



Qatar Financial Markets Authority

ANNUAL
REPORT

2 0 1 8

In the name of Allah, the Most Gracious, the Most Merciful



H.H. Sheikh

Tamim Bin Hamad Al-Thani

Emir of the State of Qatar





Board of Directors &
Chief Executive Officer ... ■

H.E. Sheikh

MOHAMMED
Bin Hamad Bin Qassim Al-Thani



Chairman of the Board of Directors

Mr.

YAHYA

Saeed Al Jafali Al Nuaimi

**Vice-Chairman of the Board of Directors**

H.E. Sheikh

KHALID

Bin Saud Bin Fahad Al-Thani

**Member**

Mr.

Abdulrahman
Mohammed Yousuf Jolo



Member

Dr.

KHALID
Nasser Mohammed Al Khater



Member

Dr.

MOHAMMED

Abdulaziz Saleh Al Khulaifi

**Member**

Mr.

**MICHAEL
RYAN****Member**



NASSER
Ahmad Abdulrahman Al Shaibi

Chief Executive Officer



CHAIRMAN & CEO MESSAGES



THE

CHAIRMAN
MESSAGE

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The financial sector regulators in the State of Qatar are exerting more efforts to develop the financial sector in the State and to achieve the goals of Qatar National Vision “QNV 2030”, as well as to contribute in transforming the State of Qatar into a regional center capable of attracting funds and modern technologies and encouraging investments. The Second Strategic Plan for Financial Sector Regulation “SSP” 2017-2022 was launched in order to develop and improve financial services and achieve sustainable development.

Chairman

The QFMA, as one of the major contributors to the SSP, is working to develop financial markets to play an important role in the Qatari economy and to cooperate and coordinate with other regulators, headed by Qatar Central Bank and the QFC Regulatory Authority.

2018 witnessed the transfer of the Qatari securities market into a regional hub for financial activities and services. The QFMA also prepares the infrastructure of the Qatari securities market in terms of regulation,

legislation and surveillance to be a destination for investors and financial service providers in the Middle East. The past years also witnessed the entry of public debt instruments to the securities market.

Issuing the QFMA's 2018 annual report aims to maintain its continuous approach in informing the public about the key developments and actions taken by the QFMA in the development of financial markets and it will continue exerting its efforts to achieve the desired goals.



Mohammed Bin Hamad Al-Ehani

Chairman

THE

CEO
MESSAGE

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The QFMA, through an integrated work system and in coordination with all concerned parties, seeks to ensure that the capital market sector in the State is one of the main pillars of the development & growth of the national economy and a supportive platform to achieve leadership, as well as for such sector to be a strong support for the national process towards achieving the goals and objectives of QNV 2030.

CEO

In the course of 2018, the QFMA has exerted a lot of efforts aimed at preserving the gains achieved by the Qatari capital market over the past 10 years. Such of these gains are the Qatari market leadership regionally in upgrading its classification to emerging markets in international indices, and the top ranking of the QFMA's legislative system the first at the Arab level and the tenth at the international level according to the World Economic Forum's (WEF) Global Competitiveness Report, as well as the QFMA's active membership at International Organization of Securities Commissions "IOSCO". Accordingly, the Qatar Stock Exchange "QSE" index had a rise of 20.83% to be the highest rise in the Arab world and the third on the international level.

In this regard, the QFMA has issued several new legislative tools to update its legislative system in accordance with the relevant best international practices in order to ensure investors' protection, enhance surveillance over financial markets and its participants and regulate

their work, increase the depth and liquidity of the market and attract capital. The QFMA also issued instructions on the split of the nominal value of the securities listed in the market to open investment fields for new segments and categories, in order to broaden the ownership base of the listed companies and increase the shares' turnover.

The year of 2018 witnessed fruitful cooperation between the QFMA and the entities involved in financial markets and their employees, as well as the companies and entities subject to QFMA's jurisdiction. This cooperation was clearly evident in the keenness of these entities and companies to cooperate and share their views on the legislative tools drafts issued by the QFMA. All thanks and appreciation for their cooperation and their keenness to actively participate in the development of the capital market sector in the State.



Nasser Ahmad Al Shaibi

Chief Executive Officer

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**, QFMA shall specifically:

1. Regulate, control and supervise the financial markets
2. Regulate the dealing of the securities activities with fairness, competitiveness & transparency.
3. Raise public awareness of securities activities and promote in securities' investment & development.
4. Monitor the investors' dealing rules governing activities related to trading of securities & 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 & 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.

ABOUT QFMA

QATAR
FINANCIAL
MARKETS
AUTHORITY

مجلس
الرقابة
مستقلة

Raise Public
Awareness
of securities activities

تنظيم الأسواق
المالية

Monitor
the investors'
dealing

VISION

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

MISSION

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



VALUES

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

- . **Integrity** **Applying** the highest ethical standards & honesty in addressing issues and taking decisions.
- . **Excellence** **Striving** to be innovative, creative & fact-based in designing and executing the tasks.
- . **Fairness** **Being** impartial & independent in dealing with the public and relevant institutions
- . **Responsibility** **Making** decisions & executing the procedures (actions) clearly and transparently and bear the consequences.
- . **Teamwork** **Working** cooperatively and collaboratively with others to achieve mutual benefits and meet the targeted interest.
- . **Identity** **Maintain** the culture, customs and values of Qatar.

QFMA's Strategic Plan (2017-2022)

The Strategic Plan (2017-2022) is a natural extension of the first Strategic Plan, through which QFMA seeks to achieve the **following objectives:**

1. Boosting the efficiency of the institutional capacity of QFMA.
2. Enhancing the efficacy & efficiency of the market legislations.
3. Uplifting the performance efficiency of the financial services companies.
4. Developing & 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 & international organizations and institutions.
8. Building human capital's capacity.

QFMA's strategic plan is based on Five Pillars:

(1)

Qatar National Vision (QNV) 2030

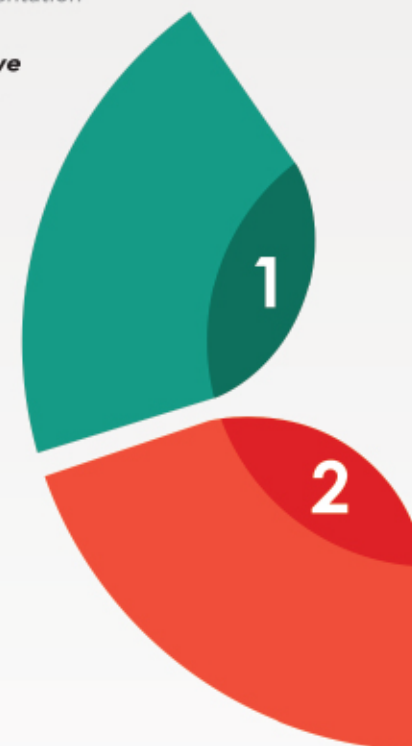
Qatar National Vision 2030 aims at transforming Qatar into an advanced country by 2030, capable of sustaining its own development and providing for a high standard of living for all of its people for generations to come. Qatar's National Vision defines the long-term outcomes for the country. It also provides a framework within which national strategies and implementation plans can be developed.

Qatar National Vision addresses five challenges facing the State of Qatar, namely:

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

The National Vision envisages the development perspectives through the following four interrelated pillars:

- * Human development
- * Social development
- * Economic development
- * Environmental development.



(2)

QFMA's Law

Article (8) of Law No. 8 of 2012, of the Qatar Financial Markets Authority granted the Board to have all authorities & powers required to manage QFMA's affairs and achieve its objectives. The first of such authorities and powers are to set the QFMA's general strategy and supervise the implementation thereof and to approve the QFMA's plans, programs & projects and follow up the implementation thereof.

(3)

Qatar National Development Strategy (QNDS)

The second Qatar National Development Strategy (2018-2022) (QNDS-2) emphasizes a number of important issues, notably the efficiency of natural resources use, the update & development of legislation and the enhancement of the real partnership between the public and private sectors.

The QNDS-2 also emphasizes financial sustainability, continued rationalization of expenditure and increased efficiency of spending and revenue to finance development programs & projects, and building planning capacity and upgrading performance & delivery as well as achieving the optimal investment for the blockade facing the State, and turning this challenge into an opportunity for steadfastness and a catalyst for building and maximizing the values of work. The QNDS-2 focuses on the human being as an instrument of development and its purpose. The State, through this strategy, focuses on promoting policy reforms and incentives, enhancing productivity at all levels, and devoting efforts to economic diversification. The QNDS-2 aims at sustaining economic prosperity through economic infrastructure development, economic diversification and private sector growth, and natural resources management. It is expected that the Qatari economy continues to grow during the strategy period due to the contribution of non-oil productive sectors, in particular the sectors of goods & services.

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(4)

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

The Second Strategic Plan for Financial Sector Regulation (SSP) has been prepared by the corporation with QCB and QFCRA. 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 & promoting regulatory cooperation. 2. Developing financial markets and fostering financial innovation. 3. Maintaining integrity and confidence in the financial system. 4. Promoting financial inclusion and financial literacy. 5. Developing human capital.

(5)

IOSCO's Objectives

QFMA's strategy is also based on achieving the objectives of the International Organization of Securities Commissions (IOSCO), which aims to set the internationally recognized standards for regulations supervision. All member States must comply with and meet the requirements of such standards. **The key objectives of IOSCO are:** 1. The protection of investors. 2. Ensuring that markets are fair, efficient & transparent. 3. The reduction of systemic risk.

Securities Licensed for Trading on the Market

- * *Shares.*
- * *Government Bonds.*
- * *Treasury Bills.*
- * *Investment Funds Units.*
- * *Real Estate Investment Funds' Units.*
- * *Rights Issue.*
- * *Bonds and Sukuk of Listed Shareholding Companies.*



Financial Services Activities Licensed by QFMA

- * *Execution of securities purchase or sale's orders for others.*
- * *Securities' trading for own account.*
- * *Investment trusteeship.*
- * *Securities' lending and borrowing.*
- * *Margin trading.*
- * *Advice on securities.*
- * *Custody services (cash or securities).*
- * *Securities' investment management.*
- * *Underwriting issuance of securities.*
- * *Securities' issuance management.*
- * *Liquidity providing.*
- * *Market making.*
- * *Operations and services conducted by regulated financial markets.*
- * *Operations and services conducted by the Depository.*
- * *Operations and services conducted by clearing companies.*
- * *Other operations, services and activities stipulated in the QFMA's rules and regulations.*

Bodies and Persons Subject to QFMA's Jurisdiction

In accordance with the provisions of Articles (13 and 14) of QFMA Regulation issued by the QFMA's Board Decision No. (1) of 2008, financial markets activities may not be carried out, in or from the State of Qatar, except by the markets & depositaries subject to QFMA's jurisdiction, and companies licensed by QFMA.

An activity shall be deemed to be an activity subject to regulation in the event that it is a licensed financial market, a depositary or anything that falls within one category or more of the activities stipulated in Appendix II attached hereof and relating to one or more of the licensed Securities or it is carried out as a business.

QFMA regulates and supervises the following:

BODIES & PERSONS SUBJECT TO QFMA'S JURISDICTION



(1) Financial Markets

Qatar Stock Exchange (QSE)

Qatar Exchange Company (Qatari Shareholding Company) was established by virtue of the decision of the Minister of Business & Commerce No. (161) of 2009 issued on 25/06/2009, published in the Official Gazette issue (1) on 25/01/2011, annexed with the articles of association after QFMA's approval.

It should be noted that QSE has converted its legal form to (a Qatari private shareholding company) pursuant to the provisions of Article 207 of the Commercial Companies Law No. 11 of 2015.

Accordingly, QSE amended its Memorandum of Association and Articles of Association and issued thereof decision of the Minister of Economy and Commerce No. (291) of 2017, article (3) provides as follows: "The conversion of the company shall not result in the emergence of a new legal entity, and the company shall retain its rights and obligations prior to the conversion. The decision shall be effective from the date of issuance and shall be published in accordance with the provisions of the Commercial Companies Law No. (11), "Article (2) of each of the Articles of Association and the amended Articles of Association of the company specify its purposes.

The following markets are licensed in QSE:

1. Main Market.
2. Venture Market (Small & Medium Enterprise "SME")
3. ETFs Market.
4. Sukuk and Bond Market (Government bonds and Treasury Bills).
5. Real Estate Funds Market.

(2) Depository & Custody

Qatar Central Securities Depository (QCSD)

The QCSD (a private Qatari shareholding company) was established by virtue of the decision of the Minister of Business and Trade No. (36) of 2012 issued on 3/06/2012, published in Official Gazette issue No.(19) on 30/12/2014.

According to article (3) of its articles of association, and Article (3) of its memorandum of association, all activities specified for the Company's purpose shall be carried out only by a license from QFMA; therefore, the Company has completed its QFMA's licensing procedures on 29/01/2013, to take responsibility of providing depository services, securities custody, transfer of ownership, registration and securities clearing operations.

(3) Listed Companies & Funds

FIRST: Listed Companies

Following the listing of Qatar Aluminum Manufacturing Company (QAMCO) during the last quarter of 2018, the number of listed companies on QSE was (46) companies with total number of shares amounted to (13,585,875,839). The total market capitalization of the listed companies' capital has reached approximately (588.72) QR billion (USD \$161.29 billion).

The listed companies by sectors as follows:

Companies Licensed by QFMA for Listing (at the end of 2018)

Company Name	Total No. of Subscribed Shares	Min. Share's Price duiring the year (QR)	Max. Share's Price duiring the year (QR)
Banks & Financial Services			
1 Qatar National Bank *	923,642,857	116.66	200.50
2 Qatar Islamic Bank *	236,293,200	92.00	160.00
3 Commercial Bank of Qatar *	404,725,375	27.00	42.49
4 Doha Bank *	310,046,702	19.75	34.98
5 Ahli Bank	210,360,435	27.30	44.49
6 Qatar International Islamic Bank *	151,368,749	49.05	68.00
7 Masraf Al Rayan *	750,000,000	33.01	42.78
8 Al khalij Commercial Bank	360,000,000	10.70	14.35
9 Qatar First Bank (QFC) *	200,000,000	3.97	7.70
10 National Leasing	49,480,200	8.40	11.70
11 Dlala Brokrage & Investment Holding	28,416,000	8.92	17.20
12 Qatar Oman Investment Company	31,500,000	5.24	8.40
13 Islamic Holding Group	5,663,581	20.70	41.50
TOTAL	3,661,497,099	---	---
Consumer Goods & Services			
14 Zad Holding	14,389,175	65.70	108.89
15 Qatar German for Medical Devices	11,550,000	4.23	6.74
16 Salam International	114,314,587	4.11	7.50
17 Medicare Group *	28,144,100	55.12	87.90
18 Qatar Cinema & Film Distribution	6,280,795	14.86	27.98
19 Qatar Fuel *	99,425,576	101.00	196.00
20 Widam Food Company	18,000,000	56.51	77.00
21 Mannai Corporation	45,619,200	43.08	68.00
22 Al Meera Consumer Goods	20,000,000	133.21	163.50
TOTAL	357,723,433	---	---

* The Company within the General Index at the end of 2018

Company Name	Total No. of Subscribed Shares	Min. Share's Price during the year (QR)	Max. Share's Price during the year (QR)
Industrials			
23 Qatar Industrial Manufacturing	47,520,000	37.00	45.45
24 Qatar National Cement	65,352,894	53.00	71.98
25 Industries Qatar *	605,000,000	92.10	144.97
26 Qatari Investors Group (Al-Khaliji Holding previously)	124,326,778	27.65	41.65
27 Electricity & Water *	110,000,000	170.01	205.25
28 Aamal	630,000,000	7.77	11.65
29 Gulf International Services Company *	185,840,869	16.20	21.50
30 Mesaieed Petrochemical Holding *	1,256,317,500	12.50	17.90
31 Investment Holding Group	83,000,000	4.80	6.85
32 Qatar Aluminum Manufacturing Company "QAMCO"	558,012,000	11.81	18.90
TOTAL	3,665,370,041	---	---
Insurance			
33 Qatar Insurance *	318,905,875	32.80	61.00
34 Doha Insurance	50,000,000	12.03	15.38
35 Qatar General Insurance & Reinsurance	87,506,703	38.07	50.99
36 Alkhaleej Takaful Group	25,527,902	8.00	14.37
37 Qatar Islamic Insurance	15,000,000	47.50	60.00
TOTAL	496,940,480	---	---
Real Estate			
38 United Development Company *	354,086,250	13.60	17.65
39 Barwa Real Estate *	389,124,637	31.51	40.75
40 Ezdan Holding Group	2,652,496,691	7.81	13.40
41 Mazaya Qatar Real Estate Development	115,762,500	6.33	9.30
TOTAL	3,511,470,078	---	---

* The Company within the General Index at the end of 2018

Company Name	Total No. of Subscribed Shares	Min. Share's Price duiring the year (QR)	Max. Share's Price duiring the year (QR)
Telecoms			
42 Ooredoo *	320,320,000	65.71	102.99
43 Vodafone Qatar *	845,400,000	6.30	9.76
TOTAL	1,165,720,000	---	---
Transportation			
44 Qatar Navigation *	114,525,200	51.11	76.32
45 Gulf Warehousing	58,603,148	35.7	51.80
46 Qatar Gas Transport (Nakilat) *	554,026,360	13.55	18.90
TOTAL	727,154,708	---	---

* The Company within the General Index at the end of 2018

SECOND: Listed Funds

On June 6, 2012, the QFMA Board chairman issued Listing of Investment Funds' Units Rules by Decision No. (1) of 2012. On 10/6/2015, the QFMA's Board issued Listing Rules for Real Estate Investment

Funds' Units by Decision No. (1) of 2015.

There are two ETFs listed on QSE:

- * QE Index Exchange Traded Fund (QETF).
- * Al Rayan Qatar ETF (QATR).

(4)

Financial Services Companies

In accordance with Article 3 of Financial Services Rulebook issued by the QFMA's Board No. (5) of 2009, no person shall conduct, in or from the State of Qatar,

financial services activities without having a license issued by QFMA.
The companies licensed to conduct financial services activities are the following:

Company Name	Activity
1 The Group	1 Execution of securities purchase or sale's orders for others
	2 Securities' trading for own account
	3 Liquidity providing
	4 Securities' investment management
	5 Margin trading
	6 Securities' lending and borrowing
	7 Securities' issuance management
	8 Advice on securities
2 Commercial Bank Financial Services	1 Execution of securities purchase or sale's orders for others
	2 Securities' trading for own account
	3 Liquidity providing
	4 Margin trading
3 QNB Financial Services	1 Execution of securities purchase or sale's orders for others
	2 Securities' trading for own account
	3 Advice on securities
	4 Margin trading
4 QINVEST	1 Investment trusteeship
	2 Underwriting issuance of securities
	3 Securities' issuance management
	4 Advice on securities
5 Dlala Brokrage	1 Execution of securities purchase or sale's orders for others
	2 Securities' trading for own account
	3 Securities' investment management

Company Name	Activity
6 Qatar Securities Co.	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account 3 Advice on securities
7 Islamic Financial Securities Company	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account
8 Al Rayan Investment	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account
9 International Financial Securities	1 Securities' investment management 2 Securities' trading for own account
10 Dlala Islamic Brokrage *	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account
11 Gulf Investment Group	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account
12 Ahli Brokerage Company	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account
13 Al Rayan Brokerage Trading**	1 Execution of securities purchase or sale's orders for others 2 Securities' trading for own account
14 QNB Capital	1 Advice on securities 2 Securities' issuance management
15 Amwal LLC	- Securities' investment management
16 HSBC	- Custody services (cash or securities)
17 Standard Chartered Bank	- Custody services (cash or securities)
18 Qatar National Bank	- Custody services (cash or securities)
19 PKF	- Securities' issuance management

* Holding Company Board (QSC) decided at its meeting No. (5) of 2017 to merge Dlala Brokerage and Dlala Islamic Brokerage. QFMA initially approved the merger on 10 January 2018. The last trading day was on 06 September 2018.

** The company's licensed activities have been suspended upon their request for two years ending on February 22, 2019

(5)

External Auditors

Persons licensed to carry out the works of revision and audit of financial statements and reports, to

express an opinion.

The external auditors registered at QFMA:

Entity Name	Registration Date
1 Rodl & Partner	25/01/2015
2 Talal Abu-Ghazaleh & Co	09/03/2015
3 Ernst & Young	09/03/2015
4 KPMG	09/03/2015
5 PricewaterhouseCoopers	24/03/2015
6 Deloitte & Touche	24/03/2015
7 Saoud Abdullah Al-Henzab Certified ACC	21/12/2015
8 Morison Menon Chartered Accountants & Partners	31/12/2017
9 ACCESS MOORE STEPHENS W.L.L.	16/07/2018

(6)

Financial Evaluators

Persons licensed to prepare evaluation studies for any process related, directly or indirectly, to listed

entities or entities subject to QFMA's jurisdiction.

The financial evaluators registered at QFMA:

Entity Name	Registration Date
1 Rodl & Partner	25/01/2015
2 Deloitte & Touche	26/01/2015
3 Ernst & Young	09/03/2015
4 KPMG *	09/03/2015
5 PricewaterhouseCoopers *	24/03/2015
6 ACCESS MOORE STEPHENS W.L.L	08/10/2015
7 Saoud Abdullah Al-Henzab Certified ACC	21/12/2015
8 PKF	10/04/2016
9 Morison Menon Chartered Accountants & Partners *	15/11/2017

* Company registered in Qatar Financial Centre (QFC)

(7)

**Offering Managers and Listing Advisors
in the Main Market**

The Issuer, in accordance to the application submitted to QFMA for offering and listing of securities on the market, shall appoint an offering manager or a listing

advisor to perform the tasks specified in Article (11) of Offering and Listing of Securities Rulebook issued by QFMA Board Decision No. 3 of 2010 as amended.

The list of Offering Managers & Listing Advisors registered at QFMA:

Company Name	Activity
1 The Group	- Securities' issuance management - Advice on securities
2 QNB Capital	- Securities' issuance management - Advice on securities
3 Qinvest	- Securities' issuance management - Advice on securities
4 Al Rayan Investment	- Securities' issuance management
5 PKF	- Securities' issuance management
6 QNB Financial Services	- Advice on securities
7 Qatar Securities Co.	- Advice on securities

(8)

**Listing Advisors in the Second Market
(Venture Market)**

The Issuer, in accordance to the application submitted to QFMA for offering and listing of securities on the market, shall

appoint a listing advisor to perform the tasks specified in Article (11) of Offering and Listing of Securities Rulebook "Second Market" issued by QFMA Board Decision No. 2 of 2011 as amended.

The list of Listing Advisors registered at QFMA:

Entity Name	Registration Date
1 Deloitte & Touche	18/05/2015
2 Rodl & Partner	18/05/2015
3 KPMG	18/05/2015
4 ACCESS MOORE STEPHENS	10/04/2016
5 PricewaterhouseCoopers	08/09/2016

(9)**Custodians**

The Custodians conduct 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.

The custodians licensed by QFMA:

1. **Qatar National Bank**
2. **HSBC**
3. **Standard Chartered Bank**

(10)**Approved Individuals & Regulated Functions**

An approved individual is any natural person who has received a license or an approval from QFMA for conducting the regulated functions specified in Article (7) of Appendix Two of the Financial Services Rulebook issued by the QFMA's Board Decision No. 5 of 2009.

(11)**Participants Dealing in Securities**

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

QFMA
Key Committees

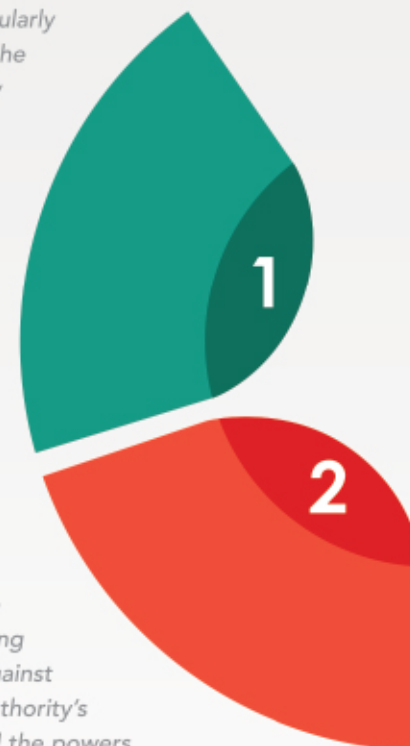
QFMA KEY COMMITTEES

(1)**Investigation Committee**

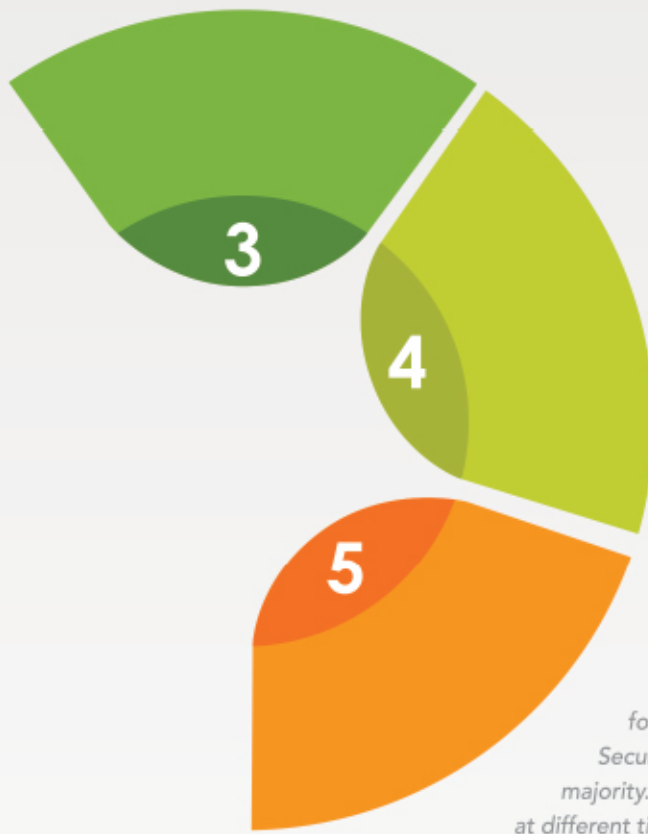
It shall have the power to conduct investigations into violations, complaints or any other matters assigned by the CEO.

The Committee shall submit its reports in this regard.

The Committee shall submit a written report to the CEO including the investigation result, particularly a description of the violation subject of the investigation, names of the violators, a summary of the procedures that have been done as well as the result reached & the recommendations.

**(2)****Disciplinary Committee**

It shall be the sole party responsible for considering the matters referred to it by the Chief Executive Officer (CEO) or his designee with respect to violations and complaints along with settling complaints and appeals against decisions of those subject to the Authority's jurisdiction. The Committee shall have all the powers for disciplinary and enforcement of the procedures and the penalties prescribed in the law of Qatar Financial Markets Authority along with its amendments, regulations, rules and decisions issued in pursuance hereof. The decisions of the Committee shall be passed by the majority of opinions and it is possible to appeal against the decision of the Disciplinary Committee within 15 days of receiving the decision notice.

**(3)****Appeals Committee**

It shall have the power to decide appeals of punitive decisions issued by QFMA. It shall be chaired by one of the presidents of the Court of Appeals and shall include the 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 decisions of the Committee shall be passed by the majority of votes and its decisions shall be final in this regard and it is possible to appeal against the decision before the Court of Appeals.

(4)**Dispute Settlement Committee**

It shall have the responsibility to settle disputes arising from transactions relating to securities in financial markets by arbitration in accordance with the procedures set forth in Regulations for Settlement of Disputes Arising from Transactions Related to Securities by Arbitration. The Committee shall issue its decisions and awards by the majority. The Committee may issue separate final decisions and awards on relevant matters at different times during the consideration of the dispute and it may issue a decision to approve amicable settlement at the request of one of the parties

(5)**Licensing Committee**

It shall be responsible for considering license applications submitted to QFMA by the entities wishing to perform any of the financial services activities that subject to QFMA's license, as well as applications of approving the individuals conducting any of the regulated functions, renewal applications, registration applications for external auditors and financial evaluators. The Committee shall also consider applications for listing securities.

The Committee shall submit a report to the CEO including the opinion and recommendation for each application.

QF



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QFMA's
Representation
Locally & Internationally

2018



(1)**Financial Stability & Risk Control Committee (FSRCC)**

The Committee shall study the potential risks resulting from all services, works, activities, and financial markets and issue relevant solutions and proposals, 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 & supervisory environment. It also shall propose policies relating to organization, control and supervision, including licensing and anti-money laundering and other policies pertaining to services, works, activities and financial markets. The Committee shall submit its recommendations & proposals thereon to the Board of Directors of Qatar Central Bank for approval and follow-up the implementation thereof.

QFMA is also represented by the following subcommittees:*** Sub-Committee for Financial Stability and Risk Control:**

The Committee is responsible for the preparation of the Financial Stability Indicators report, which addresses a number of issues, including a summary of global risk levels and risk expectations, a comprehensive map of the key developments and risks related to financial stability, a regional map on key financial stability developments and risks, focusing on the MENA region and the GCC, as well as the key risks to Qatar's financial stability, levels and trends of macroeconomic and local risk, with specific benchmarks and indicators for the banking, insurance and capital markets, and risk outlooks in Qatar.

**FIRST
Locally***** Financial Stability & Financial Control Committee (Supervisory Committee):**

The Committee shall assist in addressing issues arising under Article 116 of Qatar Central Bank Law to create a harmonized and cooperative control environment among the regulators in the State. The Committee shall make recommendations on regulatory and supervisory policies for the purpose of enhancing consistency & mitigating potential risks to the financial system, promoting a coherent & cooperative regulatory environment in the State, providing open exchange of information among Members in respect of regulatory developments & supervisory concerns relating to or affecting entities subject to supervision, proposing an amendment to the regulatory policy to remove any arbitration, as well as carrying out any other tasks as determined by the FSRCC from time to time.

(2)**Information Security Committee in the Financial Sector**

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 & standards for the financial sector in the State.

(3)

The National Anti-Money Laundering & Terrorism Financing Committee (NAMLC)

The National Anti-Money Laundering and Terrorism Financing Committee (NAMLC) was formed under the chairmanship of the Deputy Governor of Qatar Central Bank (QCB). NAMLC is comprised of 14 government ministries and authorities, including entities of law enforcement, financial and non-financial regulators, and other government institutions related to AML / CFT. The Committee coordinates with various authorities in the State to combat money laundering and terrorist financing crimes & it is also responsible for international co-ordination with counterpart regional & international organizations to unify their efforts for combating money laundering & terrorism financing.

(4)

Financial Sector Strategy Working Group

The working group that prepared the Second Strategic

Plan for the financial sector regulators (2017-2022), and proposes the mechanism for implementation of the plan and stages of implementation, and any related topics.

(5)

Single Window Working Group

This group considers applications for listing of securities in the market in order to facilitate the procedures and decide quickly thereon for such applications.

(6)

Corporate Social Responsibility Working Group - Qatar

This group is responsible in proposing and drafting the principles and standards of corporate social responsibility in the State. It was formed under the chairmanship of the Ministry of Economy and Trade. It includes a number of concerned ministries and government entities, and representatives of the Qatari private sector.

(7)

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.

(1)

**International Organization
of Securities Commissions
(IOSCO), Spain****SECOND**
Internationally

QFMA became an IOSCO member in 2013 and gained the Ordinary Membership. Since then it has been pursuing a continuity application of the best international standards and practices in the Qatari capital markets sector as part of the constant efforts of QFMA to develop rules and regulations related to strengthening the legislative structure of the financial markets and to maintain supporting the upgrade of Qatari capital markets as well as to stabilize its status in emerging markets reaching the developed markets level.

QFMA participated in the IOSCO key Committees, including:*** Presidents Committee**

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

*** Growth & Emerging Markets Committee (GEMC)**

It is the largest committee within IOSCO, representing over 75% of the IOSCO's ordinary membership. The GEMC comprises 88 members of the 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 and 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.

*** MMoU Monitoring Group**

In 2013, QFMA signed the Multilateral Memorandum of Understanding (MmoU) which aims to strengthen relations with the IOSCO Members. This Memorandum represents a key framework for international cooperation among all Members, which has a membership of more than 120 members, including 6 new members who joined during 2018.



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.

*** 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 & proposals to keep abreast of developments in capital markets around the world.

The IOSCO is the highest international professional organization in the field of regulation and supervision of financial markets. It brings together the world's securities regulators and is recognised as the global standard setter for the securities sector. It was established in 1983 in Madrid, the Spanish capital, and its membership includes 120 securities regulators.

The IOSCO aims to set the internationally recognized standards for regulations supervision and international corporations as the international umbrella body of all securities regulators at the international level. It also aims to strengthen the effectiveness of financial market regulators to detect and combat cross-border financial crimes, and ensuring that the laws of such regulators are enforced against cross-border offenders.

The most important type of cooperation in force in the organization is the commitment of the Members to 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. The Organization is working to enforce the provisions of the Memorandum of Understanding to establish its importance

among countries, the effectiveness of the Organization and to recall the importance of joint action and international cooperation. All members shall provide assistance to each other in investigations and exchange of information to ensure the enforcement of rules & regulations, protect markets and prevent offenders from escaping across international borders or repeating their violations in other States.

QFMA is keen to maintain its IOSCO membership and participate in its committees and projects because it 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 which led enhance plans of the development of Qatar Stock Exchange, the upgrade to emerging markets and the global market, attracting foreign investment and encouraging investors of all categories to deal with the local market.

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.

QFMA'S REPRESENTATION INTERNATIONALLY




(2)

Association of National Numbering Agencies (ANNA)



QFMA signed a partnership agreement with ANNA joined its membership in 2015. 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. Accordingly, 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.

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.

One of its main objectives is to cooperate with every country that takes on 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.

Last but not least, each nation that participates in the common financial language adds to and profits from global understanding of opportunity and risk in the markets.

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 QFMA's objectives and aspiration. 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.

(3)

**The Union of Arab
Securities Authorities
(UASA)**

اتحاد هيئات الأوراق المالية العربية
UNION OF ARAB SECURITIES AUTHORITIES

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.

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

(4)***The Islamic Financial Services Board (IFSB)***

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 and meetings organized in different countries throughout the year.

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.

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

QFMA's Efforts during 2018

QFMA, with its various departments and committees, is exerting efforts to implement its responsibilities and functions set out in Law No. 8 of 2012 of Qatar Financial Markets Authority, as amended by Decree-Law No. 22 Of 2018.

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.

As part of achieving the objectives of its strategic plan 2017-2022, QFMA witnessed in 2018 as one of the most important years of its successful career and achievements in its most activities and business areas:



GLOBAL
MONEY
WEEK

QFMA's
EFFORTS

2018





OBJECTIVE 1

Boosting the efficiency of
the institutional capacity of QFMA

Sub-Objectives

Sub-Objective (1)

*Establish a clear & stable mechanism
for law formulation at QFMA*

* Legislations

In order to strengthen QFMA's regulatory and supervisory role over the Qatari capital market, and in the light of its constant care to update the promulgated legal legislations, QFMA issued the following decisions:

- Decision No. 1 of 2018 Concerning the Amendment of Some Provisions of Rules & Procedures of Complaints.
- Decision No. 2 of 2018 Concerning the Amendment of Some Provisions of Investigation Committee Procedures.

The two decisions were published in the Official Gazette No. (03) on 7/02/2018.

- Decision No. (03) of 2018 Concerning the Issuance of Omnibus Orders Rules. It has been published in the Official Gazette No. (17) on 18/11/2018.
- Decision No. (4) of 2018 concerning Amendment of Some Provisions of Offering & Listing of Securities Rulebook, which was published in the Official Gazette No. (05) on 7/03/2019.
- Decision No. 5 of 2018 concerning Amendment of Some Provisions of Offering & Listing of Securities Rulebook "Second Market" which was published in the Official Gazette No. (05) on 7/03/2019.

* **The Split of the Nominal Value of QSE Listed Companies' Shares**

QFMA announced on June 7, 2018 that it is working in developing the procedures and the appropriate mechanisms to regulate the process regarding the split of the shares' nominal value of QSE listed companies to become one riyal per share instead of 10 riyal.

This step comes as a part of performing QFMA's regulatory and supervisory role over the capital market in the State. Through this step, QFMA seeks to increase the prospects for investment in the financial market, expand the shareholders base, attract more small investors, give more choice

opportunities for all participants dealing in QSE, and increase the liquidity and turnover ratio of shares listed on the market.

QFMA is exerting more efforts to achieve its mission that aims to regulate and develop the capital market in line with QFMA's Strategic Plan, which is in harmony with the Financial Sector Plan in the State. The split of shares' nominal value is a measure taken to achieve several objectives, namely the most important: the reduction of the share price, and increase the number of shares, in order to allow the largest number of investors to trade shares.

Sub-Objective (2)

Increase communication with market participants

* **Public Consultation**

QFMA is keen to consult all concerned parties in the capital markets, regarding the legal legislations that aim to enhance confidence in the financial markets mechanisms and to protect security dealers in a manner that ensures the stability of such markets.

In order to reduce the risks may face such markets, QFMA published the two draft rules "the Listing Rules for Funds' Units" and " Governance Code for Listed Funds" on its website to receive the opinions of the investors and participants dealing in the financial markets on the drafts. It also sent a copy of the two draft rules to all concerned parties to give their opinions and comments therefore.



OBJECTIVE 2

Enhancing the Efficacy and the Efficiency of Market Legislation

Sub-Objectives

Sub-Objective (1)

Develop a dispute settlement mechanism among financial markets' participants

* Complaints of the Market's Participants

Whoever considers himself subject to a material damage caused by the conduct or act of others or resulting from their failure to fulfill any certain mission they were entrusted with shall have the right to lodge a complaint in this regard.

As per the rules and procedures of the complaints, the competent department shall prepare a final report on each complaint supported by the technical

view upon examining their facts, the collected evidences and the complainant's comment. The total complaints received during the year was (28), all of which were duly action according to each complaint subject.

*** The investigation of violations of the QFMA's Law, regulations & legislations**

During the year, the Committee conducted (15) investigations of violations, referred (10) to Disciplinary Committee, kept (4) cases and adjudicated one case by directing a warning.

*** Disciplinary**

The committee held (6) hearing, and (11) violations were recorded in the Committee's record during the year, and (19) violation were adjudicated.

*** Appeals**

The total of appeals and requests of a stay of QFMA proceedings considered by the Appeals Committee and adjudicated were (14). (8) appeals registered in the appeals record, (5) request of a stay of QFMA proceedings were submitted to the Committee, one appeal were referred by the court to be adjudicated.

During the year, the Committee held (15) meeting and (6) hearings.

Sub-Objective (2)

Build a constant assessment framework for Anti-Money Laundering & Combating Terrorist Financing

QFMA works to combat the causes of financial crimes related to financial markets and exerts its regulatory efforts to ensure compliance by those subject to its jurisdiction with the implementation of their AML / CFT programs and to continuously develop and update such programs in accordance with the requirements set by QFMA and as per relevant international best practices. For this purpose, An Anti-Money Laundering Section was established in QFMA's Inspection & Surveillance Department.

As part of the update of the QFMA's legislative system related to anti- money laundering and combating terrorism financing, QFMA has undertaken the following:

*** Update the AML/CFT Rules and improve the internal procedures**

QFMA reviewed the AML / CFT Rulebook issued in 2010 and decided to prepare a new legislative instrument "AML / CFT Rules" in accordance with international provisions and requirements in light of the latest comparative legislation in this regard.

For improving the internal procedures, QFMA participated in cooperation & coordination with the financial sector regulators in the preparation of three guidelines for the financial sector institutions on AML / CFT and risk methodology:

- Guidance on Beneficial Ownership of Legal Persons and Legal Arrangements.
- Guidance on the Risk-Based Approach
- Guidance on Customer Due Diligence

QFMA also issued instructions to the entities subject to its jurisdiction to update their own AML / CFT policies and procedures, develop the risk-based assessment mechanism, update all used technical work systems, customer data in accordance with the QFMA's relevant regulations, and set a time schedule for updating plans according to the self-assessment process.

*** Issue circulars of instructions by the National Counter Terrorism Committee (NCTC) and The National Anti-Money Laundering & Terrorism Financing Committee (NAMLC),**

as a part of their implementation of Security Council resolutions related to combating terrorism and the proliferation, and to guide the need for immediate action and to inform QFMA of the measures taken.

*** Participation in the work of the Financial Action Task Force (FATF) and the MENA Financial Action Task Force (MENAFATF)**

QFMA participated in the FATF-MENAFATF Joint Plenary in June 2018 at the Organization for Economic Co-operation & Development (OECD) in Paris.

QFMA participated actively in all the consultative meetings and training workshops organized by NAMLC with the invitation of its licensed entities and provided continuous support to them in order to effectively develop their practices in accordance with the FATF requirements & the international standards in the field of capital markets including the IOSCO principals & standards.

In the same context, following-up of AML/CFT is carried out through a continuously updated action plan consistent with QFMA's Strategy 2017-2022 and arising from the self-assessment of its AML/CFT program by measuring QFMA's compliance with technical recommendations of FATF Forty Recommendations.

The statistical data, including monitoring work in accordance with the NAMLC, have been adopted and follow-up on providing them periodically to prepare for the joint assessment process expected by FATF to the State of Qatar.

Sub-Objective (3)

Enhance disclosure policies of listed companies

* Disclosure

Each issuer of any of the securities listed and traded on the Market shall immediately notify the QFMA and the Market by any means available about any events or information that may affect the securities prices in accordance with the provisions of the immediate and periodic disclosure specified in the QFMA's legislations.

Immediate Disclosures

It relates to any news would affect the security price, so it should be disclosed immediately. In order to keep the investors informed of all investment information in a timely manner without delay, QFMA has followed up the immediate disclosures of all companies subject to its jurisdiction to ensure their compliance with disclosure and governance principles. The violations related to the delay of immediate disclosure were identified & all necessary procedures were taken accordingly.

Periodic Disclosures

It relates to the disclosure of periodic reports that include financial statements and the basic data.

* Financial Statements

QFMA conducted a review of the companies' financial statements verifying their compliance with the disclosure requirements, the extent of their compliance with the international accounting & auditing standards, their analysis of the financial periods and followed-up such companies to provide QFMA with their statements within the allowed period as well as prepared reports with the appropriate recommendations thereon.

The total number of companies that are required to disclose their financial statements is: 45 listed companies, excluding QAMCO, which was listed on 16 December 2018, 2 investment funds and 21 licensed companies.

The percentages of listed companies

- That made profits during the year varied between 89% and 91%.
- That recorded losses during the year varied between 9% and 11%.
- That complied with QFMA's regulations on the disclosure model (100%).
- The number of external auditors' reports for the listed companies were (184) including (14) with notes, as follows:
 - (4) Reports of "Draw Attention".
 - (6) Reports of "Qualified".
 - (4) Reports of "Emphasis of matters without qualifying".

* Basic Data

The compliance culture of the companies has been enhanced by providing us twice a year with basic data, which have a key role to assess companies' compliance with the Governance Code. These documents consist of several data such as information of Boards members of companies, the Board secretary, the articles of association, the commercial register, and other documents necessary to facilitate the internal role of QFMA's departments. QFMA received the updated basic data for all (46) companies listed in the market, (2) investment funds, (21) licensed companies, (10) companies of external auditors and (9) companies of financial evaluators twice during 2018.

Sub-Objective (4)

Strengthen the governance framework & codes for companies & entities subject to QFMA's supervision

* Governance

System by which a company is directed and controlled. The governance specifies the foundations and principles of the distribution of rights and responsibilities among the different participations in the Company – such as the Board of Directors, managers, shareholders and other Stakeholders – and spells out the rules and procedures for making decisions of the Company's affairs.

The implementation of the Governance Code has several positive results, including:

- Raising performance of listed companies
- Improving the accuracy of financial statements
- Enhancing transparency of the investor

QFMA monitors the compliance of the companies and entities subject to the QFMA's jurisdiction with corporate governance principals. It also receives corporate governance reports and ensures that they are issued at the required time determined by the Governance Code as well as reviews and evaluates the governance reports, and ensures their fulfillment of the procedures, and the information and data required.

Statistics of Governance

Listed companies have complied with submitting corporate governance reports for 2017 to QFMA and disclosing about such reports by publishing on their websites.

Ordinary and Extraordinary General Assemblies

- Listed companies approved corporate governance reports of 2017 at their ordinary general assembly.
- The Extraordinary General Assemblies of the listed companies have come to reconcile their positions to conform with Governance Code for Companies and Legal Entities Listed on the Main Market, as follows:

Companies held	Companies did not held
(41) companies held "Extraordinary General Assembly" to reconcile their positions with the new Governance Code.	(4) companies declared they did not need to hold an extraordinary general assembly because they are basically compatible with the Governance Code
(7) companies of them declared their compatibility with Governance Code without the need for any amendment on the articles of association.	

The total percentage of mandatory compliance with the Governance Code provisions of all the **45 listed companies was 84.3%**

Sub-Objective (5)

Promote and support social responsibility programs

QFMA is keen to involve the local community in many social activities and events that play a major role in enhancing its effectiveness as a link between all parties and stakeholders in the local markets. Such of these events includes:

*** Laying out the foundations of the basic principles of CSR**

QFMA participated actively in the Joint Governmental Group to propose the principles of Corporate Social Responsibility (CSR) in the State and presented its proposals and views on such principles in the light of international best practices.

*** Blood Donation Drive**

QFMA participated in a blood donation drive organized by the Qatar Financial Center Regulatory Authority (QFCRA) and QFC entities. The drive was held in cooperation with Hamad Medical Corporation's Blood Donor Unit on 1 April 2018. The initiative aimed to shore up national blood reserves and create wider awareness of the need for regular blood donations, given the short shelf-life of blood and blood products.

*** Awareness Seminar**

In May, QFMA organized two awareness seminars for its male and female staff in coordination with Qatar Charity.



3

OBJECTIVE 3

Uplifting the performance efficiency
of the financial services companies

Sub-Objectives

Sub-Objective (1)

Increase the effectiveness of the operational framework of QFMA's licensees to provide high quality services

* **Granting Licenses of Financial Services Activities and Approvals of Individuals**

QFMA considers licensing applications submitted by the company & approval applications submitted by the individuals for performing any of the regulated functions, as well as the applications for renewal thereof.

Approved Individuals

The number of individuals approved by QFMA during the year were (54) individuals as follows:

(19) Board members, (1) Managing Director, (1) General Manager, (3) Chief Executive Officers (CEO), (1) Deputy CEOs, (1) Financial Manager, (4) Compliance Officers, (5) Money Laundering Reporting Officers (MLRO), (5) Deputy MLROs, (2) Internal Auditor, (4) Financial Advisors, (2) Financial Analysts, (1) Investment Manager, (2) Back Office Operations Manager, (2) Broker Representatives and (1) Custodian Representative.

Agents for Financial Services Companies

The number of licenses granted to the activity of agents for financial services companies during the year was two licenses.

Electronic Service

QFMA is keen to provide its services electronically to the licensees with quality, efficiency and high speed, including:

- 1- Application for licensing & registering (14) financial services activities.*
- 2 - Application for approving individuals to perform (19) regulated functions.*



4

OBJECTIVE 4

Developing and Improving the
Financial Services and Products
Provided to Investors

Sub-Objectives

Sub-Objective (1)

*Receive, review & approve new
listing applications, applications
of related activities and raise
awareness*

Listing securities whether for new or existing companies in the Qatari market contributes to the diversify investment products for investors, create more activities that can perform, create new opportunities can contribute to attracting more domestic and foreign capitals, as well as its significant role in attracting new shareholders by expanding the sectors base in which to invest.

*** Offering & Listing Applications**

QFMA approved on the application of Qatar Aluminum Manufacturing Company (QAMCO) for offering and listing 49% of its shares on 5 December 2018 and the commencement of trading on 16 December 2018. QAMCO is one of the largest and most competitive aluminum producers in the region and one of Qatar Petroleum's most successful projects in the manufacturing sector.

The company's issued capital is QR 5.58 billion divided into 558,011,999 ordinary shares with a nominal value of QR 10 and one special share. 284,586,119 ordinary shares and one special share were allocated to Qatar Petroleum while the remaining 273,425,880 as offering shares.

245,525,280 shares allocated to individuals representing 44% of the offering shares and 27,900,600 shares allocated to specified institutions representing 5% of the offering shares. The maximum number of subscription applications was 11,160,200 shares.

Ownership of more than 2% of the Company's shares is prohibited except for Qatar Petroleum and its subsidiaries and any entities notified about by Qatar Petroleum. The company provides non-Qatari ownership of 49% of its traded shares.

*** Acquisition and Merger**

During the year, QFMA considered 10 applications of mergers and acquisitions, and one application for merger. The value of the implemented acquisitions was (QR 3.5 billion), covering the sectors of Industrials, Real Estate, Transportation, Consumer Goods & Services, Banking & Financial Services, as follows:

Acquisitions**Five acquisitions submitted during 2018****- Three completed operations**

- 1- A direct acquisition in the State in Industrial sector worth QR (33) million.
- 2- A direct acquisition in the State in Real Estate sector worth QR (2.81) billion.
- 3- An indirect acquisition outside the State in Transportation sector worth QR (18.95) million.

- Two withdrawn acquisitions

- 1- A direct acquisition outside the State in Banking & financial Services sector.
- 2- An indirect acquisition in the State in Real Estate sector.

Five acquisitions submitted before 2018 followed up during the year**- Two acquisitions were completed**

- 1- A direct acquisition outside the State in Consumer Goods & Services worth QR (357.31) million.

2- A direct acquisition outside the State in Banking & Financial Services sector amounting to QR (318.55) million.

- Two acquisitions were followed up

1- An indirect acquisition outside the State in Transportation sector.

2- An indirect acquisition outside the State in Industrials sector.

- One Acquisition was withdrawn

1- A direct acquisition outside the State in Banking & Financial Services sector.

Mergers

One merger within the State in Banking and Financial Services sector was submitted before 2018 and has been withdrawn.

Sub-Objective (2)

Develop new financial instruments & products

* Listing of traded index funds

At the beginning of the year, QFMA approved on listing the following fund's units:

Qatar Exchange Traded Fund - QE Index ETF (QETF)

This fund was listed as a part of QFMA's efforts to develop the Qatari capital market and maintain its regional & international gains to support the competitiveness of the capital market in the State as well as the

diversity of investment products in the Qatari capital market. It tracks the general index of QSE and measures the price performance of the 20 largest & most liquid Qatari listed companies. The Fund is Founded by Doha Bank and managed by Amwal LLC.

Al Rayan Qatar ETF (QATR)

Al Rayan Qatar ETF tracks the performance of QE Al Rayan Islamic index (Price) (the 'Index'), which consists of listed Qatari companies that comply with Islamic Shari'a. It is the largest Islamic investment fund traded in one country in the world.

Al Rayan Qatar ETF is contributing to a Shari'a-compliant investment strategy that provides a tool for investment diversification on QSE.

The Founder is Masraf Al Rayan & the Fund Manager is Al Rayan Investment LLC.

Sub-Objective (3)

Educate the investors about the types of financial services

QFMA is continuously exerting more efforts to raise awareness level among investors and all relevant parties and promote servicing the investors' rights to contribute in the development of Qatari financial

markets. Therefore; QFMA believes that its role exceeds issuing legislation or regulating transactions in the market, and should extend to raise the level of investment awareness among the public and improve knowledge and skills of the professionals dealing in the financial markets. From this point, QFMA organizes various events, and participates in many different events that reflect their interest in spreading and supporting awareness culture of **its activities**.

1- The IOSCO World Investor Week

QFMA inaugurated the IOSCO World Investor Week by launching a number of events from 2 to 4 October 2018, starting with the 2nd Corporate Governance Conference held on October 2, 2018, to a number of specialized workshops held over two days.

IOSCO Members

- * Mr. Abdelhakim Berrah, Chairman of the Algerian Securities Authority – COSOB – Algeria.
- * Mr. Saleh Al Sayel, Chairman of Capital Market Authority, Tunisia.

Local Entities

Qatar Stock Exchange (QSE), Qatar Central Securities Depository (QCSD), Financial Services Companies, Qatar National Accountants Association, Eversheds Sutherland-Qatar, KPMG, Swiss Business University, PWC, Qatar Airways, Al-Rayyan Investment Company, Sulaiti Law Firm, Oreedoo, CFA Society Doha, Qatar Insurance Company, Deloitte & Touche,

Qatar Financial Center, College of Business & Economics - Qatar University, National Anti-Money Laundering & Combating Financing of Terrorism, Qatar Financial Center Regulatory Authority, College of Law - Qatar University, HSBC Middle East.

International Entities

Representatives from Norwegian Business School, International Finance Corporation (IFC), Oman Center for Sustainability and Governance, Govern, and CFA London.

* IOSCO World Investor Week

- The 2nd Corporate Governance Conference

The conference was officially opened with the attendance of local and international financial sector VIPs.

As part of the joint international cooperation, QFMA invited members of the IOSCO-AMERC Committee.

The conference hosted a number of industry leaders, board members of listed companies, market participants & investors from the public who came to the event through media coverage for more than a month, as well as invitations to all relevant sectors within the financial markets, the number of attendees exceeded 300 people.

QFMA through the conference aimed to raise investor awareness and highlight the importance of investors' role & rights, including developments in the new Corporate Governance Code on disclosure and transparency in the Qatari capital market, as well as the contribution to increase the efficiency of financial markets.

The speakers enriched the conference with discussions specialized with their various experiences on **the conference key topics** such as:

- Article (8) of Governance Code, which clarifies the Board membership inside & outside the company, the role of the market, the role of QCSD, the role of the person in charge for communication & penalties.
- Scope of implementation of the governance and compliance with its principles, including the Board of Directors, the company's control system, disclosure & transparency, stakeholders' rights, implementation of governance in the main market and the venture market.
- Article (24) Control, which shows functions and responsibilities of the external auditor.
- Environmental, social and governance (ESG) contribution to the sustainability of markets, which highlighted the principles of sustainable development, the importance of reporting, & performance indicators.
- The speaker concluded the conference sessions with the priority of investor protection, which discussed how to promote and serve investors' rights in order to contribute to the development of financial markets in Qatar.

- The Specialized Workshops

The World Investor Week continued through the launch of several specialized workshops that lasted over two days, achieving a great success by attracting more than 130 participants. The workshops discussed several main topics of utmost importance to the investors of the Qatari capital market, including:

- Governance Internal Reporting Workshop: which included old & new reporting, challenges in reporting, and recommendations for implementation.
- Governance External Reporting Workshop: which included challenges in reporting, and recommendations for implementation.
- Investment Portfolio Management: Instrument and Principles.
- Stock Split: the workshop addressed the appropriate mechanisms to

regulate this process to make the nominal value of all listed shares in the exchange one riyal per share, and QFMA's efforts to increase the prospects for investment in the financial market, expand the shareholders base, attract more small investors, give more choice opportunities for all participants dealing in QSE, and increase the liquidity & turnover ratio of shares listed on the market.

- Anti-Money Laundering and Combating Financing of Terrorism, which included two sessions, the first focused on the role of National Anti-Money Laundering (NAMLC), and the other on readiness of licensees to MER process "Mutual Evaluation Review" in terms of Risk-Based approach implementation & challenges, beneficial ownership, and "CDD" Customer Due Diligence, training, and suspicious transaction processing.

2- Training Program on "Risk in Financial Services

QFMA Held a Training Program on "Risk in Financial Services on September 2018, in cooperation with the Union of Arab Securities Authorities "UASA".

The objective of the program is to familiarize the participants with the risks facing capital markets and the related entities, including operational, investment and liquidity risks as well as corporate risks.

The number of participants in the program was 70 participants representing various financial institutions in the State and from outside parties.

3- Seminar on "Putting Investors First"

QFMA participated a seminar on "Putting Investors First" held in May 2018 by CFA Society Doha LLC (G). The seminar hosted a wide range of key market participants locally and internationally as well as the parties subject to QFMA's jurisdiction.

The seminar addressed how to promote and serve investors rights in order to contribute to the development of the financial markets in the State of Qatar, which comes from the believe that our role is not limited to issuing legislation or regulating transactions in the market, but it extends to raise the level of public investment awareness and improve knowledge & skills of the professionals dealing in the financial markets.

4- Euromoney Conference

QFMA supported and participated in the Euromoney Conference, which was held in December 2018, in order to give companies and governments the opportunity to meet with financial institutions as well as provide an overview of financial strategies through a series of seminars, meetings, interviews and the dialouge sessions that took place during the conference.

5- Global Money Week

QFMA supported the Global Money Week, which was held under the auspices of the International Children

and Youth Organization (CYFI) in March 2018 through field visits to schools and the Qatar University and activities and awareness activities supporting the Financial Global Week.

6- Training program for social responsibility

As a part of QFMA's directives to issue controls on the social responsibility of listed companies and investor relations and to enhance the employees' knowledge capabilities of social responsibility and its important role in developing society, QFMA participated in the training program for all employees of banks and financial institutions, organized by the Gulf Academy for Management Training in Qatar Regional Council for Social Responsibility, member of the United Nations Global Compact Program, which was held in May 2018.

7- Launching the Sustainability Platform (ESG)

QFMA approved on QSE launch for ESG Platform which was designed to encourage listed companies to disclose environmental, social and corporate governance standards in line with QSE Guidance on the ESG Reporting and the principles and provisions of the Corporate Governance Code in the Main Market issued by QFMA.

With the launch of the platform, QSE is one of the first stock exchanges in the world to adopt the ESG indicators digitally. This initiative is in line with the pillars of sustainability in Qatar National Vision 2030. It is a commitment to the Sustainable Stock Exchanges initiative (SSE), encouraging responsible investment practices by supporting investors to access high quality environmental and social standards and corporate governance, and it is a major factor in enhancing QSE's global competitiveness in attracting sustainable investments.



5

OBJECTIVE 5

Scaling-up the Usage of Modern
Technology Tools & Information Security
in the Markets

Sub-Objectives

Sub-Objective (1)

Strengthen information security

Sub-Objective (2)

*Improve electronic interface among
the markets' participants*

* Technological Development Projects

QFMA is continuously working on the development of modern technology related to its field of work and activities, and it has managed to complete a **number of related projects including:**

- Inspection management system: following all stages of inspections from planning to final reporting including implementation, to ensure compliance of the regulated entity with QFMA's legislation.
- Trading follow-up system for the employees of financial services companies and their relatives.
- Preparing the functional and technical requirements of the Electronic IPO Management System.
- Linking QFMA to the national statistics system in the field of AML and participating in its functions improvement.
- Increasing the E-services provided by QFMA within the framework of Qatar Digital Government 2020 Strategy.
- Implementing the 2018 phase of IT Security Development Project at QFMA, which has been ongoing over the years of QFMA's Strategy (2017-2022).
- Monitoring and examining the implementation of the Business Continuity Plan "BCP" of QSE and QCSD. QSE and QCSD develop a BCP which is monitored & followed up by the Information Systems Department and Inspection & Surveillance Department at QFMA as a recipient of data and a regulator over them. The BCP requires the participation

of all concerned parties, including market members (brokerage companies) and custodians.

- Launching of a unified electronic disclosure system project using XBRL language (Extensible Business Reporting Language) for financial reporting and non-financial disclosures by leading QSE in coordination with relevant concerned parties.

* In the same context, QFMA participated in a number of events in the electronic field, namely

- The 6th National Cybersecurity Drill (Star 6) with the Ministry of Transport and Communications (MOTC).
- The technical committee to implement the stock split for the nominal value of QSE listed companies.
- The technical committee to transfer the systems of QCSD from QSE to the company's headquarters.
- The technical team to follow up the events caused by the interruption of QSE services trading systems.

* QFMA offers six E-services via its website

- Application for licensing and registering (14) financial services activities.
- Application for approving individuals to perform (19) regulated functions.
- Complaints.
- Application for the ISIN of securities issued in the State.
- Application for listing capital increase shares of the existing shareholders.
- Application for approval on buying or selling treasury shares.



6

OBJECTIVE 6

Mitigating the Risks Encountering
the National Market

QFMA is working to monitor the risks to capital markets and seeks to mitigate the systemic risks by working in compliance with the international standards and IOSCO's principles & objectives, and developing a methodology consistent with local markets through its participation as a member of the Financial Stability Committee Risk control "FSRCC", as well as activating the action plan of the new Risk Unit.

Sub-Objectives

Sub-Objective (1)

*Build programs and indicators for
the early warning of risks facing
the markets & their participants.*

QFMA exerted efforts to achieve the objective by developing a systematic plan to develop the Risk Unit framework by focusing on the priorities in accordance with QFMA's Strategy and its objectives in terms of early warning of risks and effective monitoring in coordination and cooperation with the relevant parties in order to ensure continuity and regularity of the business.

* Risk-Based Approach

QFMA, in its procedures, applies a risk-based approach, whereby the data of the AML / CFT risk reports of the licensees are compiled and analyzed with regard to risks of:

- Customers.
- Product.
- Geography (Jurisdictions).
- Compliance with legislation.

The licensees shall prepare their own strategy and risk assessment procedures in compliance with QFMA's legislation. QFMA, through field inspection, shall review and evaluate these strategies followed by all licensees and identify the actual risks and their impact on the effectiveness of the methodology.

* Money Laundering and Terrorist Financing Risks

Due to the importance of KYC "Know Your Customer" and its impact on mitigating the money laundering and terrorist financing risks, QFMA analyzes customer account data lists starting with non-Qatari investors in financial services companies, compares various databases of concerned parties to determine their authenticity and accuracy and monitor the effectiveness of the procedures followed.

* Liquidity Risk

QFMA conducts surveillance over the compliance of the financial services companies with QFMA's Capital Adequacy Standards to mitigate liquidity risk and ensure that they are able to meet their obligations. Such surveillance comes through periodic monitoring procedures (weekly), to ensure compliance with the percentages determined by QFMA's regulations of Capital Adequacy Standards, and to submit periodic reports of the results and recommendations for the necessary action. The results of the surveillance over the companies are submitting (16) non-compliance reports, status rectification of 75% of non-compliance cases, and investigation referral of two companies, and precautionary measures against two companies.

companies subject to surveillance	10
Reports submitted as per companies' compliance with standards	16
Companies referred to investigation	2
Companies faced with precautionary measures	2

*** Inspection & Surveillance**

QFMA periodically and suddenly conducts inspections over the entities subject to its jurisdiction to follow up and monitor their compliance with the QFMA's legislations or to verify carrying out a specific action (special inspection). Persons subject to supervision shall facilitate the inspection team task in performing their work, and do all necessary to assist in achieving regulatory purposes. The inspection team shall submit to the CEO of QFMA a report on each inspection visit, including procedures, findings and recommendations thereon.

QFMA is also keen to implement the "documentary surveillance" over the market participants' compliance with its issued legal legislations, monitoring trading transactions and reporting thereon to ensure their accuracy, to detect any violations or manipulations, to verify any AML/CFT suspicion case and refer them to the competent authorities.

In this context, QFMA conducted (11) inspections over financial services companies, as follows: (10) periodic, (10) sudden, and (12) specialized inspections. The total number of submitted reports on surveillance over trading was (10).

Regarding the inspections related to AML/CFT, QFMA visited (12) companies, as follows: (12) periodic, (5) sudden, and (6) specialized inspections; The AML / CFT team also held (60) meetings with companies subject to jurisdiction.

Sub-Objective (2)

Support the initiatives of the Financial Stability and Risk Control Committee (FSRCC)

QFMA participated in the FSRCC work and with its subcommittees in attending their meetings and providing them with the key indicators of the capital market and the most important variables and risks that may arise.

QFMA, together with other regulators, reviewed suspicious transaction reporting requirements, awareness of financial institutions with respect to those reports, adequacy of relevant guidelines, evaluation of the effectiveness of transaction supervision, time frames and the quality of suspicious transaction reporting.



OBJECTIVE 7

Promoting Cooperation Initiatives
with the GCC, Regional and International
Organizations and Institutions

Sub-Objectives

Sub-Objective (1)

Strengthen cooperation and active participation in the international organizations impactful efforts to advance the financial markets and ensure their success

Through being a member in several international organizations and specialized agencies, QFMA is working to strengthen the Qatari capital market systems & to upgrade its international classification. This can be achieved by signing a number of bilateral & multilateral memorandum of understandings and agreements, providing different forms of cooperation with international organizations and institutions, exchange of information and participation in the regional and international inquiries, questionnaires and studies, as well as participating in regional and international conferences and meetings, namely:

* Memorandums of Understanding and Agreements

QFMA is keen to activate the signed MoUs in line with its strategy and to look for the best international practices and expertise as well as consider & prepare MoUs with the financial institutions operating in the local capital market sector to keep abreast of developments and changes at the local & international levels. The most important of such agreements and MoUs that **QFMA signed with local, Arab & international entities and institutions are:**

1- MoU with Moroccan Capital Market Authority (Autorité Marocaine du Marché des Capitaux "AMMC")

The signing came on January 2018 during the 40th annual meeting & conference of Africa/Middle East Regional Committee of the International Organization of Securities Commissions (AMERC-IOSCO).

The MoU sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing & securing compliance with the respective laws and regulations of securities.

2- An agreement to co-operate on capital market development with ICMA

On 8 February 2018, QFMA and the International Capital Markets Association (ICMA) signed the MoU. It aims to strengthen their cooperation relationship

and enable sharing of expertise and knowledge in field of capital markets and provide maximum benefit and made it available for national and international capital markets in various fields, such as: efficient trading practices and mechanisms; clearance and settlement procedures; and the accreditation and training of financial market professionals.

3- MoU with QFCRA

On March 2018, QFMA signed a Memorandum of Understanding (MoU) with Qatar Financial Centre Regulatory Authority (QFCRA) relating to investment management of investment funds established in the State or in the Qatar Financial Centre (QFC).

4- An agreement with Qatar Credit Bureau

On September 2018, QFMA became a member of Qatar Credit Bureau (Qatar. CB) through signing agreement between the two parties.

The agreement aimed at raising the values of transparency & disclosure, providing a safe investment environment, and enhancing the overall vision of the financial solvency of each customer.

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

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

Some of QFMA's participation in the IOSCO's activities are the following:

- IOSCO Annual Conference which took place at Budapest, Hungary, on May 2018
- World Investor Week, which held on October 2018 that promoted by the International Organization of Securities Commissions (IOSCO).

*** Cooperation with ANNA**

QFMA signed a partnership agreement with Association of National Numbering Agencies (ANNA), and got a membership in 2015, to ensure the application of international best practices in financial markets development, stability, transparency & the protection of securities dealers, especially those relating to facilitating trading in implementation of its strategy. Upon the legal framework of this agreement, QFMA has issued international identification numbers for securities issued in the State, particularly those listed in the market.

The International Securities Identification Number (ISIN) is used to facilitate the trading of securities and exchange of information about them at domestic & international levels, through having one international number for each issuance of security used in domestic and foreign trading. The international number (ISIN) of twelve alphanumeric characters. The ISIN consists of a total of 12 characters (alphanumeric). During the year, QFMA issued 40 ISIN number codes through an electronic service.

*** Exchange of information & participation in specialized studies**

QFMA has a strong belief in the importance of transparency, exchange of information, and international cooperation for advancement of the financial markets, and the strength of the means of communication and exchange

of information with local entities and regional and international organizations and institutions that prepare specialized studies and questionnaires with a view to developing the regulations & standards in the capital markets. Therefore, during the year QFMA responded to all the studies received from these entities and organizations that were (19) studies in the form of (10) inquiries and requests, and (9) questionnaires, as follows:

Inquiries

QFMA cooperated with various inquiries and requests from local and international bodies and counterpart bodies (10 inquiries and requests):

- 1- Inquiries regarding the criteria for re-activity of suspended companies
- 2- Inquiries about Settlement Guarantee Fund and brokerage companies
- 3- Inquiries about plan of Information Services System.
- 4- Inquire about the data and information related to the GCC Common Market
- 5- Inquire about the fees related to securities trading.
- 6- Inquiries on small enterprises and youth support in the world.
- 7- General information about the laws in the Financial Services Manual concerning the trading, acquisition and merger.
- 8- Statistical data of the National Anti-Money Laundering and Terrorism Financing Committee (NAMLC).
- 9- Developments in the GCC capital markets.
- 10- Update of QFMA data at ANNA's website.

Questionnaires

QFMA participated in various questionnaires at the local & international levels. (9) questionnaires as follows:

- 1- Questionnaire and the general report of Global Investor Week 2018.
- 2- Cybersecurity and flexibility questionnaire.
- 3- Digital survey questionnaire.
- 4- Questionnaire of setting standards for re-activity of suspended companies.
- 5- Questionnaire of priority areas for IOSCO standards development.
- 6- Questionnaire of lists of the IOSCO AMERC Working Group.
- 7- Questionnaire of financial reporting surveillance.
- 8- Questionnaire of the list of IOSCO sub-committees.
- 9- IFSB Membership Satisfaction Survey.

*** Participation in regional & international conferences, meetings**

QFMA participated in several conferences, meetings and workshops at the regional & international levels in order to continuously strengthen its role, enhance its development and communicate with others to exchange views, experiences and the latest on developments and changes of the capital markets and the financial sector in the region & the world.

The key participations are as follows:

1- The IOSCO Meetings

QFMA attended the IOSCO Annual Conference which took place at Budapest, Hungary, on May 2018, and participated in the World Investor Week.

2- The UASA Meetings

- QFMA participated in the 12th annual meeting of the Union of Arabic Securities Authorities (UASA) in Beirut on March 2018.
- QFMA participated in Symposium on "Developing Capital Markets in Light of the Challenges Facing the Arab Region" held in Beirut in March 2018.

3- The GCC meetings and workshops

- QFMA participated in the 17th Meeting of the GCC Capital Market Authorities Committee held in Kuwait on October 2018.
- QFMA participated in the workshop of training supervisors in the GCC countries in Kuwait on December 2018.
- QFMA participated in the 2nd annual workshop on trading surveillance in Kuwait on December 2018.

4- The IFSB Annual Meeting

QFMA participated in the annual meeting held by the Islamic Financial Services Board "IFSB" held in Kuwait on May 2018.

5- Receiving the delegation of the Khartoum Stock Exchange

QFMA received the delegation of the Khartoum Stock Exchange on October 2018. During the visit, QFMA presented its strategy and terms of reference and a detailed clarification of its regulatory and supervisory role in the Qatari capital market as well as responded to all inquiries and clarifications requested by the distinguished members of the delegation.



**HEC | EXECUTIVE SPECIALIZED MASTERS (MASTÈRE SPÉCIALISÉ®) PROGRAM
STRATEGIC BUSINESS UNIT MANAGEMENT
SPECIALIZATION IN FINANCIAL REGULATION - CLASS OF 2019**

8

OBJECTIVE 8

Building Human
Capital's Capacity

QFMA is constantly working to promote increasing national cadres in all specializations and available jobs, and following up their academic and field training by organizing training and development programs that enhance their competency and develop their work expertise and competitiveness.

Sub-Objectives

Sub-Objective (1)

Support Qatarization at a wider range

*** Qatarization**

QFMA gives great important attention to Qatarization process as one of QNV 2030's objectives, to provide recruitment opportunities for Qatari cadres and competencies within the available jobs. As a part of the implementation of its strategic plan (2017-2022) on Building Human Capital's Capacity, QFMA has increased the rate of Qatarization by appointing (15) Qatari employees out of the total number of appointees (18), with a percentage up to (83%) of the new appointments.

Sub-Objective (2)

Attract qualified and experienced resources, focus on theoretical and practical training of QFMA's employees

*** 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.

*** Programs of training & career development:**

1- Plan to link training path with career path

Registration of a number of Qatari employees 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.

2- The 2018 IOSCO/PIFS-Harvard Law School Global Certificate Program

QFMA staff participated successfully in the International Organization of Securities Commissioners (IOSCO) and Harvard Law School Global Certificate Program for Regulators of Securities Markets (the two phases).

3- International Introduction to Securities & Investment

QFMA joined number of its employees within 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.

4- Practical Training (Field)

In coordination with Qatar University, QFMA prepared a training plan for a group of university students for the field-training course where students must complete (120) hours of practical training. A plan was also prepared to train a group of students in Kawader Program during the second part of the program where trainees spend four weeks of field training.

5- Kawader

It is a unique & 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 and 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 and 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 institutions.

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2018



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STATISTICS of QFMA's EFFORTS



Statistics of QFMA's Efforts

2018

Individuals Approved by QFMA

Position (job title)	2018	2017
1 Board Member	19	26
2 Managing Director	1	-
3 General Manager	1	3
4 General Manager Deputy	-	-
5 Chief Executive Officer	3	-
6 Chief Executive Officer Deputy	1	-
7 Financial Manager	1	1
8 Compliance Officer	4	-
9 Anti-Money Laundering Officer (MLRO)	5	1
10 Anti-Money Laundering Officer Deputy (deputy MLRO)	5	-
11 Risk Management Officer	-	-
12 Internal Auditor	2	3
13 Financial Advisor	4	1
14 Financial Analyst	2	-
15 Investment Manager	1	1
16 Trading Manager	-	3
17 Trading Manager Deputy	-	-
18 Back Office Operations Manager	2	1
19 Broker Representative	2	2
20 Account Manager	-	-
21 Custodian Representative	1	6
TOTAL	54	48

Licensing for Agents of Financial Services Companies

Activity	No. of Licenses	Company Name	Agent Name
Agent	2	The Group	Al Ameen for Securities Al - Sulaiti Management Group

Inspections & Surveillance

Inspections over the financial services companies	2018	2017
No. of companies	11	10
No. of periodic inspection	10	17
No. of sudden inspections	10	3
No. of specialized inspections	12	3
No. of submitted reports	13	14

Inspections related to AML/CFT	2018	2017
No. of companies	12	10
No. of periodic inspections	12	17
No. of sudden inspections	5	37
No. of specialized inspections	6	-
No. of submitted reports	17	14
No. of AML/CFT team with regulated companies	60	-

Surveillance over the financial markets	2018	2017
No. of submitted reports on surveillance	10	11

Complaints & Investigations

Complaints	2018	2017
No. of complaints	28	15
Complaints adjudicated	28	15
Complaints still pending	-	-

Investigations	2018	2017
No. of investigations	15	34
Cases referred to Disciplinary Committee	10	25
Cases kept	4	-
Cases adjudicated by settlement	-	6
Cases adjudicated by warning	1	1
Cases still pending	-	-

Disciplinary Committee & Appeals Committee

Disciplinary Committee	2018	2017
No. of violations referred	11	25
No. of violations adjudicated	19	1
No. of hearings	6	3

Appeals Committee	2018	2017
Appeals that registered in the appeals record	8	2
Requests of a stay of QFMA proceedings submitted to the Committee	5	2
No. of appeals referred by the court for adjudicating	1	-
Total of appeals and requests of a stay of QFMA proceedings considered by the Committee	14	14
Total of appeals and requests of a stay of QFMA proceedings adjudicated	14	14
No. of the Committee hearings	6	6
No. of the Committee meetings	15	6

ISIN of securities

Item	2018	2017
ISIN of shares	1	1
ISIN of rights issues	-	1
ISIN of government bonds	6	8
ISIN of treasury bills	36	35
ISIN of investment fund "ETFs"	1	1
Total	44	46

* During 2018, 33 treasury bills out of (36) submitted applications of which an ISIN were issued.

Listing & Acquisition

Item	2018	2017
Requests of listing rights issues	-	1
No. of companies that their shares have been listed and offered	1	1
listing investment funds units	2	-
Requests of merger & acquisition	11	12

Training activities for the QFMA staff - 2018

Item	Training program	Workshop	Conference	Seminar	Meeting
Inside	121	8	11	2	-
Outside	3	2	30	-	11
TOTAL	124	10	41	2	11

Total No. of
Subscribed Shares

Total number of QFMA's employees & Percentage of Qatarization

Item	No. of employees by end of 2018	Percentage of total % by end of 2018	No. of employees by end of 2017	Percentage of total % by end of 2017
Qatari employees	71	61%	60	54%
Non-Qatari employees	52	39%	52	46%
TOTAL	123	100%	112	100%

Item	No. of recruitments during 2018	Percentage of total % during 2018	No. of recruitments during 2017	Percentage of total % during 2017
Qatari employees	15	83%	18	86%
Non-Qatari employees	3	17%	3	14%
TOTAL	18	100%	21	100%

QFMA Employees by Education Degrees

Category	2018				2017			
	No.	Percentage of total	Local universities	External universities	No.	Percentage of total	Local universities	External universities
University degree & above	82	67%	42	40	68	61%	35	33
Non-University degree	41	33%			44	39%		
TOTAL	123	100%			112	100%		

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Qatar's Economy
& Performance
of Qatari Securities Market

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2018

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Qatar's
Economy

Key Indicators of Qatar's Economy

Indicator	2018	2017
Gross Domestic Product (GDP) at current prices (QR billion)	698.91	607.62
Gross Domestic Product (GDP) at current prices (USD billion)	191.48	166.47
Per capita GDP (thousands QR)	253	223
Per capita GDP (thousands USD)	69.32	61.10
Population- by mid year (million people)	2.76	2.72

Ministry of Development Planning and Statistics - 2019

International Classifications of Qatar's Economy

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 among the strongest at the GCC level.

Immediately following the unjust blockade, the international classification institutions downgraded the credit rating of the State of Qatar from stable to negative, as a precautionary measure by those institutions for any possible effect of such blockade. Despite of such action, within a short period of time from the blockade, these institutions had modified their outlook for the Qatari economy to a stable again, 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.

Trading Economics website- January - 2019

Global Competitiveness

In 2018/2019, Qatar's economy received the **2nd rank** at **Arab level** and the 30th rank at the international level out of 140 countries (according to the report issued by the World Economic Forum, Davos).
2018-19 World Economic Forum Global Competitiveness Index, Davos

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 2018 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.
2018 Index of Economic Freedom issued by The Heritage Foundation

Anti-Corruption

Qatar's economy has achieved the **2nd rank** at **Arab level** and the 30th at the international level in the efforts exerted for anti-corruption out of 180 countries, according to Corruption Perceptions Index 2018 of Transparency International, the global coalition against corruption level.
Transparency International, The global coalition against corruption-2018

International Classifications of Qatari Capital Market

161.29
USD Billion

Market Capitalization of the Listed Companies

Qatari market still maintain its **2nd rank** at **Arab level** and the 12th at the level of European countries, Africa & the Middle East, in terms of market capitalization of listed shares which amounted to 161.29 (USD Billion) - Dec. 31st of 2018, according to the World Federation of Exchanges (WFE) statistics out of 43 country.

Market Cap to % GDP

The market capitalization of listed companies on the Qatari capital market approached the equivalent of the GDP of the Qatari economy. According to the World Economic Forum's Global Competitiveness Report, the market capitalization of listed companies was **92.8%** of GDP, which rank the Qatari market the **1st** at **Arab level** and the 18th rank at the international level that indicates the strength of Qatari listed companies and their market capitalization.

Qatar's Capital Market Financing for SMEs

According to the Global Competitiveness Report, the Qatari capital market is the **1st** at **Arab level** in financing the SMEs, and the 9th at the international level.

The Highest Positive Rate of the Stock Index

During 2018, Qatar Stock Exchange index recorded the highest increase in the Arab securities markets to be the **1st** at **Arab level** and the 3rd at the world level. The QSE Index reached 20.83% to close at **10,299.01 points** at the end of the year with total gain 1775.63 points compared to the end of 2017.

Markets	Index	2018	2017	Growth rate compared to the end of 2017 %
Ukraine	PFTS	559	315	80.39%
Macedonia	MBI10	3,469.03	2,538.86	30.41%
Qatar	General index	10,299.01	8,523.38	20.83%
Kingdom of Saudi Arabia	General index	7,826.73	7,226.32	8.31%
United States of America	NASDAQ	6,635.28	6,903.39	-3.88%
United States of America	DOW JONES	23,327.46	4,719.22	-5.63%
Japan	Nikkei 225	20,014.77	2,764.94	-12.08%
United kingdom	FTSE100	6,728.13	7,687.77	-12.48%
Germany	DAX	10,558.96	12,917.64	-18.26%
Dubai	DFM	2,529.75	3,370.07	-24.93%
China	CSI 300	3,010.65	4,030.85	-25.31%

Thomson Reuters Website

The Qatari capital market is the most attractive destination for foreign investments in the GCC region

Many foreign investors prefer to buy Qatari shares at the regional bourses level. During 2018, the net purchase of foreign shares on the QSE amounted to about \$2.3 billion of the total traded shares, more than triple the foreign flows into the largest Arab stock exchange in 2018.

Bloomberg

Increase non-Qatari ownership percentage in listed securities

Most of the QSE listed companies increased the non-Qatari ownership of their capital to 49% instead of 25% in 2018. This increase contributed in increasing the flow of non-Qatari investments to the stock market and significantly increased non-Qatari trading compared to 2017.

This has led to a rise in non-Qatari ownership percentage according to the total market capitalization of listed companies in the Qatari capital market from 9.74% to **10.55%** at the end of 2018, equivalent to \$17.01 billion representing the total non-Qatari investments in the Qatari capital market.

Increase the non-Qatari trading percentage in buying transactions

The percentage in buying transactions of non-Qatari investors in the QSE during 2018 was 53.72%, up from 36.51% in 2017.

The percentage of non-Qatari institutions in buying transactions during the past year recorded a significant increase compared with 2017, which jumped to 44.38% at the end of 2018 compared to 26.56% in 2017.

Qatar Stock Exchange

Classifications of Global Competitiveness Report for Financial Sector & Capital Markets

The Global Competitiveness Report 2018–2019 issued by the World Economic Forum's (WEF), Davos shows that the financial sector in general and the Qatari capital market in particular have a top ranking among all Arab markets in the overall ranking of the following indices:

Indicators	Arab Rank	Int'l Rank
Financial System Depth	1	30
Financing of SMEs	1	9
Venture capital availability	1	8
Market capitalization % GDP	1	18

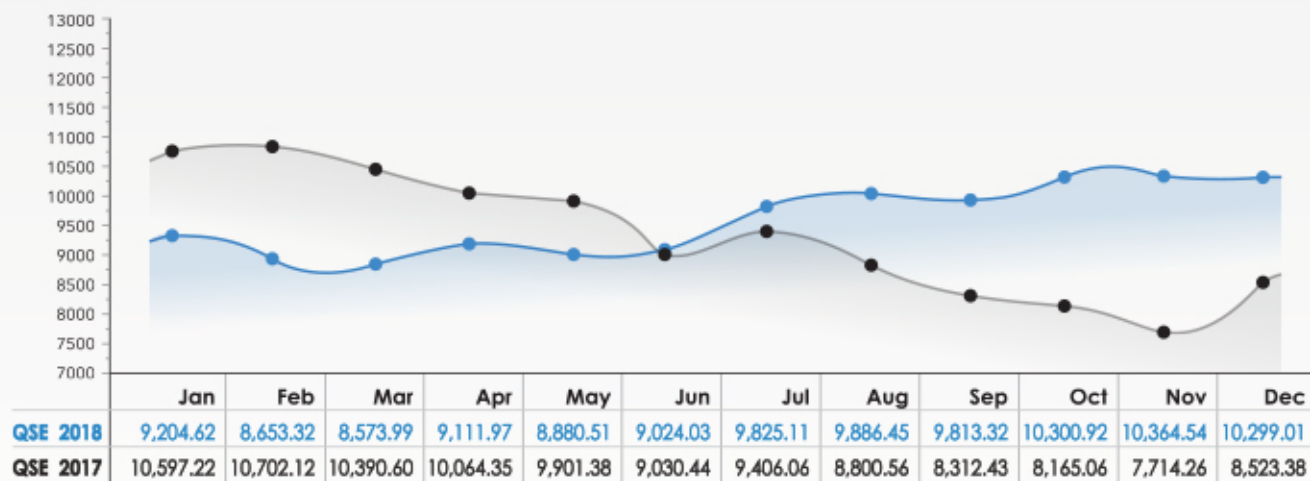
The World Economic Forum's (WEF) Global Competitiveness Report 2018-2019

Performance of Qatari Securities Market

Equity Market Indices

General index

Change % 2017-2018	2017	2018
20.83%	8,523.38	10,299.01



Market Capitalization (QR Billion)

Change % 2017-2018	2017	2018
24.72%	472.02	588.72

Summary of Market Activity

Year	No. of Listed Companies	General Index (Point)	Market Cap (Billions QR)	Trading Value (Billions QR)	No. of Trading Volume (Billions Shares)	No. of Executed Transactions
2018	46	10,299.01	588.72	68.50	2.29	1,042,958
2017	45	8,523.38	472.02	66.25	2.47	834,394
Change %	2.22%	20.83%	24.72%	3.40%	-7.28%	25.00%

Listed Shares

Item	2018	2017	Change %
No. of Listings	4	10	-60.00%
No. of Listed Shares (Million)	610.93	362.11	68.70%

Details of Listed Shares 2018

Item	Bonus Shares	New listings	TOTAL
No. of Listings	3	1	4
No. of Listed Shares (Million)	52.92	558.01	610.93

Statistics of Qatari Market Sectors

No. of Listed Companies

Sector	No. of Listed Companies	Percentage to Total %
Banking & Financial Services	13	28.26
The Consumer Goods & Services	9	19.57
Industrials	10	21.74
Insurance	5	10.87
Real Estate	4	8.70
Transportation	3	6.52
Telecoms	2	4.35
TOTAL	46	100

Trading Activity

Sector	Traded Value (Million QR)	Traded Volume (Million)	No. of Executed Transactions
Banking & Financial Services	30,878.89	704.19	334,958
The Consumer Goods & Services	5,803.88	81.96	80,103
Industrials	14,147.32	523.62	275,462
Insurance	2,475.07	72.87	35,696
Real Estate	6,505.79	388.58	151,301
Telecoms	4,550.15	319.63	87,239
Transportation	4,140.22	195.07	78,226
TOTAL	68,501.32	2,285.92	1,042,985

Market Capitalization & Indices for Sectors

Sector	Market Cap (Million QR)	Turnover %	Earnings per Share %	P/E Ratio (Times)
Banking & Financial Services	291,992.14	10.58	3.60	13.04
The Consumer Goods & Services	27,182.61	21.35	5.25	13.42
Industrials	146,025.46	9.69	3.89	17.60
Insurance	17,055.46	14.51	4.10	16.60
Real Estate	56,085.09	11.60	4.89	18.81
Telecoms	30,626.58	14.86	3.66	18.89
Transportation	19,747.96	20.97	5.34	12.07
TOTAL	588,715.29	11.64	3.95	14.73

Equity Ownership Percentage of Investors (as per no. of shares)

	Qatari Investors			Non-Qatari Investors	
	Individuals	Non-governmental Institutions	Governmental Institutions	Individuals	Institutions
2018	28.47 %	33.02 %	29.27 %	2.16 %	7.08 %
	90.76 %			9.24 %	
2017	27.26 %	34.72 %	29.11 %	2.18 %	6.71 %
	91.09 %			8.91 %	

Government Debt Instrument**Treasury Bills Listed & Traded**

T. Bills (Million QR)	2018	2017	% التغير
Listed T. Bills	9,390.00	12,750.00	-26.35%
Traded T. Bills	----	932.40	----

Government Bonds Listed and Traded

G. Bond (Million QR)	2018	2017	% التغير
Listed G. Bonds	14,900.00	12,575.00	18.49%
Traded G. Bonds	10,472.61	3,555.86	194.52%

Exchange Traded Funds (ETFs)

ETF Name	Traded Value (Million QR)
QE Index ETF QETF	138.44
Al Rayan Qatar ETF QATR	223.93
TOTAL	362.37

Al Janoub Stadium استاد الجنوب

استاد الجنوب الذي سيستضيف عدداً من مباريات كأس العالم لكرة القدم (قطر 2022) حتى الدور ربع النهائي، وتبلغ طاقته الاستيعابية 40,000 مقعد. **Al Janoub Stadium** which will host a number of football matches till the quarter-finals of the **2022 FIFA World Cup Qatar™**, with its capacity of 40,000 seats.

