectives and well laid out action plans for each of the financial sector regulators, in line with their respective statutory objectives. Going forward, the approach would be to capitalize on the foundations set by the FSP, implement the SSP for sustainable future economic growth to ensure a financial sector that is dynamic and diversified enough to flexibly respond to unforeseen risks and adverse developments.



2017 - 2022

Following its first strategy 2013-2016, QFMA prepared the second strategic plan for the period 2017-2022 in line with both the financial sector strategy and the national development strategy for the same period within QNV 2030.

It also taken in consideration the IOSCO's objectives and the requirements of Law No. 8 of 2012 on Qatar Financial Markets Authority in order to advance the Qatari capital market to excellence and flexibility in performance to support the national economy and sustainable financial stability in accordance with the best international standards and local market privacy. The strategic plan is based on **five Pillars:**

- 1 Qatar National Vision (QNV) 2030.
- 2 Qatar National Development Strategy (QNDS).
- 3 The Strategic Goals for the Financial Sector's Regulation.
- 4 QFMA's Law.
- 5 IOSCO's Objectives.

QFMA's strategic plan 2017-2022 is the comprehensive and extensive completion of QFMA's efforts since its inception which is reflected in the strategic planning process adopted by QFMA and crowned by its membership in the most important international organizations specialized in the field of financial markets such as IOSCO, and the establishment of Qatar Central Securities Depository (QCSD) as well as the upgrade of Qatar Stock Exchange (QSE) from a frontier market to an emerging market alongside major international markets.

The strategy for the period 2017-2022 based on implementing a set of dated and scheduled projects and programs up to 2022 that enable QFMA to implement **eight key objectives** defined in the strategy.

- 1 Boosting the efficiency of the institutional capacity of QFMA.
- 2 Enhancing the efficacy and efficiency of the market legislations.
- 3 Uplifting the performance efficiency of the financial services companies.
- 4 Developing and Improving the Financial Services and Products Provided to Investors.
- 5 Scaling-up the usage of modern Technology Tools and the level of information Security in the Markets.
- 6 Mitigating the Risks Encountering the National Markets.
- 7 Promoting Cooperation Initiatives with Regional and International Organizations & Institutions.
- 8 Building Human Capital's Capacity.



QFMA's implementation of its strategic plan has helped the international institutions to assess and publish information on the performance of the Qatari market. One of such institutions is the World Economic Forum, which, states in its Global Competitiveness Report 2017-2018 the indicators of the capital markets performance. These indicators confirm that the Qatari capital market is the best and most important financial market in the Arab region and is one of the top ten financial markets in the world in many indicators related to measuring the capital market performance. The results of indicators of the capital market performance in the Global Competitiveness Report 2017-2018 show that QFMA is moving ahead towards achieving its strategic objectives through an institutional approach

based on strategic planning. International reports, including the Global Competitiveness Report, indicates that QFMA could make the Qatari capital market a competitive market with the largest & oldest financial markets, and to be the best Arab financial markets attracting internal and external investments.

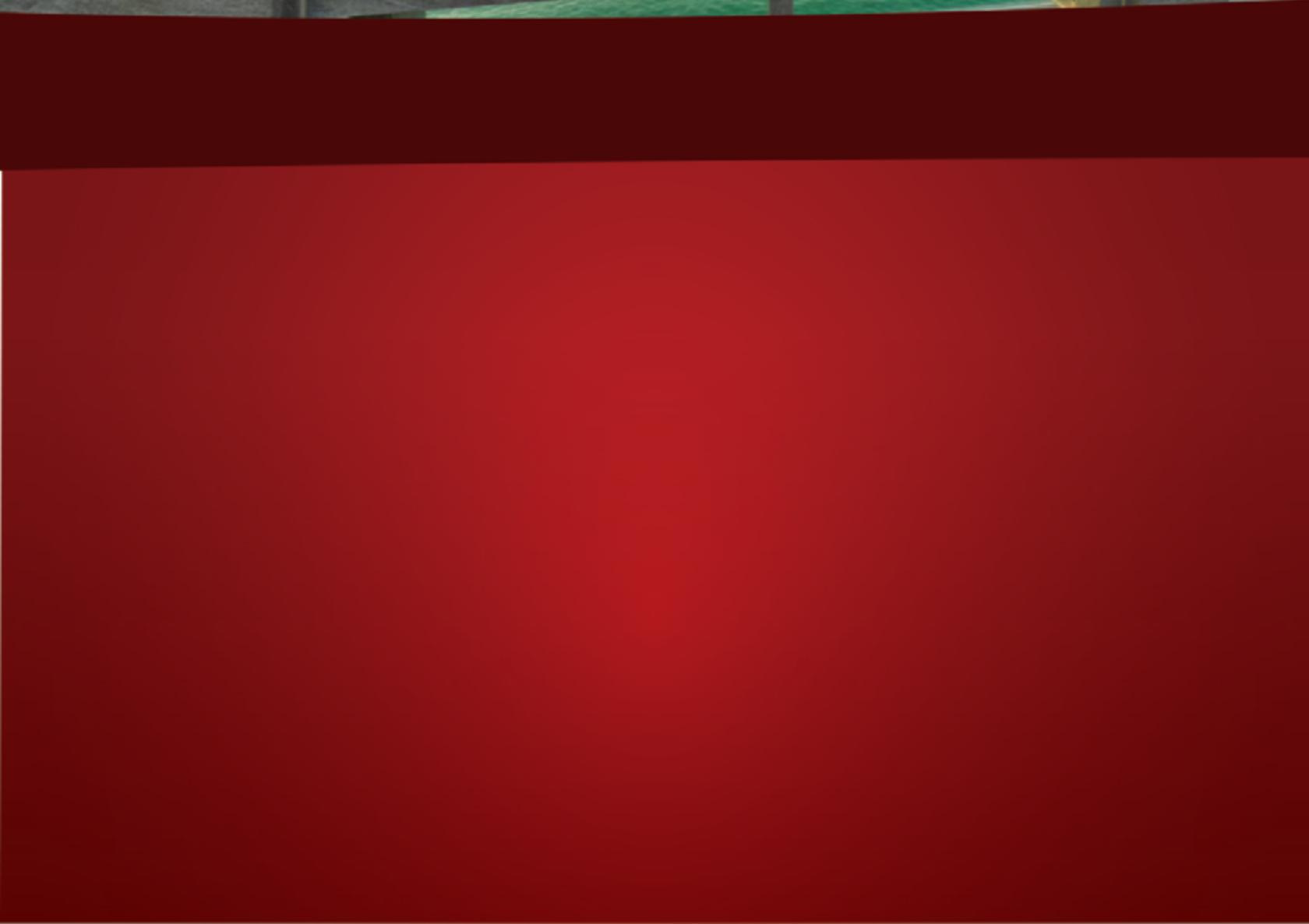
This is supported and confirmed by the results of efficiency of financial markets development, in which the Qatari market ranked the first among the Arab and ranked the 10th at the international level and in the regulations of securities markets index in the same report, the Qatari market came at the first rank at Arab level and the ninth at the international level among 137 financial markets.



10

YEARS OF DEVELOPMENT
Q F M A

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ENTITIES & PERSONS
SUBJECT TO
QFMA'S
JURISDICTION

Entities and Persons 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:

Qatar Stock Exchange (QSE)

1

Established in 1995, the Doha Securities Market (DSM) officially started operations in 1997. Since then QE has grown to become one of the leading stock markets in the GCC region.

In 2005, for the purpose of separating the supervisory role from the executive role as to applicable in best international practices, Law No. (33) of 2002 was issued concerning the establishment of QFMA and transforming the QSE (DSM formerly) to Qatar Stock Exchange Company (Qatari shareholding company).

In 2017, Ministerial Decree No. 291 was issued to be converted from a Qatari shareholding company to a Qatari private shareholding company in accordance with the provisions of Article 207 of the Commercial Companies Law No. (11) of 2015.

The primary aim of the QSE is to support Qatar's economy by providing the investors a platform through which they can trade a variety of products in a transparent and efficient manner. QES also provides the public with access to market information and ensures correct disclosure of information.

The following **securities** are traded in QSE:

- 1- **Shares of Qatari shareholding companies** established in accordance with the Commercial Companies Law No. (11) of 2015 (Main Market).
- 2- **Investment Funds Units** (ETFs Market).
- 3- **Government Bonds and Treasury Bills** (Sukuk & Bond Market).
- 4- **Some Shares of companies established in QFC** (QFC Companies Market).

Qatar Central Securities Depository (QCSD)

2

QCSD is a company licensed by QFMA. It is responsible for providing depositary services, securities custody, transfer of ownership, registration and securities clearing operations. The company also aims to provide infrastructure for financial instruments within the Qatari market and the regional market and outside the region as well

Listed Companies

3

By the end of 2017, the number of listed companies on QSE was 45, where one company was listed during the second quarter of the year. The activities of such companies distributed among seven (7) key sectors (Banks & Financial Services, Insurance, Industrials, Consumer Goods and Services, Real Estate, Telecoms and Transportation). The total market capitalization of the listed companies' capital has reached 472.02 QR billion (USD \$129.32 billion).

Companies Licensed by QFMA for listing

(at the end of 2017)

Banks & Financial Services

Company Name	Total No. of Subscribed Shares	Min. Share's Price during the year (QR)	Max. Share's Price during the year (QR)	Turnover %
1 Qatar National Bank*	923,642,857	115.01	173.00	7.56
2 Qatar Islamic Bank*	236,293,200	86.90	110.50	8.50
3 Commercial Bank of Qatar*	404,725,375	24.50	34.90	16.69
4 Doha Bank*	310,046,702	25.57	39.70	25.19
5 Ahli Bank	200,343,271	25.50	39.00	0.52
6 Qatar International Islamic Bank*	151,368,749	43.40	71.50	25.12
7 Masraf Al Rayan*	750,000,000	33.32	45.40	16.96
8 Al khalij Commercial Bank	360,000,000	11.10	17.44	2.99
9 Qatar First Bank (QFC)*	200,000,000	4.56	10.32	134.68
10 National Leasing	49,480,200	7.38	19.50	229.88
11 Dlala Brokrage & Investment Holding	28,416,000	14.10	26.70	226.80
12 Qatar Oman Investment Company	31,500,000	6.15	10.69	30.16
13 Islamic Holding Group	5,663,581	24.10	69.60	299.87
TOTAL	3,651,479,935	---	---	12.56

*The Company within the General Index at the end of 2017



Entities and Persons Subject to QFMA's Jurisdiction

Consumer Goods & Services

Company Name	Total No. of Subscribed Shares	Min. Share's Price during the year (QR)	Max. Share's Price during the year (QR)	Turnover %
14 <i>Zad Holding Company</i>	13,081,068	65.00	90.00	1.66
15 <i>Qatar German for Medical Devices</i>	11,550,000	4.95	10.85	77.73
16 <i>Salam International Investment</i>	114,314,587	5.61	12.20	34.41
17 <i>Medicare Group*</i>	28,144,100	40.20	105.00	90.20
18 <i>Cinema Qatar</i>	6,280,795	21.65	36.30	1.58
19 <i>Qatar Fuel</i>	99,425,576	83.09	165.00	12.86
20 <i>Widam Food Company</i>	18,000,000	46.00	72.90	68.44
21 <i>Mannai Corporation</i>	45,619,200	48.00	87.80	2.48
22 <i>Al Meera Consumer Goods Company*</i>	20,000,000	127.60	187.00	42.77
TOTAL	356,415,326	---	---	26.30

Industrials

23 <i>Qatar Industrial Manufacturing</i>	47,520,000	36.65	49.20	8.64
24 <i>Qatar National Cement</i>	65,352,894	51.17	94.80	8.92
25 <i>Industries Qatar*</i>	605,000,000	85.00	122.00	7.15
26 <i>Qatari Investors Group*</i> (Al-Khaliji Holding previously)	124,326,778	22.13	69.00	19.61
27 <i>Electricity & Water*</i>	110,000,000	161.99	247.90	10.09
28 <i>Aamal Holding</i>	630,000,000	6.01	16.10	9.23
29 <i>Gulf International Services Company*</i>	185,840,869	13.74	32.40	51.17
30 <i>Mesaieed Petrochemical Holding Co.</i>	1,256,317,500	10.51	16.25	4.05
31 <i>Investment Holding Group</i>	83,000,000	5.01	10.00	160.12
TOTAL	3,107,358,041	---	---	9.86

Insurance

32 <i>Qatar Insurance</i>	277,309,457	36.90	89.00	10.95
33 <i>Doha Insurance</i>	50,000,000	12.02	18.50	4.79
34 <i>Qatar General Insurance</i>	87,506,703	29.60	51.13	12.05
35 <i>Alkhaleej Takaful Group</i>	25,527,902	9.64	21.85	36.71
36 <i>Qatar Islamic Insurance</i>	15,000,000	42.00	71.50	66.31
TOTAL	455,344,062	---	---	13.61

*The Company within the General Index at the end of 2017

Real Estate

Company Name	Total No. of Subscribed Shares	Min. Share's Price during the year (QR)	Max. Share's Price during the year (QR)	Turnover %
37 United Development Company*	354,086,250	12.50	22.94	27.52
38 Barwa Real Estate*	389,124,637	27.36	41.80	28.40
39 Ezdan Holding Group	2,652,496,691	6.19	16.58	9.41
40 Mazaya Qatar*	115,762,500	6.38	15.33	120.69
TOTAL	3,511,470,078	---	---	18.19

Telecoms

41 Ooredoo*	320,320,000	78.00	116.10	7.67
42 Vodafone Qatar*	845,400,000	6.03	9.95	66.20
TOTAL	1,165,720,000	---	---	18.74

Transportation

43 Qatar Navigation*	114,525,200	41.00	96.50	28.52
44 Gulf warehousing Co.	58,603,148	36.66	58.30	24.63
45 Qatar Gas Transport*	554,026,360	13.05	25.00	18.70
TOTAL	727,154,708	---	---	23.07

Total No. of Subscribed Shares of Companies**TOTAL Qatari Market****12,974,942,150**

*The Company within the General Index at the end of 2017



Entities and Persons

Subject to QFMA's Jurisdiction

Financial Services Companies

4

Company	Activity
1 <i>The Group</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i> <i>Liquidity provider</i> <i>Securities' investment management</i> <i>Margin trading</i> <i>Securities' lending and borrowing</i> <i>Securities' issuance management</i> <i>Advice on securities</i>
2 <i>Dlala Brokerage</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i> <i>Securities' investment management</i>
3 <i>Gulf Investment Group</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i>
4 <i>Islamic Financial Securities Company</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i>
5 <i>Dlala Islamic</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i>
6 <i>Qatar Securities Co</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i> <i>Advice on securities</i>
7 <i>International Financial Securities</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i>
8 <i>QNB Financial Services</i>	<i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i> <i>Advice on securities</i> <i>Margin trading</i>

Company	Activity
<p>9 <i>Ahli Brokerage Company</i></p>	<p><i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i> <i>Advice on securities</i></p>
<p>10 <i>Commercial Bank Financial Services</i></p>	<p><i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i> <i>Advice on securities</i> <i>Providing liquidity</i> <i>Margin trading</i></p>
<p>11 <i>Al Rayan Brokerage Trading</i> <i>The company's licensed activities have been suspended upon their request for two years ending on February 22, 2019</i></p>	<p><i>Execution of securities purchase or sale's orders for a third party</i> <i>Own securities' trading</i></p>
<p>12 <i>HSBC</i></p>	<p><i>Custody services (cash or securities)</i></p>
<p>13 <i>Standard chartered bank</i></p>	<p><i>Custody services (cash or securities)</i></p>
<p>14 <i>Qatar National Bank</i></p>	<p><i>Custody services (cash or securities)</i></p>
<p>15 <i>QINVEST</i></p>	<p><i>Investment trusteeship</i> <i>Underwriting issuance of securities</i> <i>Securities' issuance management</i> <i>Advice on securities</i></p>
<p>16 <i>Al Rayan Investment</i></p>	<p><i>Securities' investment management</i> <i>Securities' issuance management</i></p>
<p>17 <i>PKF</i></p>	<p><i>Securities' issuance management</i></p>
<p>18 <i>Amwal LLC</i></p>	<p><i>Securities' investment management</i></p>
<p>19 <i>QNB Capital</i></p>	<p><i>Advice on securities</i> <i>Securities' issuance management</i></p>



Entities and Persons

Subject to QFMA's Jurisdiction

Approved Individuals (Regulated Functions)

5

An approved individual is any natural person who has received a license or an approval from QFMA for conducting a regulated function. The regulated functions are divided into three categories:

Category 1

Functions performed by persons who have a significant influence on the company's operations, for performing any of these functions, a company must submit an application on behalf of such individual to QFMA requesting its approval of such individual performing such function for the company.

This category includes the following functions

- Members of the board of directors
- Chief Executive Officer or, a general manager director of the company (a member or a managing director of a board of directors to whom management of a Company has been delegated).
- A person acting for any of the persons mentioned in previous item.
- Financial manager

Category 2

Technical functions of Company Representatives and securities professionals, In order to perform those functions, a person must apply for a license and meet the requisite conditions, with the exception of account managers and back office operations managers, for whom only application for approval made by a company to QFMA on their behalf, is required.

This category includes the following functions

- Financial Advisor
- Account Manager
- Broker Representative
- Back Office Operations Manager
- Financial Analyst
- Investment Manager
- Trading Manager
- Deputy of Trading Manager
- Representative of a Custodian

Category 3

Functions related to monitoring compliance, In order to perform any one of the above functions, a company must apply, on behalf of the individual, to QFMA for its approval.

This category includes the following functions

- Compliance Officer
- Money Laundering Reporting Officer (MLRO)
- Deputy MLRO
- Risk Management Officer
- Internal Auditor

External Auditors Registered with QFMA

6

Entity Name

- 1 *Rodl & Partner*
- 2 *Talal Abu-Ghazaleh & Co*
- 3 *KPMG*
- 4 *Ernst & Young*
- 5 *PricewaterhouseCoopers*
- 6 *Deloitte & Touche*
- 7 *Saoud Abdullah Al-Henzab Certified ACC*
- 8 *Morison Menon Chartered Accountants & Partners*

Financial Evaluators Registered with QFMA

7

Entity Name

- 1 *Access Moore Stephens W.L.L.*
- 2 *Rodl & Partner*
- 3 *Deloitte & Touche*
- 4 *KPMG L.L.C **
- 5 *Ernst & Young*
- 6 *PricewaterhouseCoopers L.L.C**
- 7 *Saoud Abdullah Al-Henzab Certified ACC*
- 8 *PKF*
- 9 *Morison Menon Chartered Accountants & Partners L.L.C**

* Company registered in Qatar Financial Centre QFC



Entities and Persons

Subject to QFMA's Jurisdiction

Offering and Listing Advisors

8

Entity Name

The Group

*Securities' issuance management
Advice on securities*

QNB Financial Services

Advice on securities

Ahli Brokerage Company

Advice on securities

Commercial Bank Financial Services

Advice on securities

Qinvest

*Securities' issuance management
Advice on securities*

Al Rayan Investment

Securities' issuance management

PKF

Securities' issuance management



Custodians

9

The Custodian is the legal person who conducts any of the custody services which consist of holding money or securities belonging to any investor in connection with investment in securities issued to the public, or traded in a market subject to QFMA's jurisdiction or conducting activities related to custody services, such as paying or receiving money on behalf of the investor, receiving or delivering securities

on behalf of the investor, exercising any the right of the investor on his behalf, and following-up registration of ownership of securities.

*In the Qatari market there are **three** custodians licensed by QFMA:*

Qatar National Bank

HSBC

Standard Chartered Bank

Participants Dealing in Securities

10

Any person carrying out any of the purchases, sales, transfer of ownership, registration, lending and borrowing, related to securities licensed in the market, whether such transactions are conducted directly or through an intermediary.



10

YEARS OF DEVELOPMENT
Q F M A

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QFMA KEY COMMITTEES & WORKING GROUPS



QFMA Key Committees & Working Groups

INTERNALLY

The most important committees and working groups of QFMA at the internal level are:

1) Investigation Committee

Date of Formation

The Committee was established and its procedures were approved by QFMA's Board Decision in 2008.

Functions

The Investigation Committee shall have the power to conduct investigations into violations, complaints or any other matters assigned by the CEO. The Committee shall conduct the investigation and submit its report along with the recommendations in this regard.

2) Disciplinary Committee

Date of Formation

The Committee was formed under the provisions of item (10) of Article (18) of QFMA Law No. (33) of 2005 and its amendments.

Functions

The Disciplinary Committee shall be the sole party responsible for considering the matters referred to it by the CEO or his designee with respect to violations and complaints along with settling complaints & appeals against decisions of those subject to QFMA's jurisdiction. The Committee shall have all the powers for disciplinary and enforcement of the procedures and the penalties prescribed in QFMA Law along with its amendments, regulations, rules & decisions issued in pursuance hereof.

3) Appeals Committee

Date of Formation

It was formed under Article (26) (Bis) of Law No. (33) of 2005 as amended by Decree-Law No. (14) of 2007 and Law No. (10) of 2009, and pursuant to Article (37) of Law No. (8) of 2012 on Qatar Financial Market Authority. It shall be chaired by one of the presidents of the Court of Appeals, and a membership of two judges of the Court of Appeals nominated by the Supreme Judiciary Council as well as two experts in securities trading nominated by the Board. The Council of Ministers has set forth the procedures to be followed before it in its decision No. (31) of 2013, as replaced by its decision No. (22) of 2009.

Functions

The Committee shall have the power to decide appeals of punitive decisions issued by QFMA, and its decisions shall be final in this regard.

4) Dispute Settlement Committee

Date of Formation

The Committee was formed by a Board decision of 2009 under the provisions of item (10) of Article (18) of QFMA Law No. (33) of 2005 and its amendments.

Functions

The Dispute Settlement Committee shall be responsible for considering the disputes that may arise from transactions related to securities by arbitration. The Committee's members shall be established on a case-by-case basis, in accordance with the official procedures in this regard. All members shall be arbitrators listed and approved by QFMA.

5) Licensing Committee

Date of Formation

The Licensing Committee was established by QFMA's Board Decision No. (1) of 2008.

Functions

The Committee shall be responsible for considering license applications submitted to QFMA by the entities subject to its jurisdiction for performing financial services activities, as well as approving the individuals working in such entities. The applications shall be referred to the Committee by the CEO, and submitted its report to it together with its recommendations in this regard.

6) Personnel Affairs Committee

Date of Formation

The Committee was formed pursuant to QFMA's Decision No. (4) of 2008, to restructure the Employment Committee under the name of Personnel Affairs Committee.

Functions

The Committee shall be responsible for considering QFMA's recruitment applications, considering promotions, performance evaluation, and approving bonuses and any other functions assigned to it by the CEO.

7) Tenders and Auctions Committee

Date of Formation

The Committee was formed pursuant to administrative decision No. (3) of 2016 under Law No. (24) of 2015 on Regulation of Tenders and Auctions and Law No. (8) of 2012 on Qatar Financial Markets Authority.

Functions

The Committee shall be responsible for contracts relating to the procurement of goods, construction works, or services concluded through tenders. Tenders may either be general, restricted, local, practice, competition, or direct agreement. The committee shall be concerned with the requirements & the processing the procedures of tenders, receipt, opening and examination of their tenders, and to give recommendations thereon. That shall be in accordance with the regulations and procedures stipulated in Law No. (24) of 2015 on Regulation of Tenders & Auctions .

8) Working Group for Implementing Strategy of Information Security for the Financial Sector

Date of Formation

Working group formed by QFMA on 17 August, 2017.

Functions

A group established by QFMA to implement Strategy of Information Security for the Financial Sector's approved by the QCB Governor and its members: QFMA, Ministry of Communications and Transport, Qatar Stock Exchange and Qatar Central Securities Depository.



QFMA Key Committees & Working Groups

LOCALLY

QFMA is a member of several committees and working groups at the local level, namely:

1) Financial Stability and Risk Control Committee (FSRCC)

The Committee shall carry out the tasks and functions provided in Article 116 of the Qatar Central Bank Law No. (13) of 2012, as follows:

- *To study the potential risks resulting from all services, works, activities, and financial markets and issue relevant solutions and proposals.*
- *To coordinate between regulatory, supervisory and oversight authorities in the State, and endeavor to strengthen the cooperation and the exchange of information among them so as to help to find a homogeneous and cooperative regulatory and supervisory environment.*
- *To propose policies relating to organization, control and supervision, including licensing & anti-money laundering and other policies pertaining to services, works, activities and financial markets.*

2) Information Security Committee in the Financial Sector

Following the decision to set up the NCSC at the State level, the QCB Governor established the Information Security Committee in the financial sector by Decision No. (53) of 2014, as a chairman, including representatives of QCB, QCSD, QFMA and QFCRA. The key function of the Committee is to coordinate with the NCSC in relation to the national strategy for information security and to develop a strategy to implement information security policies and standards for the financial sector in the State.

3) Single Window Working Group

This group, in cooperation with QSE, considers applications submitted by the companies wishing to list their shares in the financial market, so that such companies deal with one entity to facilitate the procedures and decide quickly thereon.

4) Electronic Security Shield at the Ministry of Interior

A project aimed at raising the level of electronic security in the country and enhancing the protection of information infrastructure and vital electronic networks in the State. Its implementation shall be pursuant to Circular No. (2) of 2017 issued by the Office of H.E. the Prime Minister.

INTERNATIONALLY

QFMA is a member of several committees and working groups at the international level, namely:

International Organizations

1) International Organization of Securities Commissions (IOSCO)



The International Organization of Securities Commissions (IOSCO) is the highest international professional organization in the field of regulation and supervision of financial markets. It was established in 1983 and its membership includes around 200 countries, including 120 securities regulators and 80 other securities markets participants (stock exchanges; financial, regional, and international organizations), more than 95% of the world's securities markets.

The IOSCO aims to set the internationally recognized standards for regulations supervision & international corporations as the international umbrella body of all securities regulators at the international level.

It works intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda of the economic and capital markets.

* QFMA's Membership

As part of the constant efforts of QFMA to develop rules and regulations related to strengthening the legislative structure of the financial markets and encouraging the application of the best international standards and practices in the capital markets sector, QFMA applied to the IOSCO for Ordinary Membership that gained in 2013. This membership contributed in upgrading the Qatari securities markets to the status of emerging markets as well as QSE became a full member of the World Federation of Exchanges.

It is worth noting that the IOSCO ordinary membership is open only for the national securities commissions or similar governmental bodies with significant authority over securities or derivatives markets in their respective jurisdictions, thus, the organization ensures that decision makers and direct and effective influence on regulating & supervision of the capital market sector are represented in the first and the key category for development and decision-making.



QFMA Key Committees & Working Groups

There are two other categories of membership: Associate Members and Affiliate Members.

The main difference between the memberships is their entitlement to participate in the IOSCO's Presidents Committee, its executive committees, representation on its board and voting on its decisions. All of the foregoing is entitled for the ordinary member .

The key international condition to become an ordinary member of IOSCO, the applicant securities regulation must comply with the standards and controls set by the IOSCO and sign the MMoU to ensure cooperation and have common objectives among all its members.

The MmoU is the main framework for international cooperation among all Members and serves as the backbone and moral obligation in the dealings among Member, especially in the event of any differences. And to recall the importance of joint action and international cooperation. All members shall provide assistance to each other in investigations & exchange of information to ensure the enforcement of rules and regulations, protect markets and prevent offenders from escaping across international borders or repeating their violations in other States. The MoU also provides cooperation among all members, including training, exchange of experiences, and encourage the active cadres to gain practical experience through the organization and its members.

*** Membership Importance for QFMA**

The IOSCO's approval of the joining application submitted by QFMA to be an Ordinary Member and also be a member with full powers to sign the MmoU (MMoU Signatory) is an international recognition of the quality of QFMA and its regulations compared with the global standards. This step lead to open the international cooperation with all members in training, exchange of experience, investigation and control.

It also provides QFMA with the methods to keep pace with the latest developments in the field of regulation and surveillance mechanisms in the international financial markets and to represent the State in vital decisions.

Gaining this prestigious membership has enhanced plans of the development of Qatar Stock Exchange, the upgrade to emerging markets and the global market, encouraging investors of all categories to deal with the local market and attracting foreign investment.

Being an IOSCO MMoU Signatory, it would strengthen QFMA's regulatory & supervisory powers, particularly with regard to international cooperation, and ensuring the enforcement of QFMA's rules against violators outside the State.

QFMA is keen to provide the national cadres with opportunities of development and training to promote the specialized capacities to support the national growth in the capital market through continuous cooperation with IOSCO and its members. Such cooperation can be achieved by various ways such as promoting secondment opportunities for qualified national cadres, hosting specialized workshops, Regional and international meetings of the IOSCO committees, nominating employees to participate in meetings, specialized workshops and other events organized by IOSCO throughout the year.

*** Participation of QFMA in the key Committees**

QFMA is a member of the IOSCO's key committees, including Presidents Committee, Growth & Emerging Markets Committee, and Africa/ Middle East Regional Committee.

Presidents Committee

The Presidents Committee is composed of all the Presidents (Chairs) of ordinary and associate members and meets once a year.

Growth & Emerging Markets Committee

The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing over 75% of the IOSCO's ordinary membership. The GEM comprises 88 members of the world's fastest growing economies and 10 of the G-20 members. The Committee seeks to promote the development and greater efficiency of emerging securities and futures markets by establishing principles and minimum standards, providing training programs and technical assistance for members and facilitating the exchange of information and transfer of technology and expertise.

Africa / Middle-East Regional Committee (AMERC)

The AMERC is composed of ordinary & affiliated members of the regional countries, including the GCC countries, the Arab countries, the Union of Arab Securities Association (UASA) and the African countries. The Committee meets twice a year to discuss the most important issues, developments and risks of the region.

One of the most important achievements of the Committee during 2017 was the formation of its own working group to study & analyze the most important issues of the region and to support cooperation among members to explore best practices, experiences and possible outcomes. The Committee was also represented by the IFRS Foundation Monitoring Board.

MMoU Monitoring Group

It consists of all MMoU signatories, which has a membership of more than 115 members, including 6 new members who joined during 2017.

This group monitors the effectiveness of the memorandum and the cooperation resulting among the parties, analysis of the data to develop the mechanism of implementation and to address any differences or negligence in the implementation. It is also responsible for developing the effective cooperation when dealing with & following-up issues of activation the terms of the memorandum among members.

Thus, this group launched the Enhanced MMoU (EMMoU), offers its members new enforcement powers such as freezing assets, obtain and share electronic & telephone records, and even requiring attendance to testify. Twelve jurisdictions had submitted their applications to upgrade their membership EMMoU during this year, one of which was accepted and the other applications are being considered. The applicant must provide legal proof of their eligibility and ability to apply.

IOSCO Policy Committees

One of the most prominent achievements of IOSCO is the work of its policy committees. Eight committees have been set up, each with its own specialized field.

It concentrates its efforts and expertise in providing studies, field research, best standards and proposals to keep abreast of developments in capital markets around the world.



QFMA Key Committees & Working Groups

The policy committees of the Organization are as follows:

- **C1** Issuer Accounting, Audit and Disclosure
- **C2** Regulation of Secondary Markets
- **C3** Regulation of Market Intermediaries
- **C4** Enforcement and the Exchange of Information
- **C5** Investment Management
- **C6** Credit Rating Agencies
- **C7** Derivatives
- **C8** Retail Investors

2) Association of National Numbering Agencies (ANNA)



ANNA was established in 1989 as a global association of national numbering agencies with a common mission. That is to provide reliable, accurate and trusted means to identify and describe securities that can be used by all nations and their markets.

* ANNA Objectives

Every country shall take the responsibility of issuing globally standard identifiers accomplishes much more than only associating codes with aspects of an investment instrument. This step enables investment capital to flow easily across borders. It facilitates modern automated exchanges and trade settlement. Each nation that participates in the common financial language adds to and profits from global understanding of opportunity and risk in the markets.

* QFMA's Membership

QFMA joined the ANNA's membership in 2015. The association has two levels of membership: Full members & Partner members. QFMA is a full member that has been operational for two years and has the right to vote on decisions.

This step was for the purpose of applying the international best practices in developing financial markets, providing whatever to achieve stability and transparency and reassuring dealers in securities, especially those relating to facilitating trading in implementation of its strategy.

QFMA signed a partnership agreement with ANNA. Upon this agreement, QFMA was authorized for the task of numbering of all domestic securities issued in the state with unified ISIN (International Securities Identification Number) and the CFI (Classification of Financial Instruments code) to have one number for each security used in domestic and foreign trading.

This step is an integral part of QFMA's ongoing efforts to develop the Qatari capital market to serve as a model for financial services, which would enhance the investors' attraction in line with the key objectives.

As ISIN and CFI have a globally recognized identity for securities, they have played a key role in attracting international investors, particularly the international financial institutions. As well as their role in increasing the weight of accurate representation of listed Qatari companies, while reducing any risk of distortion or confusion among similar named entities. The launch of securities numbering is part of QFMA's steps towards facilitating dealing in the Qatari capital market.

Regional Committees & Organizations

1) The Union of Arab Securities Authorities (UASA)



Established in 2007, the UASA is a not-for profit Union for Securities Authorities with an independent legal personality. The Members of the Union are the Arab Securities Authorities and markets Regulators.

* UASA Objectives

The UASA objectives are to upgrade the legislative and regulatory level of Arab securities markets with a view to achieving fairness, efficiency and transparency.

* QFMA's Membership

QFMA joined the Union in 2012 as an active member. The priority for obtaining this membership for financial markets and government entities in each Arab country responsible to legislate and enact laws. QFMA received the Union's presidency chaired by the CEO of QFMA in 2012. The CEO proposed in his capacity as UASA Chairman to restructure the Union and amend the Articles of Association which leads to develop the Union work mechanism and activate its role.

The UASA annual meeting was held in 2017 aiming to unify efforts to achieve effective levels of surveillance over transactions in the Arab securities markets and to cooperate & coordinate among the members to achieve the maximum harmony and compatibility in relation to the relevant laws and regulations.

2) The Islamic Financial Services Board (IFSB)



IFSB was established in 2003 and serves as an international standard-setting body of regulatory and supervisory agencies that have vested interest in ensuring the soundness and stability of the Islamic financial services industry, which is defined broadly to include banking, capital market and insurance.

* IFSB Objectives

To promote the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing, international standards consistent with Shari'ah principles, and recommending these for adoption.

* QFMA's Membership of the Board

QFMA joined the IFSB in 2011 as an associate member with membership of both QCB and QFCRA. QFMA aims to promote awareness of related issues that have an impact on the regulation and supervision of the Islamic financial services industry.

It also participates in the IFSB's annual conferences, seminars & meetings organized in different countries throughout the year.



10

YEARS OF DEVELOPMENT
Q F M A

ع
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الآباء

ع
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QFMA

AT THE
INTERNAL, LOCAL &
INTERNATIONAL LEVELS



QFMA, with its various departments and committees, is exerting efforts to implement its responsibilities set out in Law No. (8) of 2012. QFMA's performance is in line with its vision towards the advancement of Qatari capital markets to serve as a model for financial services and as a part of achieving its mission which is investor's protection, maintenance of Qatari capital markets' stability, integrity and transparency, and development of proficiency and knowledge to enhance the growth and diversity of the national economy. The year of 2017 witnessed a remarkable performance at the internal, local & international levels summarized as follows:

INTERNALLY

Continuing The Activation of The New Organizational Structure

Based on QFMA's Board Decision No. (2) of 2016 regarding the new organizational structure, QFMA is continuing in activation during the year by establishing four new departments & units promoting in the achievement of QFMA's strategy.

1- Corporate Governance & Disclosure Department

The department was activated during the first quarter of the year and it is responsible for:

- Auditing the financial statements of the companies and verifying their fulfillment of disclosure requirements, the extent of compatibility of such requirements with the international accounting & auditing standards, as well as analyzing them for financial periods to be provided to QFMA within the determined period, and preparing the reports & recommendation thereon.
- Monitoring the compliance of the companies & entities subject to QFMA's jurisdiction with disclosure and corporate governance principals.
- 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.

QFMA

at the Internal, Local and
International Levels

2017

2- New Financial Products Department

The department was activated during the first quarter of the year and its strategic objectives including the following:

- Building the institutional capacity of the department.
- Developing the legislations regulating the activities and different parties in the Qatari capital market.
- Promoting and developing the Qatari capital market and the related financial institutions.
- Enhancing the depth and breadth of Qatar's capital market by proposing new investment instruments.
- Developing standards of disclosure practices in the Qatari capital market.
- Following up the key indicators of the performance of the Qatari capital market

3- Planning & Quality Department

The department was activated during the second quarter of the year and its strategic objectives including the following:

- Strengthening QFMA's institutional performance:
 - * Spread the culture of strategic planning.
 - * Spread the culture of quality.
 - * Spread the culture of studies and research.
- Developing and documenting the policies & procedures.
- Measuring customer satisfaction (internal / external).

4- Risk Unit

The Unit was activated during the first quarter of 2017 and its general objective is the protection against the negative effects of risks.

The objectives summarized as follows:

- Monitoring to identify new and changing risks.
- Understanding and reducing risk implications.
- Focusing on the highest priority risks.
- Ensuring appropriate decision making.
- Communicating clearly with the concerned bodies regarding the risks.
- Accurate documenting for the risks.
- Ensuring business continuity

Supporting Qatarization Policy

In light of the Strategic Objectives of Human Resources Department for 2017 and the action plan of the strategic objective 8 (Building Human Capital's Capacity) within the QFMA's Strategic Plan (2017-2022), QFMA supported the Qatarization at a wider range (increase Qatarization). During 2017, (18) Qatari employees were appointed out of (21) employees with a percentage up to (86%) of the new appointments.

Diversifying Programs of Training & Career Development

1- Kawader

It is a unique and innovative educational initiative consisting of a four-month long training program designed specifically for future business leaders and decision-makers in the financial services sector in Qatar.

It is dedicated towards the newly graduates aimed to provide each participant with knowledge & practical training skills in cross-functional areas in the financial services sector. Three newly appointed Qataris have been nominated for the program. The program is implemented through the Qatar Financial & Business Academy (QFBA) and it comes within the effective collaboration among QFBA, QFC Authority and the financial services sector as well as several prominent academic institution.

2- International Introduction to Securities and Investment

Sixteen of the QFMA's employees (15 Qatari and one non-Qatari) joined the first phase of the training program, "International Introduction to Securities and Investment CISI", to provide them with the basic knowledge of QFMA's functioning, in particular the specialized departments, in preparation for enrolling them in the next phases of the program.

3- Training program for supervisory leadership positions

QFMA's Qatari employees, holding leadership positions, joined this program which is held at the Institute of Public Administration for ten months (around three training days per month) according to a plan prepared by the Institute.

4- Plan to Link Training Path to Career Path

Nine Qatari employees were enrolled in the administrative path programs according to their job grades in line with the plan of the Institute of Public Administration at the Ministry of Administrative Development, Labor and Social Affairs (ADLSA). They were also enrolled in specialized programs according to the plan of the Institute and QFMA's vision as one of the requirements for the promotion of Qatari employees currently.



Implementing the Qatarization Policy

Since 2016, QFMA has been implementing the Qatarization policy in coordination with the Government Scholarship Department (Ministry of Administrative Development, Labor and Social Affairs) to provide QFMA with its needs of various scientific specialization and the required numbers in each specialization. During the year, (26) scholarships for Qatari students in various specializations for future positions in QFMA. Three students were already appointed during the year who successfully completed the scholarship program.

Completing The QSE-QCSD to QFMA Data Replication

Due to the development of QFMA's requirements of the reports in both quantity & quality, a new set of data has been defined to be automatically copied from QSE and QCSD databases to QFMA database through the automated copying system (Data Replication). The final phase was completed.

Implementing Workplace Wellness Program

To promote the health of our cherished employees, the QFMA in collaboration with The Ministry of Public Health (MOPH) implemented the Wellness Workplace Program for QFMA's employees



LOCALLY

Launching the Second Strategic Plan for Financial Sector Regulation (SSP) (2017-2022)

In collaboration with QCB and QFCRA, QFMA launched the SSP (2017-2022) for the financial sector at the end of the year. The SSP is the key roadmap as the future guidance of the State of Qatar in building a sound and resilience financial sector towards fostering sustainable economic growth.

The plan is based on five key goals that all parties in the financial sector are seeking to achieve in order to complement the goals achieved in the first strategic plan, in which the financial structure has been significantly developed in several areas.

Launching Strategy of Information Security for the Financial Sector (2017-2021)

In collaboration QCB, QFCRA, QCSD and Qatar Credit Bureau, QFMA has prepared the Strategy of Information Security for the Financial Sector (2017-2021), which was approved by the Governor of QCB, Chairman of the Financial Sector Cybersecurity Committee. The strategy based on the vision of enhancing and maintaining information security for a more flexible and secure electronic space for more protection of the financial sector in Qatar.

Issuing QFMA Legislative Rules & Regulations

In order to strengthen the legal, regulatory and supervisory structure that attracts investments in securities, during the year, QFMA issued a number of rules, regulations and legislations that contribute in activating its regulatory and supervisory role and protecting the investor. **The legislations promulgated during the year as follow:**

- Decision No. (1) Concerning the Issuance of Rules of Companies' Conversion into Public Shareholding Ones for Listing in the Financial Market.
- Decision No. (2) Concerning the Amendment of Some Provisions of Offering & Listing of Securities Rulebook Issued by Decision No. (3) of 2010.
- Decision No. (3) Concerning the Amendment of Some Provisions of Offering & Listing of Securities Rulebook "Second Market" Issued by Decision of the QFMA's Board Chairman No. (2) of 2011.
- Decision No. (4) Concerning the Issuance of Market Maker Rules.
- Decision No. (5) Concerning the Issuance of Operational Procedures of Exchange-Traded Funds (ETFs) (Covered Short Selling Procedures CSSP).
- Decision No. 6 Concerning the Issuance of Rules of the Employees' Incentive Shares Scheme in Listed Shareholding Companies Through Owning Shares in the Listed Company.

- Decision No. 7 Concerning the Issuance of Procedures of Delisting of Public Shareholding Company Listed in the Main Market as a result of Company's Type Conversion.

QFMA also carried out many **activities** that would enhance its legislative role:

- Non-Suspension of Trading on the General Assembly Meeting Day of Listed Companies.
- Participate in reviewing drafts of financial contract law and final settlement of payments law.
- Unify the bidding unit in trading on shares in QSE main market, to become one Dirham for all listed shares regardless of the price of each.
- Issue initial approval on rules of shareholding companies listed in the main market and take the necessary action in this regard later in light of the amendment of the current Commercial Companies Law.
- Issue initial approval on listing rules of the shares of private equity companies, and put it for further consultation and research.
- Issue initial approval on the rules of analysts and managers of investment securities, and put it for consultation with the parties concerned.

Issuing Governance Code for Companies & Legal Entities Listed on the Main Market

QFMA issued a corporate governance code in accordance with the market needs and it was published in the Official Gazette (issue No. 6) in the second quarter of the year. QFMA has communicated with all concerned parties to implement the Governance Code, especially the listed companies & the external auditors, to determine the extent to which companies conform to the new Code. In this regard, the first Corporate Governance Conference was held in Qatar during November, during which the Handbook of Governance Reports was launched, with discussion sessions about the Code and its terms.



QFMA

at the Internal, Local and International Levels

2017

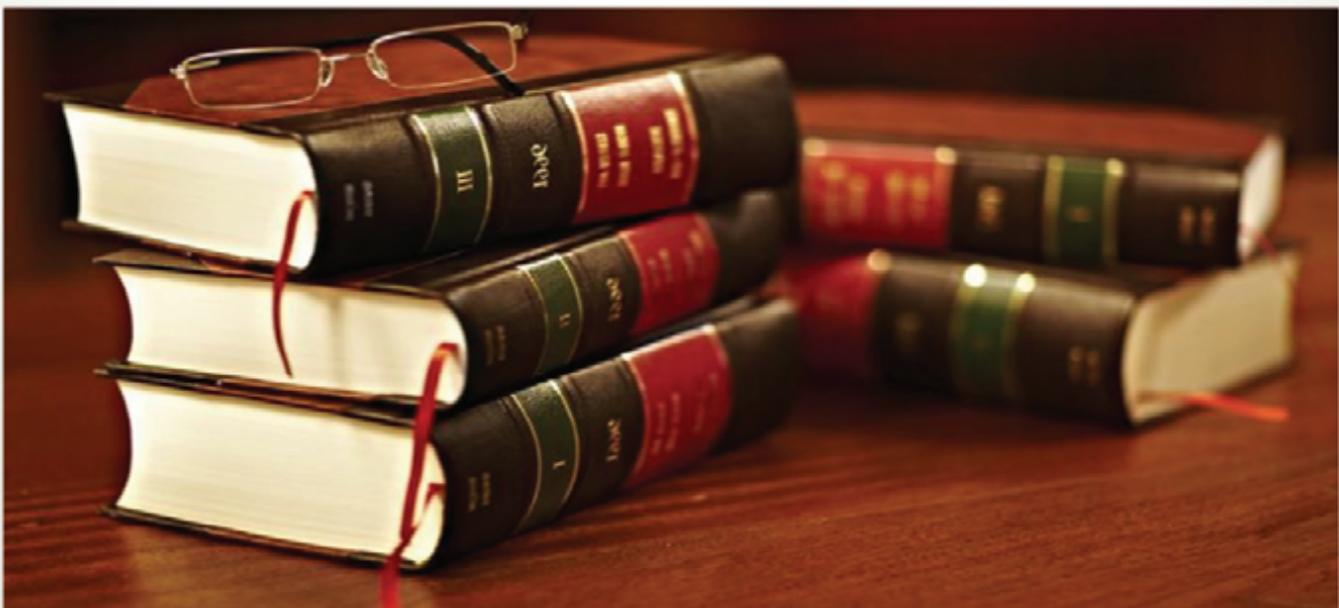
Licensing New Financial Services Companies

During the year, 3 new companies were licensed to perform financial services activities, bringing the number of financial services companies in the Qatari market to 19. **These companies are:**

- Amwal LLC
To perform the activity of securities' investment management.
- PKF
To perform the activity of securities' issuance management.
- QNB Capital
To perform the activities of advice on securities and securities' issuance management

Amending the Investigation Committee Procedures and the Rules & Procedures of Complaints

During the year, QFMA amended the Rules & Procedures of Complaints & the Investigation Committee Procedures (Issued during 2009) to update them and ensure that they keep breast with the technical and legislative developments in the local market. Several legal legislations were issued during the subsequent period, the most important of which is the current law No. (8) of 2012 regarding the Qatar Financial Markets Authority, which added a lot of legal procedures related to sanctions and precautionary measures, and the adoption of many means of evidence in securities cases especially electronic devices.



Receiving & Considering the Complaints of Participation Dealing in the Market and Taking the Necessary Measures

QFMA receives, considers complaints and acts appropriately to control violations of entities subject to QFMA's jurisdiction. During the year, QFMA received approximately (15) complaints & adjudicated (10) of them.

Conducting Investigation of Violations of QFMA's Law, Regulations and Legislations

QFMA conducts investigations of violations of its law, regulations & legislations relating to securities, and it also coordinates with other regulators in such related investigations. During the year, QFMA investigated in 34 violations, referred 23 to Disciplinary Committee, reached to settlement for 6 cases and directed a warning for one case.

Conducting Inspection & Surveillance over the Financial Services Companies, Financial Markets, Depository, and other Licensed Entities

QFMA periodically and suddenly conducts inspections over the participants dealing in financial markets and prepares reports thereon as well as inspections over the AML / CFT procedures and related regulations. QFMA is also responsible for the documentary surveillance over the market participants' compliance with its issued legal legislations, monitoring trading transactions and reporting thereon.

Raising Investors Awareness

QFMA is seeking to continuously rise the investment awareness of the Qatari financial markets through holding specialized workshops, participating in national educational programs, sponsoring of related conferences and exhibitions, and communicating with all parties and institutions in order to achieve its objectives and deliver its mission accurately and properly.

Technological Development Projects

During the year, QFMA undertakes such developments in modern technological means by completing the key following projects:

The new e-portal development project, the second phase was completed in 2017. This part of the portal collects the required data electronically from financial services companies and companies listed on QSE for the purpose of surveillance and analysis.

The IT Security Development Project in QFMA, which has been going on for QFMA's Strategy years (2017-2022), with completing the part of 2017.

Participating and Following Up on the Testing of Implementing the QSE-BCP

QSE is developing an annual testing for Business Continuity Plan (BCP). QFMA, represented by Information Systems Department and Inspection & Surveillance Department, participates and follows up the implementation of the BCP as a recipient of data from QSE and as a regulator.



INTERNATIONALLY

Through being a member in the most important international organizations and specialized agencies, and signing bilateral or multilateral memorandums of understanding, QFMA is working to strengthen the Qatari capital market systems and to upgrade its international classification. The most important related efforts undertaken during the year are as follows:

I

Bilateral and Multilateral Memorandums of Understanding

QFMA is keen to activate the signed MoUs in line with its strategy and to look for the best international practices & expertise by following up the MoUs that are being approved to ensure the rapid signing & activation. It also looking forward to considering and preparing MoUs with the financial institutions operating in the local capital market sector to keep abreast of developments and changes at the local & international levels. During 2017.

QFMA Signed MoU with Counterpart CMF, Tunisia

QFMA signed MoU with its counterpart Conseil du Marche Financier of Tunisia "CMF". The signing came during the 11th annual meeting of the Board of the Union of Arab Securities Authorities "UASA".

The MoU sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective laws & regulations of the jurisdictions of the Authorities. It also aims to promote investor protection and integrity of the securities markets by establishing communication channels, promoting mutual understanding and exchanging regulatory and technical information .

MoU focused on exchanging experiences, promoting and securing the fitness and properness of brokers, dealers and advisers in securities. It also focused on detecting market manipulation, insider trading and other deceptive and fraudulent practices concerning securities issuing and trading, the activities of listed companies, and taking all necessary measures and procedures to address those issues.

Taking the Necessary Measures to Sign New Agreements During 2018

QFMA has full readiness for signing more agreements and MoUs with the international supervisory entities and organizations around the world. Among these preparations, QFMA planned during the year for cooperation with:

- *The Moroccan Capital Market Authority to move forward signing the MoU and being effective, the two parties have been in communication and agreed on a final MoU draft with obtaining the approval of the concerned authorities.*
- *Swiss Financial Market Supervisory Authority FINMA: It was agreed to replace the bilateral MoU by activating the IOSCO MMoU, which resulted in the participation of Qatar Stock Exchange in the Swiss market.*
- *International Financial Markets Association (ICMA): upon communication between the two parties, they agreed on a formula for a bilateral MoU to contribute in achieving QFMA's strategic objectives.*

II

Continuous Cooperation with the International Organization of Securities Commissions (IOSCO)

QFMA promotes the continuous cooperation with IOSCO and its members, through dealing with their requests, activating IOSCO MMoU and participating in the IOSCO's related projects, meetings and forums in line with QFMA's strategy. During 2017, QFMA participated in many of the IOSCO's activities.

III

Joint Cooperation with ANNA

In cooperation with the Association of National Numbering Agencies "ANNA" in issuing ISIN number codes (International Securities Identification Number), QFMA issued about 46 ISIN number codes during the year.

IV

Organization for Economic Cooperation and Development (OECD)

QFMA cooperates with OECD that works with regulations of the stock exchange and securities in the Middle East. As part of this role, OECD established the Taskforce of MENA Stock Exchanges for Corporate Governance in 2011. Its main objective was to engage the Arab stock exchanges in a discussion among themselves on issues related to capital market development & corporate governance.

V

QFMA's Participation in Regional and International Conferences, Meetings, and Workshops

QFMA is continuously seeking to take apart in conferences, meetings and workshops at the regional & international levels in order to strengthen its role and strive for its development. Such participations including:

- The GCC meetings and workshops.
- The annual meeting of the Union of Arabic Securities Authorities (UASA).
- WFE's Clearing & Derivatives Conference.
- IOSCO conferences and meetings.

VI

Exchange of Information & Participation in the Regional and International Studies Received by QFMA:

QFMA is keen to cooperate continuously with international and regional organizations by supporting its ongoing efforts to develop global regulations and standards and conducting specialized studies by dealing with all queries & questionnaires received from organizations and institutions within the required time period.

As a part of QFMA's important role of promoting transparency, exchange of information, and international cooperation to improve the financial markets, it participated in more than 25 studies in the form of (15) inquiries and (11) questionnaires during the year.



10

YEARS OF DEVELOPMENT
Q F M A

قطر
الرمضان
الأوليين

مما تننا

اليوم
الآن

A still life composition featuring a pair of brass scales of justice and a wooden gavel with a brass band, resting on a stack of old, leather-bound books. The scene is lit from the side, creating a warm, golden glow. The background is a plain, light-colored wall.

**QFMA
STATISTICS**

2017

Individuals Approved and Licensed by QFMA

Position (job title)	2017	2016
1 Board Chairman	5	1
2 Board Member	21	3
3 General Manager	3	2
4 General Manager Deputy	-	1
5 Investment Manager	1	3
6 Compliance Officer	-	2
7 Anti-Money Laundering Officer (MLRO)	1	2
8 Anti-Money Laundering Officer Deputy (deputy MLRO)	-	1
9 Back Office Operations Manager	1	1
10 Account Manager	-	1
11 Trading Manager	3	2
12 Financial Manager	1	1
13 Broker Representative	2	5
14 Custodian Representative	6	1
15 Internal Auditor	3	-
16 Financial Advisor	1	-
17 Financial Analyst	-	1
TOTAL	48	27

Activities Licensed by QFMA for Financial Services Companies During 2017

Activity	No. of Licenses	Company
Margin trading	1	QNB Financial Services
Securities' investment management	2	* Amwal L.L.C * Dlala Brokerage
Securities' Issuance management	2	* PKF * QNB Capital L.L.C
Advice on securities	2	* Qatar Securities Co * QNB Capital L.L.C

■ Statistics about the Inspections of the Financial Markets

Inspections of the financial services companies

ITEM	2017	2016
<i>No. of companies</i>	10	11
<i>No. of periodic inspections</i>	17	18
<i>No. of sudden inspections</i>	3	8
<i>No. of specialized inspections</i>	3	-
<i>No. of submitted reports</i>	14	14

Inspections related to AML/CFT

ITEM	2017	2016
<i>No. of companies</i>	10	17
<i>No. of periodic inspections</i>	17	17
<i>No. of office inspections</i>	37	42
<i>No. of submitted reports</i>	14	14



Statistics on Surveillance over the Financial Market

ITEM	2017	2016
<i>No. of submitted reports on surveillance</i>	11	14
<i>No. of automated programs that developed</i>	8	9

Statistics of Complaints

ITEM	2017	2016
<i>No. of complaints</i>	15	23
<i>Complaints adjudicated</i>	10	23
<i>Complaints still pending</i>	5	-

Statistics of Investigations

ITEM	2017	2016
<i>No. of investigations</i>	34	21
<i>Cases referred to Disciplinary Committee</i>	23	11
<i>Cases kept</i>	-	3
<i>Cases adjudicated by warning</i>	-	3
<i>Cases adjudicated by settlement</i>	6	3
<i>Cases adjudicated by punishment of cautioning</i>	1	-
<i>Cases adjudicated by pledges</i>	-	-
<i>Cases still pending</i>	2	-
<i>Cases adjudicated by other measures</i>	2	1

Statistics of Disciplinary Cases

ITEM	2017	2016
<i>No. of violations referred</i>	25	11
<i>No. of violations adjudicated</i>	1	10

Statistics of Appeals

ITEM	2017	2016
<i>Appeals that registered in the appeals record</i>	2	5
<i>Requests of a stay of QFMA proceedings submitted to the Committee</i>	2	5
<i>Total of appeals and requests of a stay of QFMA proceedings considered by the Committee</i>	14	10
<i>Total of appeals and requests of a stay of QFMA proceedings adjudicated</i>	14	-
<i>Total of Appeals and requests of a stay of QFMA proceedings which are still under consideration by the Committee</i>	-	10
<i>No. of the Committee hearings</i>	6	2
<i>No. of the Committee meetings</i>	6	2

Statistics of ISIN of Securities

ITEM	2017	2016
<i>ISIN of shares</i>	1	1
<i>ISIN of rights issues</i>	1	2
<i>ISIN of government bonds</i>	8	16
<i>ISIN of treasury bills *</i>	35	36
<i>ISIN of investment fund ETFs</i>	1	-
TOTAL	46	55

* During 2017, 35 securities out of (46) submitted applications of which an ISIN were issued.



Statistics of Listing and Acquisition

ITEM	2017	2016
<i>Requests of listing securities</i>	-	1
<i>Requests of listing rights issues</i>	1	2
<i>Requests of offering & listing</i>	1	-
<i>Requests of listing investment funds units</i>	2	-
<i>Requests of merger & acquisition</i>	12	20

Training Activities for QFMA Staff

ITEM	2017				2016			
	workshop	Training Program	Others	TOTAL	workshop	Training Program	Others	TOTAL
<i>Training Inside</i>	15	108	12	135	14	84	3	101
<i>Training Outside</i>	2	4	25	31	10	14	15	39
TOTAL	17	112	37	166	24	98	18	140

Total Number of Employees and Percentage of Qatarization at QFMA

ITEM	No. of Employees By End of 2017	Percentage of Total By End of 2017 %
<i>Qatari Employees</i>	60	54
<i>Non-Qatari Employees</i>	52	46
TOTAL	112	100

ITEM	No. of Recruitments During 2017	Percentage of Total During 2017 %
<i>Qatari Employees</i>	18	86
<i>Non-Qatari Employees</i>	3	14
TOTAL	21	100



10

YEARS OF DEVELOPMENT
Q F M A

ومعائهم يوم

جوارج يوم الفداء

ملفص أداء، سوقا
الأوراق العالية
القطرية

PERFORMANCE OF
**QATARI
SECURITIES
MARKET**

2017

2017





2017
التقرير السنوي

أدوات الدين المكومية

Government Debt Instruments

Treasury Bills Listed and Traded

أدوات الخزينة المدرجة والمتداولة

T. Bills

(Million QR)

Listed T. Bills
Traded T. Bills

التغير %	2016	2017
32.26	9,640	12,750
-	-	932.40

أدوات الخزينة

(بالمليون ريال قطري)

أدوات الخزينة المدرجة
أدوات الخزينة المتداولة

Government Bonds Listed and Traded

السندات الحكومية المدرجة والمتداولة

G. Bond

(Million QR)

Listed G. Bonds
Traded G. Bonds

التغير %	2016	2017
94.21	6,475	12,575
17.05	3,037.85	3,555.86

السندات الحكومية

(بالمليون ريال قطري)

السندات الحكومية المدرجة
السندات الحكومية المتداولة



Equity Ownership

Equity Ownership Percentage (By Investors)

نسب ملكية الأسهم (بحسب فئات المستثمرين)

Qatari Investors

Individuals
Non-governmental Institutions
Governmental Institutions
TOTAL

	2016	2017
Individuals	27.53%	27.26%
Non-governmental Institutions	34.70%	34.72%
Governmental Institutions	29.24%	29.11%
TOTAL	91.47%	91.09%

المستثمرون القطريون

الأفراد
المؤسسات غير الحكومية
المؤسسات الحكومية
الإجمالي

Non-Qatari Investors

Individuals
Institutions
TOTAL

	2016	2017
Individuals	2.10%	2.19%
Institutions	6.43%	6.72%
TOTAL	8.53%	8.91%

المستثمرون غير القطريين

الأفراد
المؤسسات
الإجمالي

Trading Activity by Sector

نشاط التداول القطاعي

SECTOR	عدد الصفقات المتداولة	عدد الأسهم المتداولة	القيمة المتداولة	القطاع
	No. of Transactions	Traded Volume (Million - بالمليون)	Traded Value (Million QR - مليون ريال قطري)	
Banking & Financial Services	283,685	766.55	26,634.47	البنوك والخدمات المالية
The Consumer Goods & Services	80,096	91.23	5,504.18	الخدمات والسلع الاستهلاكية
Industrials	167,028	363.97	11,250.54	الصناعات
Insurance	25,067	57.81	2,800.364	التأمين
Real Estate	136,188	514.55	9,209.69	العقارات
Telecoms	75,801	539.31	6,716.74	الاتصالات
Transportation	66,529	132.06	4,130.11	النقل
TOTAL	834,394	2,465.48	66,246.09	الإجمالي

Market Capitalization & Indices for Sectors

القيمة السوقية ومؤشرات القطاعات

SECTOR	مؤشر السعر إلى العائد	ربح السهم	معدل الدوران	القيمة السوقية	القطاع
	P.E. Ratio (Times - مرة)	Earnings per Share %	Turnover %	Market Cap (Million QR - مليون ريال قطري)	
Banking & Financial Services	10.46	3.59	12.56	212,057.07	البنوك والخدمات المالية
The Consumer Goods & Services	11.68	6.51	26.30	20,929.41	الخدمات والسلع الاستهلاكية
Industrials	17.55	4.48	9.86	114,083.80	الصناعات
Insurance	24.71	3.14	13.61	20,573.23	التأمين
Real Estate	13.07	5.42	18.19	50,627.77	العقارات
Telecoms	21.91	3.13	18.74	35,849.15	الاتصالات
Transportation	13.35	5.86	23.07	17,907.32	النقل
TOTAL	13.02	4.16	14.03	472,024.75	الإجمالي



No. of Listed Companies by Sectors

عدد الشركات المدرجة في القطاعات

SECTOR

% النسبة للمجموع

عدد الشركات المدرجة

القطاع

% Percentage to Total

No. of Listed Companies

Banking & Financial Services
The Consumer Goods & Services
Industrials
Insurance
Real Estate
Transportation
Telecoms
TOTAL

28.89

20.00

20.00

11.11

8.89

6.67

4.44

100



13

9

9

5

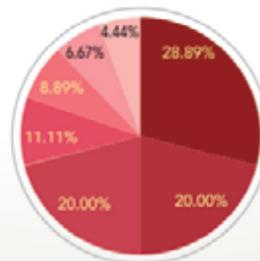
4

3

2

45

البنوك والخدمات المالية
الخدمات والسلع الاستهلاكية
الصناعات
التأمين
العقارات
النقل
الاتصالات
الإجمالي



AL THUMAMA STADIUM استاد الثمامة

With a design based on the gahfiya, Al Thumama Stadium is a proposed venue for 2022 FIFA World Cup Qatar™ matches through to the quarter-finals. The stadium is being built by the Supreme Committee for Delivery & Legacy (SC), the organisation responsible for the delivery of the required infrastructure and host country planning and operations for Qatar to host an amazing and historic 2022 FIFA World Cup™



يعد استاد الأمامة، والذي استوحى تصميمه من القحفية، من الاستادات المرشحة لاستضافة مباريات بطولة كأس العالم لكرة القدم 2022 حتى الدور ربع النهائي. وتتولى بناء الاستاد اللجنة العليا للمشاريع والإرث، وهي الجهة المسؤولة عن تنفيذ مشاريع البنية التحتية اللازمة، إضافة إلى تخطيط وعمليات الدولة المستضيفة، والتي تمكّن قطر من استضافة نسخة تاريخية مذهلة من بطولة كأس العالم لكرة القدم في 2022



Listed Shares 2017

الأسهم المدرجة 2017

	المجموع TOTAL	إدراجات من حقوق الاكتتاب Rights Issue Listings	إدراجات جديدة New Listings	أسهم مجانية Bonus Shares	
No. of Listings	10	2	1	7	عدد الإدراجات
No. of Listed Shares (Million Share)	362.11	110.50	83.00	168.61	عدد الأسهم المدرجة (بالمليون سهم)

Traded Rights Issue

حقوق الاكتتاب المتداولة

Company	عدد الصفقات المتداولة No. of Transactions	عدد الأسهم المتداولة Traded Volume (بالمليون - Million)	القيمة المتداولة Traded Value (مليون ريال قطري - Million QR)	الشركة
Doha Bank	1,681	3.53	16.94	بنك الدوحة
TOTAL	1,681	3.53	16.94	الإجمالي



Summary of Market Activity

	التغير %	2016	2017
No. of Listed Companies	2.27	44	45
General Index (Point)	-18.33	10,436.76	8,523.38
Market Cap (Billion QR)	-16.23	563.47	472.02
Trading Value (Billion QR)	-3.98	68.99	66.25
Trading Volume (Billion shares)	24.74	1.98	2.47
No. of Transactions	-16.35	997,482	834,394

ملخص نشاط السوق

عدد الشركات المدرجة
المؤشر العام (نقطة)
القيمة السوقية (بالمليار ريال قطري)
قيمة التداول (بالمليار ريال قطري)
عدد الأسهم المتداولة (بالمليار سهم)
عدد الصفقات المنفذة

Listed Shares

	التغير %	2016	2017
No. of Listings	-9.09	11	10
No. of Listed Shares (Million Share)	-18.37	443.62	362.11

الأسهم المدرجة

عدد الإدراجات
عدد الأسهم المدرجة (بالمليون سهم)

Average Figures per Day

معدل التداول اليومي

	Change % التغير	2016	2017	
Average Traded Value (Million QR)	-3.20	277.06	268.20	معدل قيمة التداول (مليون ريال قطري)
Average Traded Volume (Million Share)	26.39	7.90	9.98	معدل كمية التداول (مليون سهم)
Average no. Transactions	-15.67	4,005.96	3,378.11	معدل الصفقات المنفذة

Average Traded Value per Day (Million QR)

معدل قيمة التداول اليومي (بالمليون ريال قطري)



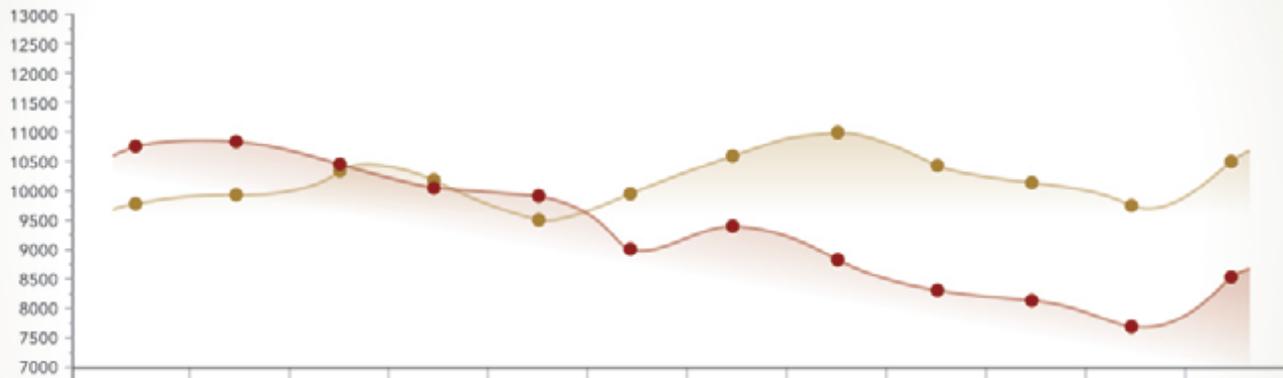
Equity Market Indices

مؤشرات سوق الأسهم

General Index

المؤشر العام

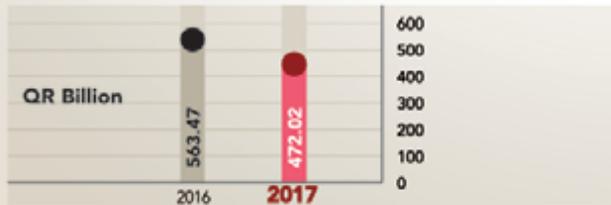
Change % التغير	2016	2017
-18.33	10,436.76	8,523.38



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
QSE 2017	10,597.22	10,702.12	10,390.60	10,064.35	9,901.38	9,030.44	9,406.06	8,800.56	8,312.43	8,165.06	7,714.26	8,523.38
QSE 2016	9,481.30	9,892.32	10,376.20	10,186.18	9,538.77	9,885.22	10,603.96	10,989.79	10,435.46	10,172.95	9,793.83	10,436.76

Market Capitalization (QR Billion)

القيمة السوقية (بالمليار ريال قطري)



Change % التغير	2016	2017
-16.23	563.47	472.02