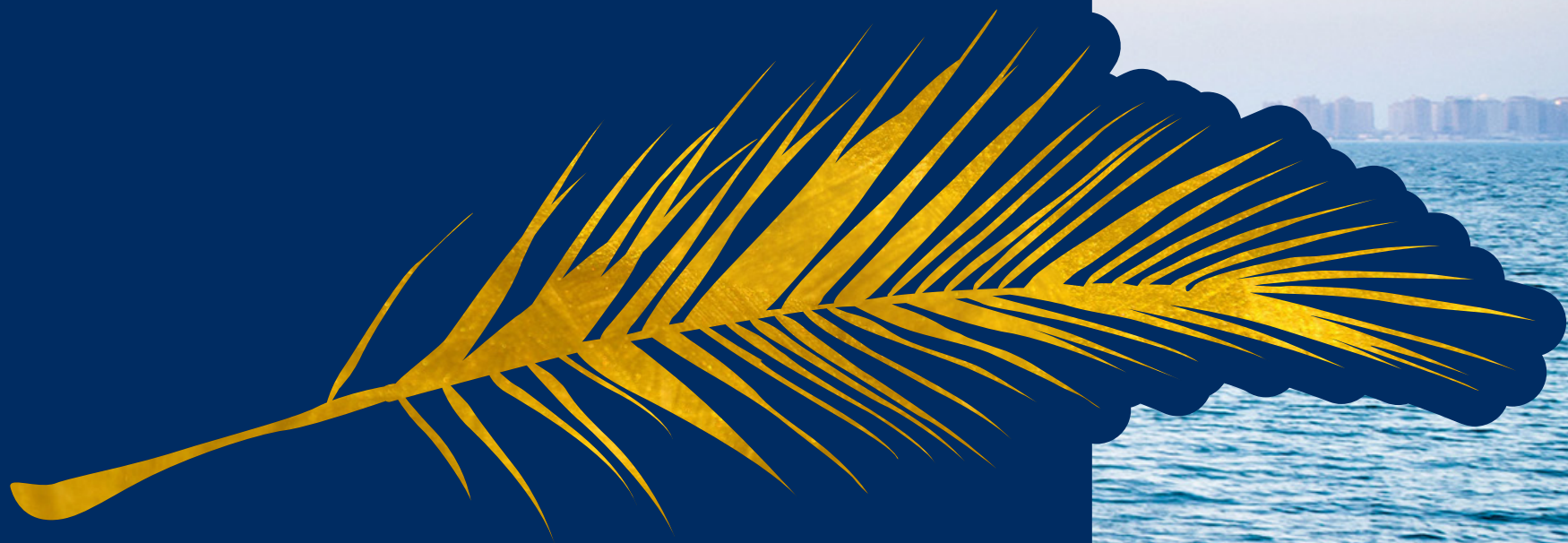


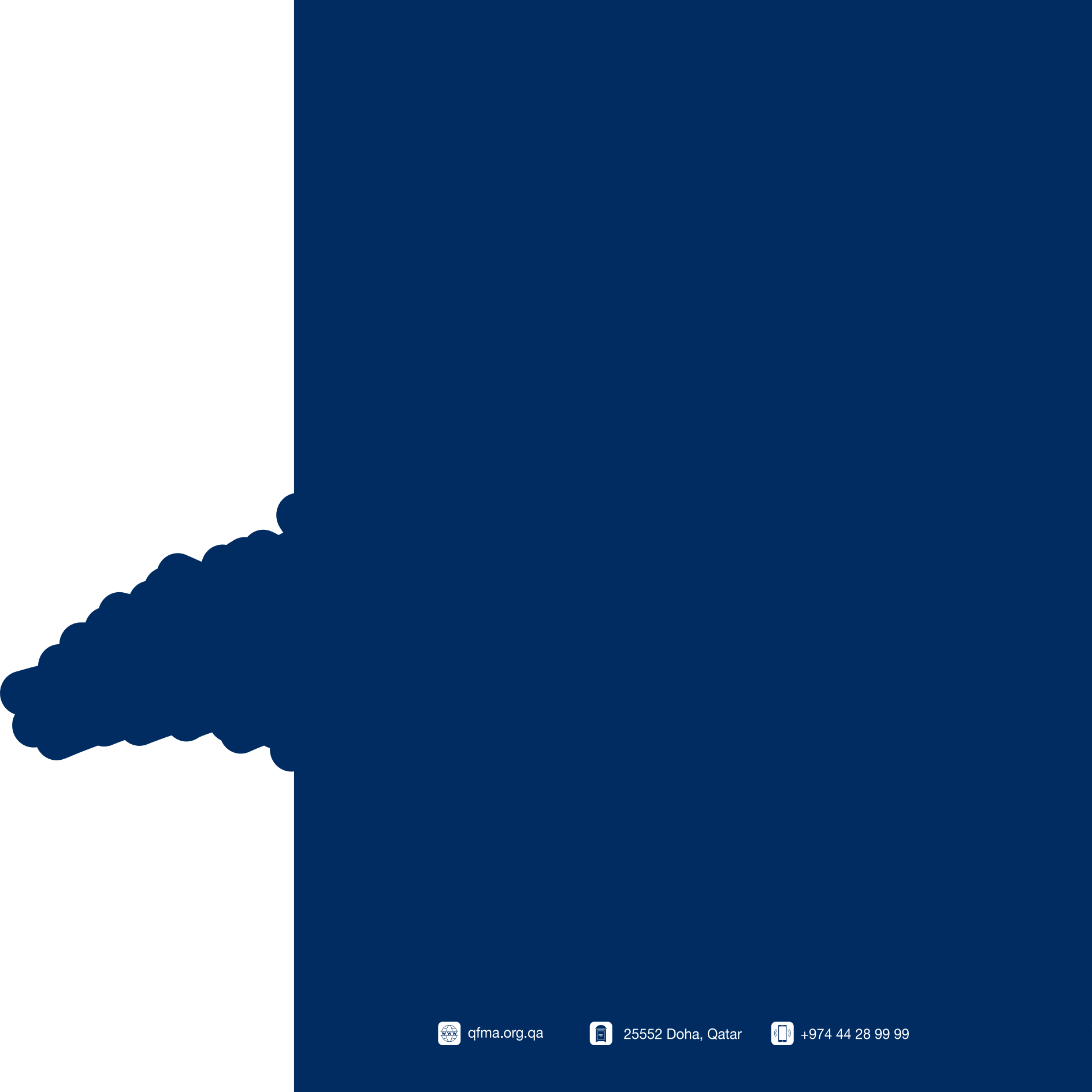
2020

ANNUAL REPORT



هيئة قطر للأسواق المالية
Qatar Financial Markets Authority





qfma.org.qa



25552 Doha, Qatar



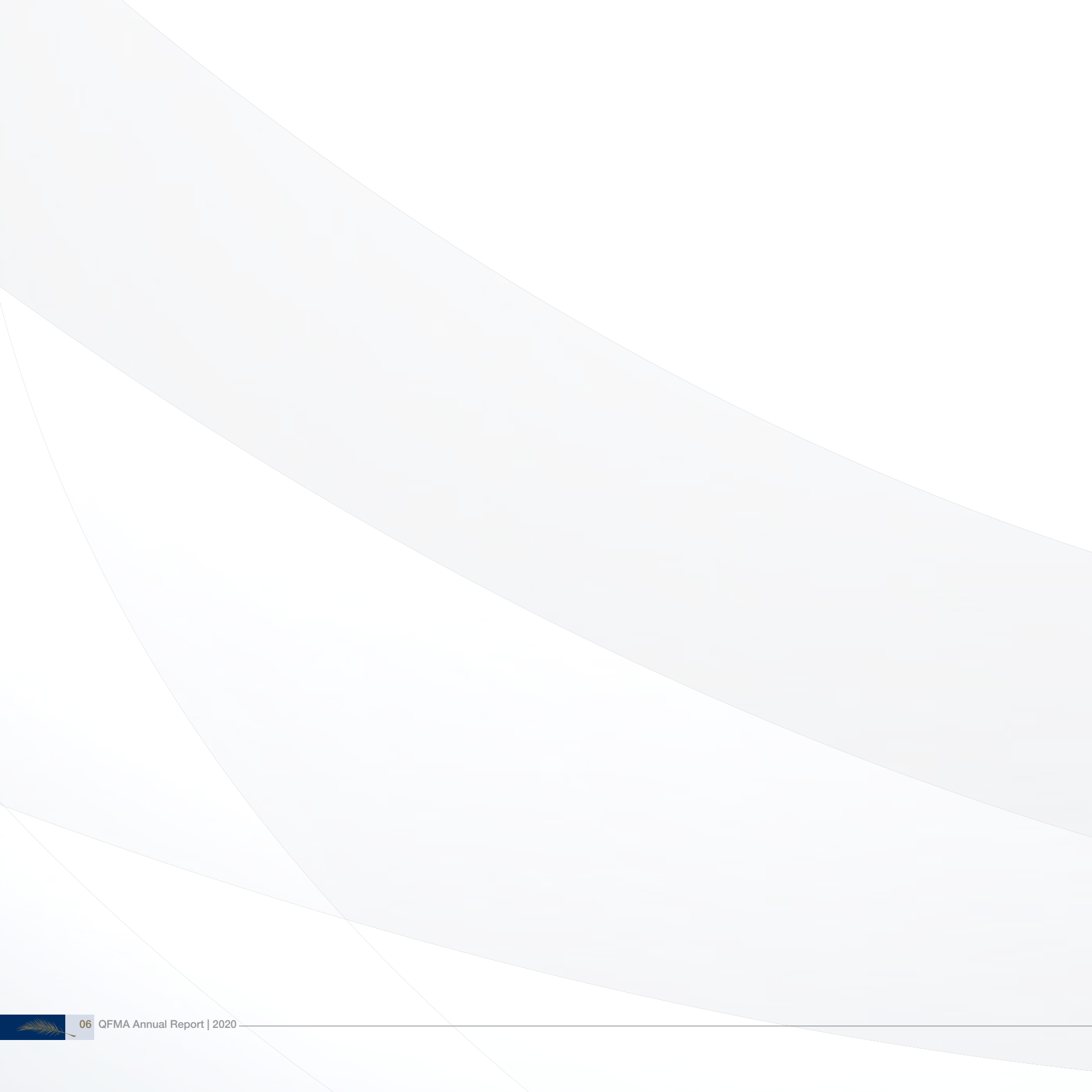
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*In The Name Of Allah,
The Most Gracious, The Most Merciful*







*H.H. Sheikh
Tamim Bin Hamad Al-Thani
Emir of the State of Qatar*





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*Board of Directors
& Chief Executive Officer*



Chairman of the Board
of Directors



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



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



Mr.

Yahya Saeed Al Jafali Al Nuaimi

Member



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

Chief Executive Officer




Nasser Ahmad Abdulrahman Al-Shaibi



Chairman's Message





“ QFMA exerts great efforts to maintain investor confidence in securities dealing system in the Qatari market and to protect the participants dealing in such market in a manner that ensures the market stability and reduces risks thereof, especially under the Coronavirus pandemic.

QFMA's efforts to protect the entities and bodies subject to its jurisdiction have resulted in reducing the negative impacts of the pandemic and their continuation in providing the services to investors without interruption, which contributed to an increase in trading volumes in the main market by 56% during 2020 compared to 2019, as well the market value of the securities listed on the market also increased to reach 602 QAR billion.

QFMA was able to move forward towards implementing its strategic plans and future vision regarding the development of the Qatari capital market and the advancement to the ranks of developed financial markets. Thus, the QFMA issued a new rulebook for securities offering and listing in the financial markets, which included many innovations provided for the first time to dealers in the Qatari market and at the same time in compliance with the best international standards and practices. Through this rulebook, the QFMA aims to improve the quality of companies listed in the main market, and to stimulate trading in them, and at the same time to activate the second market to be an effective alternative to the main market. The rulebook also included many facilities in listing requirements in a way that encourages family companies to list, in addition to providing many options for listing, whether in the presence of more than one market or more than one way of listing, on top of which is

allowing direct listing without going public offering “IPO” of shares.

QFMA has also provided a book building mechanism for the Qatari market, a new mechanism for determining the shares offering price in IPOs. The QFMA has also allowed companies that offer their shares in a public offering to use a proper mechanism that maintains the price stability for shares during the first period of their trading in the financial market.

It should be noted that although developing the Qatari capital market is a top priority for QFMA, this does not undermine the importance of moving forward with QFMA's institutional development and institutional capabilities building, with the aim of advance the QFMA to be a role model for regulators in a way that enhances its independence and maintains its position as a member of International Organization of Securities Commissions (IOSCO).

QFMA takes this opportunity to confirm that the efforts being made to develop the market and improve its institutional capabilities would not have been possible without the support of all relevant entities and ministries in the State, as well as the participation of the capital market actors such as Qatar Stock Exchange (QSE), Qatar Central Securities Depository (QCSD), financial services companies and shareholding listed companies.”

The Chairman
Mohammed Bin Hamad Al-Thani

CEO's Message





QFMA continues in providing the legislative and regulatory structure and the investment environment that protect dealers of the Qatari capital market, enhance the growth and diversity of the national economy, and at the same time maintain stability, integrity and transparency of the market's transactions.

As a part of the QFMA's ambitious plan to advance the Qatari market to ranks of developed markets, QFMA exerts great ongoing efforts to raise awareness among all participants dealing in the financial markets, which contributes to improve the level and quality of trading operations, increasing their volume, and adding new financial products.

QFMA's efforts in developing the Qatari financial markets faced several challenges during 2020, foremost of which is the Coronavirus (Covid-19) pandemic, which posed the major challenge facing the financial markets regulators around the world, as the QFMA took a set of precautionary measures and actions, whether at the QFMA's operational level or for the entities subject to its jurisdiction, which contributed to the Qatari market's continuation of providing financial services to their dealers without interruption or being affected by the pandemic consequences.

QFMA has issued the updated Anti-Money Laundering and Combating Terrorism Financing Rules, in order to maintain the advanced international classification of the State of Qatar in this field, and the QFMA has also amended the Disciplinary Committee Procedures in order to facilitate convening the Committee using modern communication technologies to maintain the continuity of the Committee's work under Coronavirus pandemic. The QFMA also has amended some provisions of Listing Rules for Fund's Units. It is also worth noting that the

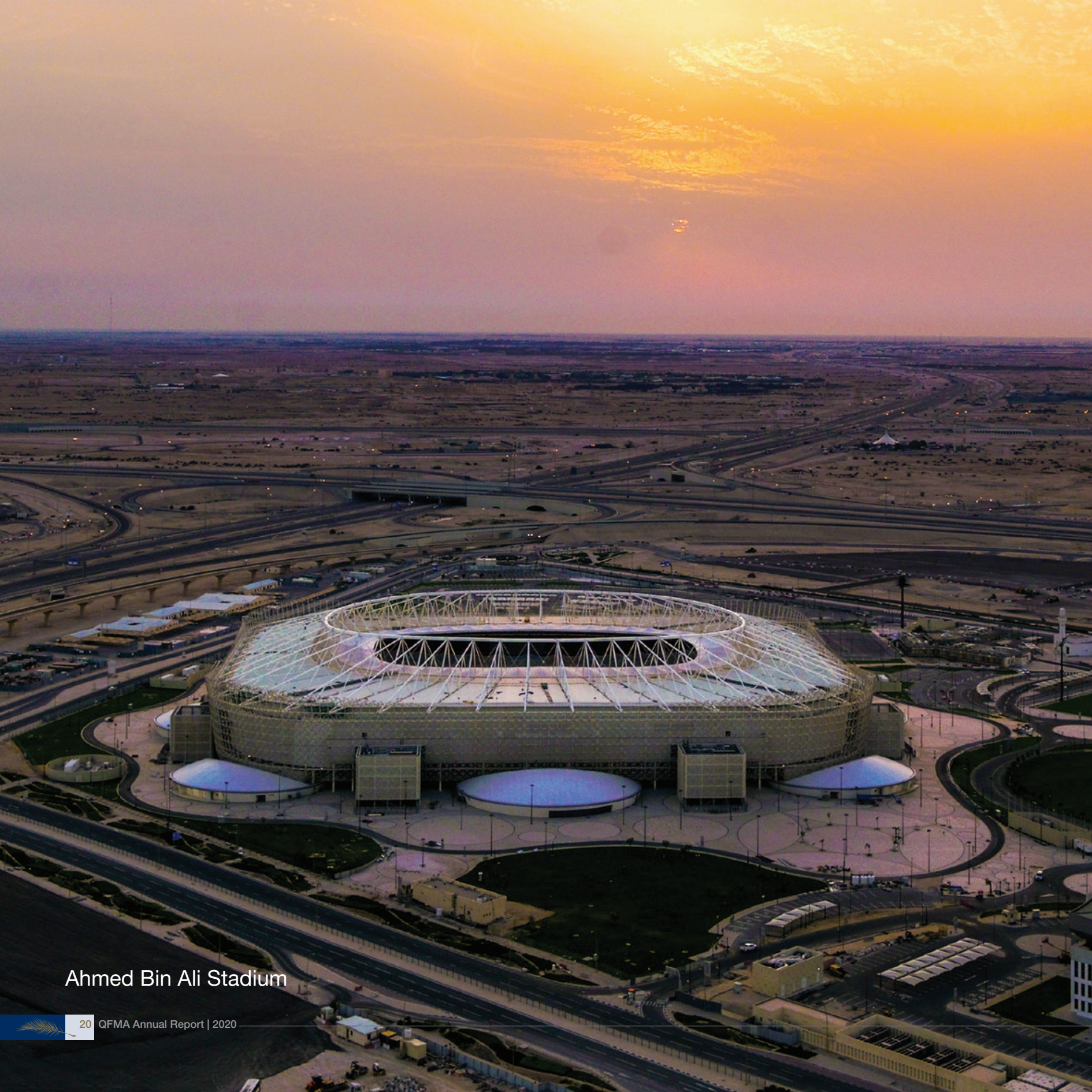
QFMA's efforts completed developing a new rulebook for offering and listing aimed at facilitating its procedures and adding new mechanisms for offering and evaluating shares and maintaining the stability of their prices when they are traded for the first time, as well as activating the second market and allowing direct listing.

QFMA has also completed developing the main principles for Rules of Listed Shareholding Companies Purchase of Own Shares for the Purpose of Employee Incentive Scheme, in order to encourage listed companies to use their shares in incentive schemes for their employees, which contributes to increasing the investor base and raising trading volumes in the Qatari market.

In 2020, QFMA hosted and organized, in coordination with the International Organization of Securities Commissions (IOSCO), the 44th Africa Middle East Regional Committee (AMERC) Annual Meeting. It also held its 3rd annual conference in the presence and participation of a large number of specialists, experts and concerned participants from the capital market sector, as well as international speakers representing institutions in the field of financial services sector to discuss the issues and topics covered by the conference.

QFMA hopes to continue exerting its efforts in the development with the assistance, cooperation and participation of all parties concerned with our Qatari financial markets, in pursuit of achieving its future vision of a developed capital market that provides distinctive financial services to all people dealing in such market.

Chief Executive Officer
Nasser Ahmed Al Shaibi



Ahmed Bin Ali Stadium



About Qatar Financial Markets Authority



QFMA's Establishment

Qatar Financial Markets Authority (QFMA) was established by virtue of Law No. (33) of 2005 as an independent regulatory authority to supervise the financial markets and companies licensed to conduct securities activities in or from the State of Qatar, and empowered to exercise regulatory oversight and enforcement over the capital markets. The QFMA officially undertook its responsibility on September of 2007.

To keep up with developments in the financial markets, Law No. (8) of 2012 was issued to replace Law No. (33) of 2005.

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 and transparency; and development of proficiency and knowledge to enhance the growth and diversity of the national economy.

Values:

QFMA depends on multi values in the performance of its staff and officials and enable institutional values order that the staff in the QFMA shall commit and do fully their duties as follow:

1. Integrity: applying the highest ethical standards and honesty in addressing issues and taking decisions.
2. Excellence: striving to be innovative, creative and fact-based in designing and executing the tasks.

3. Fairness: being impartial and independent in dealing with the public and relevant institutions.
4. Responsibility: making decisions and executing the procedures (actions) clearly and transparently and bear the consequences.
5. Teamwork: working cooperatively and collaboratively with others to achieve mutual benefits and meet the targeted interest.
6. Identity: maintain the culture, customs and values of Qatar.



Key Functions:

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

1. Regulate, control and supervise the financial markets.
2. Regulate the dealing of the securities activities with fairness, competitiveness and transparency.

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

QFMA's Jurisdiction

By virtue of Law No. (8) of 2012, the QFMA shall have the responsibility for implementation and enforcement of laws and regulations applicable to supervise and regulate the securities and relevant activities in the State of Qatar. Therefore, the QFMA's functions are as follows:

- Issue rules and regulations concerning the capital market and dealing in securities within the State of Qatar, compliance with the international standards and what fit with the needs of the Qatari market and achieve the QFMA's regulatory objectives.



- Ensure integrity and transparency of the market by monitoring trading operations in parallel with the QSE as the competent entity, in order to detect manipulations, violations or suspicious transactions in the market, and take necessary measures in this regard pursuant to the rules and regulations.
- Follow-up the disclosures of listed companies, supervise trading, and monitor the compliance of licensed companies and approved individuals with the granted licensing requirements.
- Carry out inspection visits (periodic and non-periodic) to the QSE and QCSD and the licensed companies conducting the regulated functions.
- License the listing of securities for trading in QSE.
- Support the growth and development of capital market in the State of Qatar by encouraging including new financial instruments and trading mechanisms, applying advanced technology and raising investor awareness.
- Issue licenses for individuals and companies to conduct the regulated activities and the functions subject to QFMA's jurisdiction.

Principles of Professional Conduct

QFMA issued a code of professional conduct for its employees, aiming at creating a corporate culture that supports the professional values of QFMA's staff, provides them with the responsibility and adherence to high morals in dealing with each other in or outside QFMA or in dealing with others from outside QFMA regardless of their confession.

This Code, adopted by His Excellency the Chairman, aims at instilling and developing a set of core values in the work environment for the purpose of maintaining the

good reputation of QFMA and ensuring the provision of high-quality services and high-level performance.

The Code includes six key principles that help to provide a good work climate in order to achieve the objectives and aspirations of QFMA, namely:

- Showing honesty, integrity and loyalty in duty.
- Implementing work policies and regulations in QFMA.
- Treating others with respect and equality.
- Maintaining the confidentiality of information.
- Avoiding any conflicts of interest.



- Respecting and supporting QFMA.

These key principles have been converted into detailed rules that form the Code of Conduct. The scope of the principles comprises all the QFMA's employees, regardless of their job categories, as well as temporary contract employees, trainees, providers of consulting services throughout the duration of their affiliation to or their work with QFMA.

QFMA's Strategic Plan (2017-2022)

QFMA set out its second strategic plan for the period

2017-2022, which aims to advance the Qatari capital market to excellence and flexibility in performance to support the national economy and sustainable financial stability in accordance with the best international standards and local market privacy, the strategic plan is based on five pillars:

1. QFMA's Law.
2. Qatar National Vision (QNV) 2030
3. Qatar National Development Strategy (QNDS) (2018-2022)
4. The Second Strategic Plan for Financial Sector Regulation (SSP) (2017-2022)
5. IOSCO's Objectives

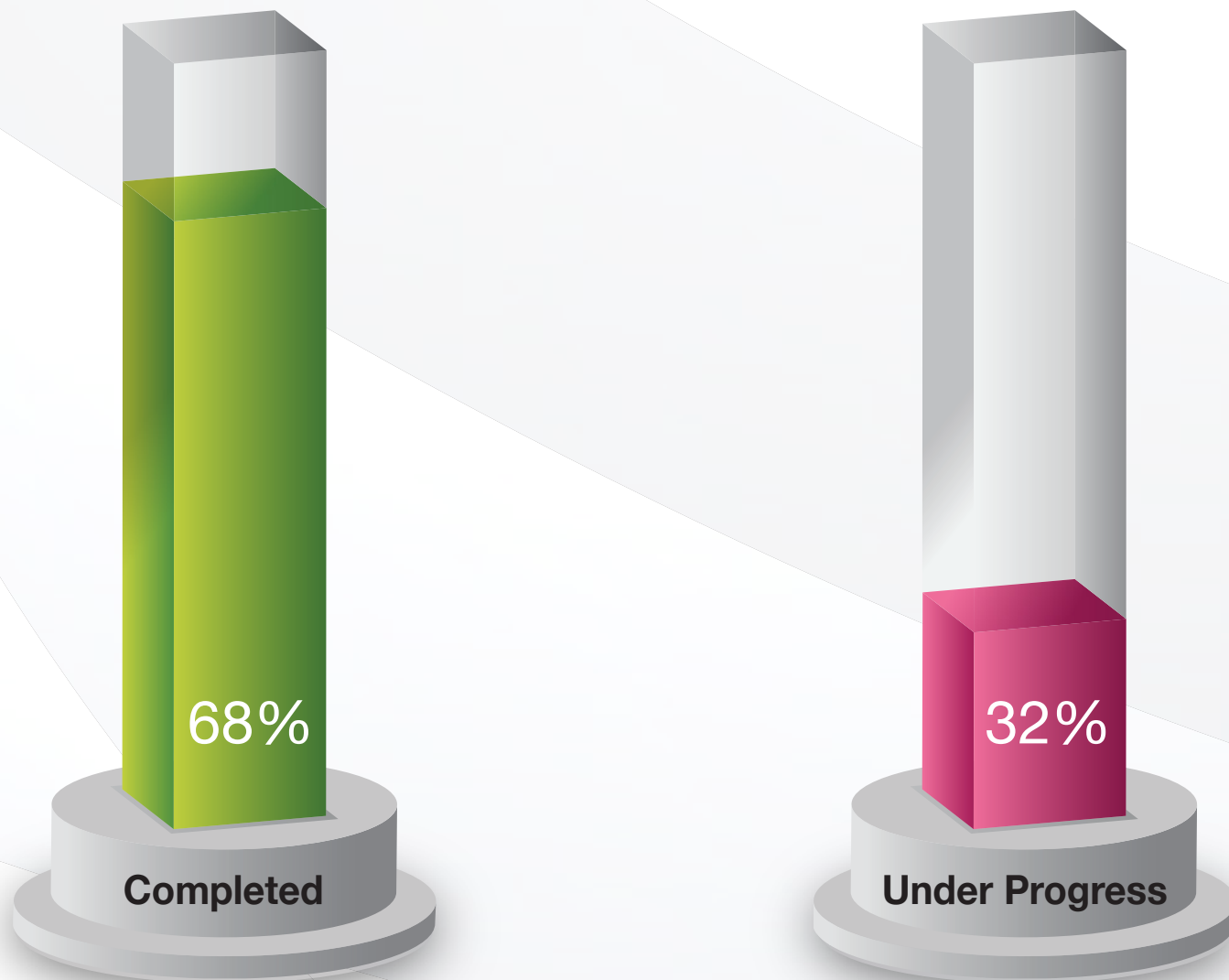
The QFMA's strategy includes eight key objectives. Each objective includes a set of initiatives and programs to achieve these objectives, namely:

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



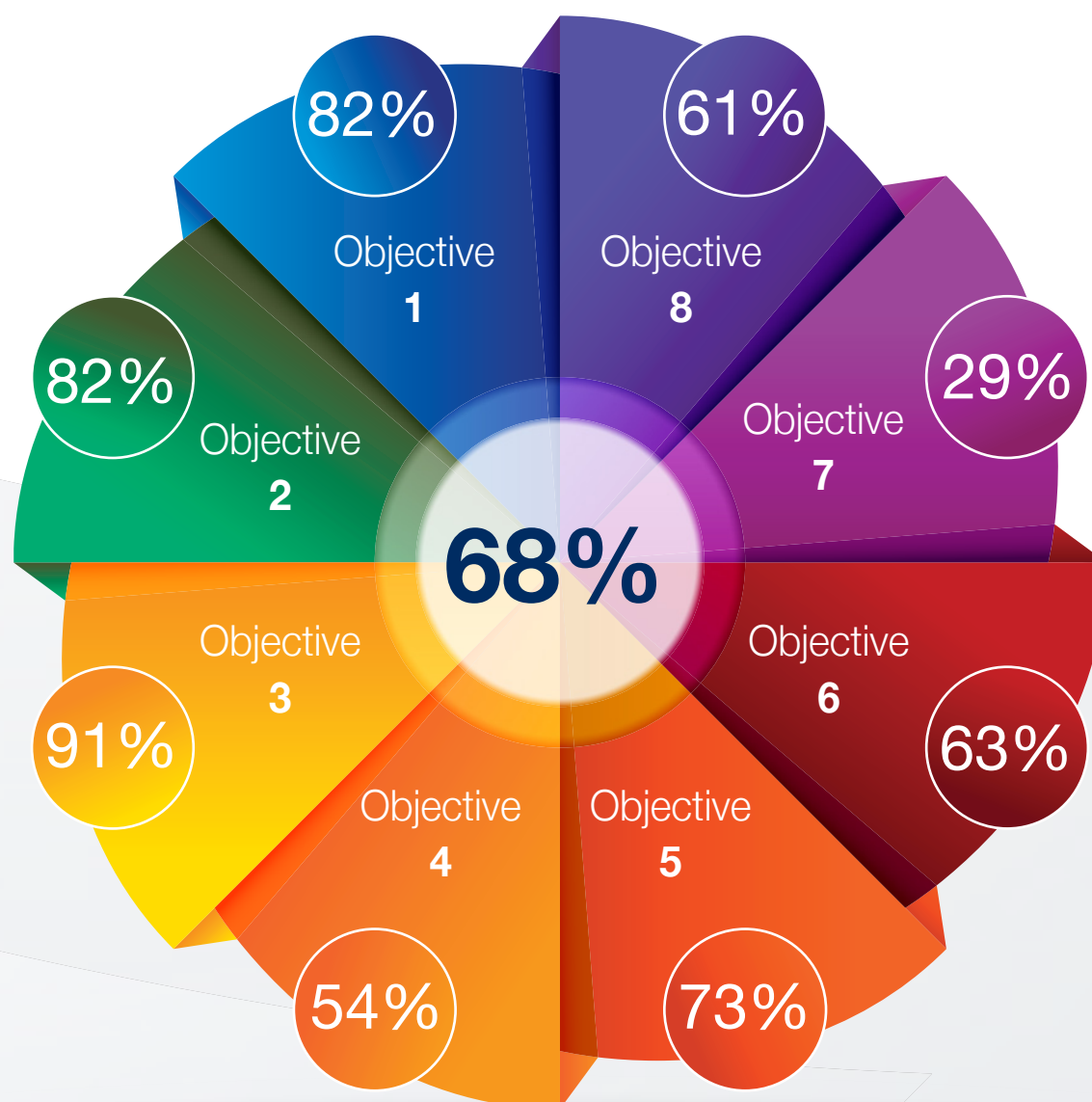
The Progress Made Towards Achieving the QFMA's Strategy (2017-2022)

Total of 73 Initiatives

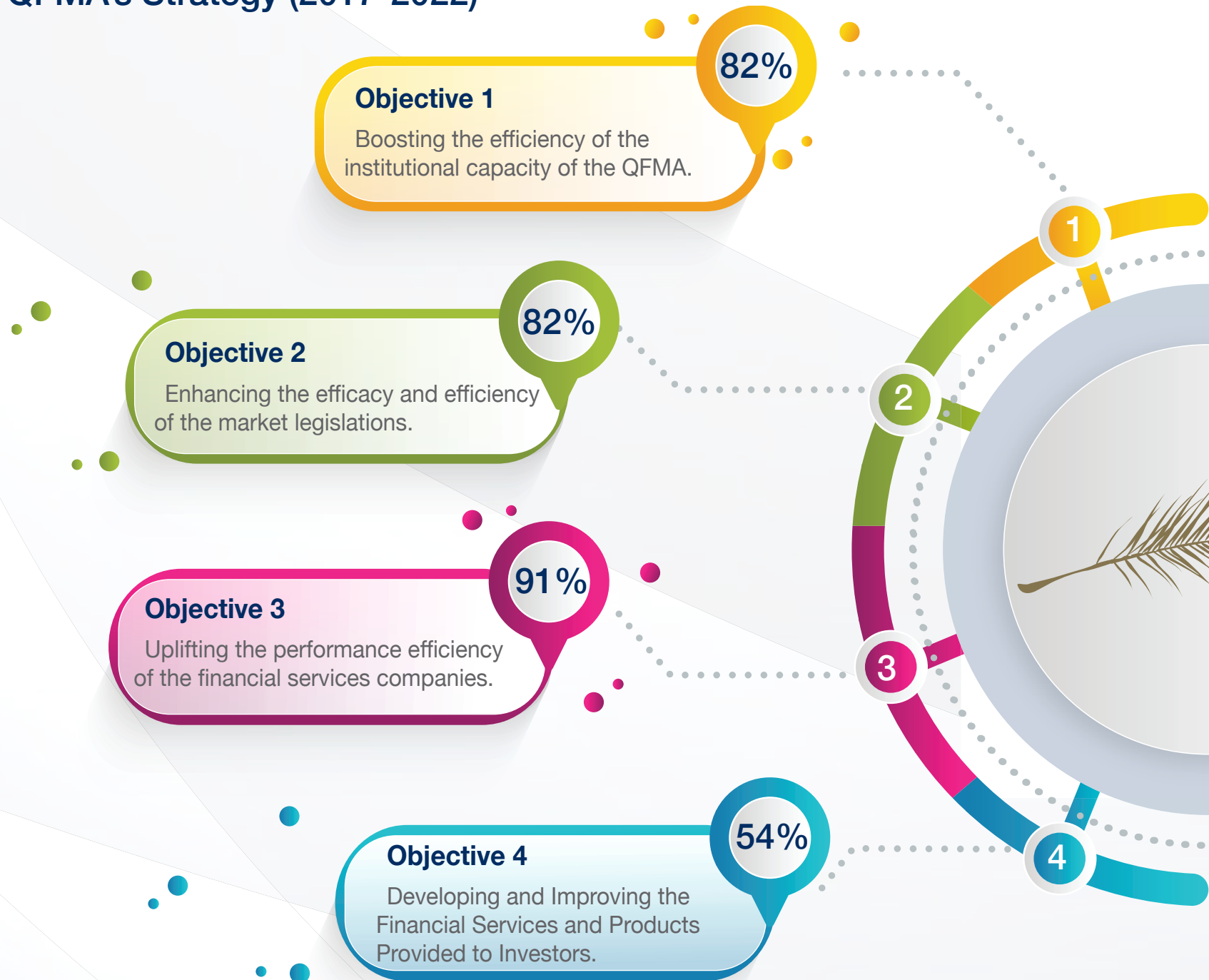


The Progress Made Towards Achieving the QFMA's Strategy (2017-2022)

Total of 73 Initiatives



The Progress Made Towards Achieving the QFMA's Strategy (2017-2022)





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 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 and the recommendations.

2- Disciplinary Committee:

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

6- Tenders and Auctions Committee:

The Committee shall be responsible for conducting tenders, auctions and practices for contracts relating to procurement of any needs or requirements for the QFMA of goods, materials, equipment, machines, devices and other goods and products.

The committee shall meet whenever necessary and consist of a number of members, as well representatives from the Audit Bureau and the Governmental Procurement Department at the Ministry of Finance.

7-Personnel Affairs Committee:

The Committee shall be responsible for considering the application concerning the promotions of Qatari employees in the QFMA (seniority or exceptional), modifying the job status and job titles, approving bounces and allowances, appeals, and applications of study completion on private expense, in addition to any other functions assigned to it by the CEO.

8-HR Disciplinary Committee:

The Committee shall be responsible for imposing disciplinary penalties against the second-degree and below occupants with appropriate penalties thereon, and considering suspending the employees referred to accountability before it and extending their suspension, whether the suspension decision is issued by the Committee or by the CEO.





Ahmed Bin Ali Stadium



Securities Licensed for Trading on the Market

Financial Services Activities subject to
QFMA's Jurisdiction

Functions Subject to QFMA's Jurisdiction
(Regulated Functions)

General Conditions for Approving Individuals

Bodies and Persons Subject to QFMA's
Jurisdiction

Securities Licensed for Trading on the Market

1. Shares.
2. Government Bonds.
3. Treasury Bills.
4. Investment Funds' Units.
5. Real Estate Investment Funds' Units.
6. Rights Issue.
7. Bonds and Sukuk of Listed Shareholding Companies.

Financial Services Activities subject to QFMA's Jurisdiction

1. Execution of securities purchase or sale's orders for others.
2. Securities' trading for own account.
3. Custody services (cash or securities).
4. Broker Agent.
5. Advice on securities.
6. Securities' investment management.
7. Investment trusteeship.
8. Underwriting issuance of securities.
9. Securities' issuance management.
10. Market maker.
11. Liquidity providing.
12. Margin trading.
13. Securities' lending and borrowing.
14. Securities marketing and promotion.
15. Listing advisor in securities.
16. Financial markets.
17. Central depository of securities.
18. Clearing and settlement of securities.
19. Any other activity deemed by the QFMA to be added to these activities.

Functions Subject to QFMA's Jurisdiction (Regulated Functions)

Regulated functions are divided into three categories:

Category (1):

Functions performed by people who have a significant influence on the operations of the Company:

This category includes the following functions:

1. Board Members of the Company.
2. Chief Executive Officer or, a general manager, or a managing director.
3. A person acting for any of the persons mentioned in (2) above.
4. Financial manager.

Category (2):

Technical functions of Company Representatives and securities professionals:

This category includes the following functions:

1. "Financial Advisor" is the approved individual responsible for providing advice to clients in respect of securities investment in return for compensation or a commission paid to the Company.
2. "Account Manager" is the approved individual responsible for administering the account of a client.
3. "Broker Representative" is each approved individual responsible for executing sale and purchase orders for the broker or his clients.
4. "Back Office Operations Officer" is each approved individual responsible for opening clients' accounts, settling transactions by receiving and delivering funds and securities, and maintaining financial records related to the clients.
5. "Financial Analyst" is the approved individual responsible for analyzing the previous, current, and expected performance of securities issuers; or

individual who performs financial analyses with a view to providing financial advice to companies concerning corporate finance operations and capital operations.

6. “Investment Manager” is the approved individual responsible for managing securities portfolios for others (mutual funds, and individuals) by taking sale and purchase decisions on behalf of his clients according to the authorization given to him by the client; or the approved individual who works for an Investment Trustee to monitor management of investments.
7. “Representative of a Custodian” is the approved individual responsible for the custody of funds and securities, and he may undertake measures related to registration, transfer of property, mortgage and attachment of funds and securities of clients.
8. “Trading Manager” is the individual responsible for supervising the Broker’s Representatives and for the operations of receiving and executing the purchase and sale orders for the clients or for the own trading.
9. “Deputy Trading Manager” is the individual who replaces trading manager in case of absence.

Category (3):

Functions related to monitoring compliance:

1. “Compliance Officer” is an approved individual responsible for ensuring application of the laws, bylaws, regulations, and decisions binding on the Company, including all that is issued by regulatory authorities in this respect. He must inform the Top Management of any breaches and submit such information to the Authority if no appropriate action is taken.
2. “Money Laundering Reporting Officer (MLRO)” is the individual who performs the function of monitoring and reporting money laundering and terrorism financing crimes.
3. Deputy Money Laundering Reporting Officer (Deputy

MLRO) is the individual who replaces the MLRO in case of absence

4. “Risk Management Officer” is the approved individual responsible for enforcement of policies and procedures related to identification, measuring, and avoiding risks that might face the Company and for preparing relevant reports.
5. “Internal Auditor” is an approved individual responsible for adopting the most suitable approach for supervision to ensure compliance with rules and procedures specified in the Company internal controls, and he is responsible for reporting any breaches in this respect and following up measures taken to remove such breaches.

General Conditions for Approving Individuals

In order to obtain the QFMA’s approval for conducting any of the regulated functions for a financial services company, an individual must satisfy the following general conditions:

1. He must have good reputation.
2. He should enjoy full legal capacity.
3. He must not have been dismissed from service for disciplinary reasons; or barred indefinitely on disciplinary grounds from performing a function in the securities business or any other private profession; or sentenced to a criminal sanction; or a misdemeanor sanction in a crime against honor or integrity; or to a restriction of freedom in respect of any of the crimes defined by any of the Commercial Companies Law, the QFMA’s Law; or declared bankrupt unless he was rehabilitated.
4. He must not be subject to any legal or administrative proceedings that might negatively affect his financial position or capability of fulfilling any of the regulatory conditions and requirements.

5. He must have obtained educational qualifications relevant to his function.
6. He must attend the training programs specified by the QFMA and pass the tests or attend similar training programs set by foreign authorities recognized by the QFMA.
7. He must not be a manager or member of Top Management or an employee of an entity listed on the Market, unless such entity is the licensed company where he works. This condition does not apply to Company's Board members.

Bodies and Persons Subject to QFMA's Jurisdiction:

In accordance with Law No. (8) Of 2012, as amended by Decree-Law No. (22) of 2018, and based on the definitions contained in the Law, an activity shall be deemed to be an activity subject to regulation in the event that it is a licensed financial market, a depository or anything that falls within one category or more of the activities stipulated in Appendix II attached in QFMA Regulation and relating to one or more of the licensed securities or it is carried out as a business.

The persons, entities and individuals subject to the QFMA's jurisdiction are:

1: Financial Markets:

- Qatar Stock Exchange (QSE).

QSE is a private Qatari shareholding company licensed by QFMA as a regulated financial market to regulate dealing in securities in the following financial markets:

1. Main Market.
2. Venture Market (Small & Medium Enterprise "SME")
3. ETFs Market.

4. Sukuk & Bond Market (Government bonds and Treasury Bills).
5. Real Estate Funds Market.

2: Depository, Custody, Clearing & Settlement:

- Qatar Central Securities Depository (QCSD).

QCSD is a private Qatari shareholding company licensed by QFMA to take responsibility of providing depository services, securities custody, transfer of ownership, registration and securities clearing and settlement operations.

3: Listed Companies & Funds

First: Listed Companies:

The number of listed companies on QSE reached (47) companies, with a total number of shares (132.73) billion, with a market value of approximately QR 602.20 billion.

Second: Listed Funds:

There are two ETFs listed on the QSE:

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

4: Financial Services Companies:

In accordance with Article (3) of Financial Services Rulebook issued by the QFMA's Board No. (5) of 2019, any person may perform, in or from the State, the financial services activities after obtaining a license issued by the QFMA.

By the end of the year, the number of financial services companies reached (17).

5: External Auditors:

An external auditor is a legal person licensed by the competent department at Ministry of Economy and Commerce or registered at Qatar Financial Center (QFC) to carry out the works of revision and audit of

financial statements and reports, to express an opinion in accordance with rules and principles of the profession and the International Standards on Auditing (ISA) or auditing standards relating to Islamic financial institutions; and to confirm whether those financial statements are free of fundamental mistakes; as well as the liquidations.

By the end of the year, the number of offices and companies registered at QFMA as external auditors reached (12).

6: Financial Evaluators:

A financial evaluator is a legal person registered at the QFMA to carry out the works of preparing financial evaluation studies for listed entities and entities subject to the QFMA's jurisdiction, or entities wishing to be listed, or unlisted companies to be merged with listed company, a subsidiary of a listed company or merging a listed company for the purpose of listing in the financial markets in order to increase capital, Initial Public Offerings (IPOs), private offering, acquisition, merger, restructuring or any other purpose may be considered by the applicant entity for evaluation.

By the end of the year, the number of offices and companies registered at QFMA as financial evaluator reached (10).

7: Offering Managers and Listing Advisors in the Main Market:

The Issuer, according to the application submitted to the QFMA for offering and listing securities on the market, shall appoint an offering manager or a listing advisor to perform the functions specified in Article (11) of Offering & Listing of Securities Rulebook issued by QFMA's Board Decision No. 3 of 2010 as amended.

By the end of the year, the number of companies licensed by QFMA reached (7).

8: Listing Advisors in the Second Market (Venture Market):

The Issuer, according to the application submitted to the QFMA for offering and listing securities on the market, shall appoint a listing advisor to perform the functions specified in Article (11) of Offering & Listing of Securities Rulebook "Second Market" issued by QFMA's Board Decision No. 2 of 2011 as amended.

By the end of the year, the number of companies registered at QFMA as listing advisors reached (5).

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.

By the end of the year, the number of custodians registered at QFMA reached (3).

10: Approved Individuals and Regulated Functions:

An approved individual is any natural person who has received a license or an approval from QFMA for conducting the regulated functions after meeting the requisite conditions specified in Article (7) of Appendix Two of the Financial Services Rulebook issued by the QFMA's Board Decision No. 5 of 2019.

11: Participants Dealing in Securities:

Any person relating to 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.



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QFMA's Membership Locally & Internationally







First: Locally

A- Joint Local Committees and Working Groups among QFMA, QCB, and QFCRA.

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 and 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 and 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.

- **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 and mitigating potential risks to the financial system, promoting a coherent and cooperative regulatory environment in the State, providing open exchange of information among members in respect of regulatory developments and 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. Financial Sector Strategy Working Group:

The working group that prepared the Second Strategic Plan for Financial Sector Regulation (SSP) (2017-2022) and proposes the mechanism and stages of implementing the plan, following up on its implementation and preparing quarterly reports, and any related issues.

B- The Key Local Committees and Working Groups:

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

The NAMLC was formed under the chairmanship of the Deputy Governor of Qatar Central Bank (QCB). NAMLC is comprised of 15 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 and it is also responsible for international co-ordination with counterpart regional and international organizations to unify their efforts for combating money laundering and terrorism financing.

2- The Committee on Real Estate Sector Development Strategy.

The committee chaired by HE Minister of Municipality and Environment, with the membership of 9 government agencies. The Committee is responsible for proposing a real estate sector development strategy in the State and the policies and plans required for its implementation. The Committee also shall develop the governance system for the sector, propose ways to support and develop the sector, and the necessary controls regulate the investment in such sector, in addition to the necessary mechanisms and programs to encourage investment in this sector, and to propose the necessary legislative tools to implement the real estate sector development strategy.

3- Single Window Working Group:

The Working Group considers applications for listing of securities in the market in order to facilitate procedures and decide quickly thereon of such applications

4- Corporate Social Responsibility Working Group:

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 Commerce and Industry. It includes a number of concerned ministries and government entities, and representatives of the Qatari private sector.

5- Electronic Security Shield at the Ministry of Interior:

A project aimed at raising the electronic security level in the State 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.

6- Working Group for Implementing Qatar Financial Sector Information Security Strategy

The QFMA formed this group to follow up the implementation of Qatar Financial Sector Information Security Strategy approved by the QCB Governor, with memberships of the QFMA, the Ministry of Transport and Communications, the Qatar Stock Exchange, and the Qatar Central Securities Depository.

Second: Internationally

1. International Organization of Securities Commissions (IOSCO):

QFMA became an IOSCO member in 2013 and gained the Ordinary Membership. QFMA joined several of the IOSCO key Committees, including:

- Presidents Committee
- Growth & Emerging Markets Committee (GEMC)

- Africa / Middle-East Regional Committee (AMERC)
- MMoU Monitoring Group

2. Association of National Numbering Agencies (ANNA):

QFMA signed a partnership agreement with ANNA on 2013 and 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 protecting dealers in securities, especially those relating to facilitating trading.

3. The Union of Arab Securities Authorities (UASA):

QFMA has been a founding member UASA since 2007. QFMA is keen on actively participating in the Union's activities, implementing its strategic objectives, and attending the regular meetings, as well as organizing and hosting the Union's training programs.

4- The Islamic Financial Services Board (IFSB),

QFMA has become an associate member of the IFSB since 2011 as with membership of both QCB and QFCRA.



Ahmed Bin Ali Stadium



QFMA's Activities





Throughout the year, QFMA has organized various events and activities within its jurisdiction as a capital market regulator in the State of Qatar, with the aim of raising the level of investment culture and knowledge among those interested and concerned people, and bodies subject to its jurisdiction.

Such events and activities include local and international meetings and conferences, training programs, workshops and participation in several occasions, namely are:

Events Organized by QFMA

- The 44th AMERC Annual Meeting

On January 29, 2020, QFMA hosted and organized, in coordination with the International Organization of Securities Commissions (IOSCO), the 44th Africa Middle East Regional Committee (AMERC) Annual Meeting. The total number of participants in the meeting reached (70) including 23 of the AMERC members, representatives from IOSCO, experts and specialists in the capital market sector. (1)

- QFMA 3rd Annual Conference

On January 30, 2020, QFMA held its 3rd annual conference in the presence and participation of a large number of specialists, experts and concerned participants from the capital market sector, as well as international speakers representing institutions in the field of financial services sector. The number of meeting attendees reached 174 participants.

- Workshop on “Anti-Money Laundering and Combating Financing of Terrorists Rules”

On January 22, 2020, the QFMA held at its headquarters a workshop for the representatives of the licensed parties (48 participants) on the effectiveness of combating money laundering and terrorism financing by applying the provisions of “Anti-Money Laundering and Combating Financing of Terrorists Rules” issued by the QFMA pursuant to Law No. (20) of 2019 on issuing Combating Money Laundering and Terrorism Financing Law and its Implementing Regulations issued thereof. During the workshop, a detailed explanation was provided on the new requirements for combating money laundering and terrorism financing, the mechanism of their application, and the risks of money laundering and terrorist financing and proliferation.

- A workshop for representatives of licensed parties entitled “Efforts of combating money laundering and terrorism financing:

On July 29, 2020, the QFMA held a one-day online workshop for the representatives of licensed parties on efforts of combating money laundering and terrorism financing and proliferation financing, and to review the results of the National Risk Assessment and Sectorial Risk Assessment of money laundering, terrorist financing and proliferation. The number of participants of the workshop reached 48.

- The AML/CFT Digital Learning Module for the Qatari Capital Market:

QFMA, in cooperation with the Chartered Institute for Securities & Investment (CISI), has developed an

(1) See all details of the 44th AMERC Annual Meeting & the 3rd QFMA Annual Conference in Part Five of the report.

electronic educational assessment module on Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). The pilot launch of the program took place at the QFMA level, and the official launch will be in 2021.

The AML/CFT digital learning assessment is available in English and Arabic, for professionals working within the capital market. The successful completion of the module will be considered a catalyst in disseminating awareness about AML / CFT in the capital market sector. The successful completion of the module will also be well-recognized in the QFMA licensing requirement process.

The module combines regulatory and supervisory knowledge together with the professional and training experience, as it includes the international principles and regulations governing them, as well as the AML/CFT legislation of the State of Qatar.

The module consists of eight-themed chapters and is concluded by multiple-choice questions and upon successful completion of the test, the registrant will receive a downloadable certificate from the QFMA and the CISI.

- Training program on “Financial Fraud Identification”

QFMA, in cooperation with the Union of Arab Securities Authorities (UASA), held a training program on “Financial Fraud Identification”. This program comes as a part of the 2020 World Investor Week held annually by the International Organization of Securities Commissions (IOSCO).

It provided a comprehensive overview of financial fraud investigation, investigation best practices, techniques in investigation planning, in addition to other topics related to obtaining evidence, effective interrogation, data analysis, and investigation reporting, its direct relevance as a fundamental pillar of combating money laundering, and its impact on the quality of suspicious money laundering and

terrorist financing activity reports.

The training program details dealt with five main topics, including:

- The first topic: developing a plan to investigate fraud. This topic focuses on the role of fraud investigation in anti-money laundering and combating terrorist financing, an introduction to modern techniques in fraud investigation, developing strategic plans for fraud investigation, best practices in conducting an internal and external fraud investigation, as well as developing strategies to prevent fraud.
- The second topic: identifying and gathering evidence, it focused on identifying appropriate evidence and methods of data collection, searching and obtaining evidence using the Internet, analyzing data to detect fraud, and reviewing, managing and organizing evidence.
- The third topic: interviewing interrogation techniques, dealt with identifying witnesses and planning interviews, conducting effective interviews in search of evidence, and conducting effective interviews in search of recognition.
- The fourth topic: the application of analytical procedures, addressed the use of advanced analytical techniques and automated analysis systems, the use of data analysis techniques, and the preparation of the case for clearance.
- The fifth topic: effective investigation reporting, included choosing the appropriate form and structure for the report, effective techniques of reporting, and the impact on suspicious money laundering and terrorist financing activity reports.

The program targeted financial services professionals, including compliance officers, money laundering

reporting officials “MLROs”, employees of regulatory, law enforcement and trade entities, and employees of development institutions and civil society organizations.

The number of participants of the workshop reached 53 and they were awarded certificates issued by the UASA and the QFMA.

Events Participated by the QFMA:

- Meetings of the Heads of GCC Financial Market Regulators’ Committee:

- First Meeting:

The meeting was held on April 5, 2020, via visual communication, and discussed the efforts made by the GCC capital markets regulators to support their financial markets under the outbreak of the new Coronavirus (Covid-19), in addition to those regulators role in promoting financial stability and achieving financial inclusion, and the protection of investors and dealers in securities from illegal activities in the market, based on the tools available to the regulators and the precautionary policy. During the meeting, the committee reviewed the mechanisms adopted by the regulators to support financial markets through the economic and financial packages launched by the GCC governments, which included fees exemptions, loans restructuring in cooperation with monetary institutions and central banks, directing government funds to increase their investments in stock exchanges, and other incentive packages adopted by the GCC countries to mitigate the economic and financial consequences of this pandemic on companies listed in the GCC capital markets.

- The Second Meeting:

The meeting was held on June 29, 2020, via visual communication. The meeting discussed the executive work

plan to implement the GCC inter-licensing of investment “Passporting” and the mechanism and timetable for its implementation, and the road map for implementing the most important initiatives to achieve integration between the GCC Capital Markets.

The meeting also discussed a number of topics including an issue provided by the Capital Markets Authority in the State of Kuwait regarding the procedures for developing the form of Know Your Customer “KYC” and the unified database for the GCC citizens.

- A Workshop on “Findings of the National Risk Assessment of Money Laundering and Terrorist Financing”:

The National Anti-Money Laundering and Terrorism Financing Committee (NAMLC) held a remote workshop for all public sector entities on June,17 2020 to discuss the findings of the National Risk Assessment related to combating money laundering, terrorism financing and mass destruction arms proliferation and the use of the information in accordance with the FATF requirements.

- A Workshop for the Licensed Parties in Cooperation with the Financial Information Unit (QFIU):

Within the holding the Fourth Forum of the Public-Private Dialogue and in adaptation to the circumstances of COVID-19 Pandemic, a workshop was held remotely on 23 June 2020 for the licensed parties in cooperation with QFIU for enhancing awareness to detect and reduce suspicious transactions and identify patterns of suspicion, especially related to money laundering and terrorist financing risks, in light of the spread of the COVID-19 virus.

- The UASA’s 14th Annual Meeting

The QFMA participated in the 14th meeting of the Union of Arab Securities Authorities (UASA) Board, which was

held remotely on June 24, 2020. The meeting discussed a number of topics including the issuance of the rulebook and approved guiding principles for Arab securities markets, and the issuance of the glossary of common financial terms used in Arabic, English and French as well as accepting the membership of the Libyan Capital Market Authority in the Union, in addition to the proposed secondment and assignments guidelines among the Union's members.

- A Training Workshop of QCPA "Governance Role in Crisis Management"

The QFMA and Qatari Society of Certified Public Accountants "QCPA" organized on July 20, 2020, a remote training workshop on "Governance Role in Crisis Management", with the participation of a number of speakers of experts and specialties.

The workshop discussed all issues and topics related to the role of corporate governance in the crises, its effects on companies' budgets and governance, and their compliance with international standards.

Among the most important issues covered by the workshop are the concept, scope and history of the crises, and their impact on companies, institutions and the economic sector in countries.

It also discussed the role of corporate governance, joint responsibility to get out of crises (the state, companies, banks, and supervisory and regulatory authorities), and learn about the meaning of the governance of companies and financial institutions, its principles, importance, and expected benefits.

The workshop highlighted the efforts of the State of Qatar in the governance of listed companies, and the role that the governance can play in mitigating the effects of the current crisis.

The target audience of the workshop included Qatar Stock Exchange "QSE", Qatar Central Securities Depository "QCSD", board members of companies and banks, senior management of companies and banks. It also included officers of compliance, supervision and risk, human resources sector in listed companies and banks, external auditors, people working in the financial sectors, internal audit, and governance officials in Ministry of Commerce and Industry and QFMA.

- Meeting of the GCC Financial Markets Regulators Working Group Concerning Communication and Investor Awareness:

On August 18, 2020, the QFMA participated remotely in the meeting of the financial markets' regulators working group concerning communication and investor awareness, seeking to develop a joint implementation plan for investment awareness of the GCC financial markets.

- A Workshop on Raising Awareness for Suspicious Transactions Reporting:

On October 11, 2020, a remote workshop was held in cooperation with Financial Information Unit (QFIU) for the licensed parties, with the aim of raising awareness about suspicious transactions reporting, their role in reducing financial crimes, and the importance of preparing such reports, as well raising their quality.

- A Workshop on "Money Laundering & Terrorism Financing Risks Assessment Related to Financial Products"

Qatar Association of Certified Public Accountants "QCPA", in cooperation with Qatar Financial Markets Authority "QFMA", organized a training workshop on "Money Laundering & Terrorism Financing Risks Assessment Related to Financial Products and Services".

The workshop was held online and discussed advanced topics and issues in anti-money laundering for employees of QFMA and shareholding companies.

The workshop was based on a number of key pillars in line with the controls and requirements issued by the regulators as well the latest relevant developments and decisions issued by international financial bodies.

During the workshop, the speakers covered three main topics, namely:

- The first topic: promoting compliance with local laws and international legislation, and discussing the assessment of risks related to products, their types, their risks, and the financial services, as well the policies, measures and procedures of ongoing due diligence for high-risk customers.
- The second topic, the development of the concept of AML / CFT management, it addressed risk assessment from the banking and regulatory point of view, customer risks and jurisdiction risks, and precautionary measures when dealing with high-risk customers and high-risk countries.
- The third topic: the procedures of correspondent banks in assessing the risks of financial products services, as it dealt with strengthening the regulatory frameworks, mitigating the risks related to correspondent banks, the impact of non-compliance with international sanctions on the work of shareholding companies and financial institutions, and the notification obligations of suspicious transactions.

The target audiences of the workshop included board members of companies and banks, employees of senior managements in companies and banks, compliance officers, the human resources sector in companies and banks, and employees of the financial sectors and internal audit.

The workshop was attended by 36 participants representing

several entities in the financial sector.

- The IOSCO World Investor Week

The QFMA participated in the events of the World Investor Week promoted by the International Organization of Securities Commissions (IOSCO WIW). Within the framework of the ongoing cooperation between QFMA and Qatar University (QU), an educational and awareness presentation was presented online on November 5, 2020 for students of the QU College of Business & Economics.

The presentation included overview on the QFMA, IOSCO and the latest developments related to local and international capital markets, with a focus on the WIW activities.

As a part of the WIW activities, the QFMA also held on 21/22 October 2020, in cooperation with the Union of Arab Securities Authorities “UASA”, a remote training program on “Financial Fraud Identification”.

- A Workshop entitled “Financial Fraud Patterns & Prevention Ways by Shareholding Companies”:

On November 15, 2020, in cooperation with Qatar Association of Certified Public Accountants “QCPA”, a workshop was held remotely, on the financial fraud patterns and its prevention ways by shareholding companies and in the presence of representatives of the licensed parties.

- The Gulf Investment Awareness Program

The GCC financial market regulators have launched a joint Gulf awareness campaign on the basics of investing in the financial markets and avoiding risks related to investment, aiming to raise awareness of fraudulent methods and introduce the regulations and legislation governing financial markets investment transactions, thereby raising market standards, efficiency and soundness.

It should be noted that the campaign comes as a part of the Gulf Investment Awareness Program “Mulem”, a joint awareness program by the GCC financial market regulators, which was launched on November 1, 2020 until the end of 2021, and targets all segments of society, “the public of investors in general, small investors, beginners in the markets, and those interested in financial markets”.

- The Joint meetings with the financial sector regulators (Qatar Central Bank (QCB) and Qatar Financial Center Regulatory Authority (QFCRA)):

Within the framework of implementing the AML/CFT national strategy and the joint strategy and supervision plan of the financial sector regulator, the joint meetings are continuously communicated and held to discuss the executive mechanism to coordinate supervision over financial institutions that have a joint supervision and licensing, and to exchange information related to office surveillance, on-site inspection, and AML/CFT risk assessment.

- Meetings of the National Anti-Money Laundering and Terrorism Financing Committee (NAMLC):

The QFMA, as a member of NAMLC, participates in all NAMLC meetings and takes decisions in accordance with the committee’s jurisdiction specified under the provisions of Article (30) of Law No. (20) of 2019 on Combatting Money Laundering and Terrorism Financing.

The IOSCO’s Meetings:

The QFMA, as a full member, participated in the IOSCO annual meetings, namely:

• Multilateral Memorandum of Understanding Committee Meeting - MMoU

The QFMA attended the MmoU meeting on November 9, 2020. One of the most important topics discussed at

the meeting was the AA Administrative Arrangement of European countries and the meeting discussed the necessity of signing an administrative arrangement to activate the IOSCO MoU, as it will not be allowed for any European country to share information about persons or entities only after signing the administrative arrangement and within the scope of enforcement of the relevant EU laws.

• Africa Middle East Regional Committee Meeting - AMERC

The QFMA attended the AMERC meeting on November 10, 2020, where some topics were discussed, such as the impact of the Coronavirus pandemic on countries and how IOSCO deals with its repercussions. Some important topics that come in the priority of the Committee’s list of countries were mentioned, such as financial technology (FinTech) and its impact.

The committee will form two working groups, namely (Fin Tech Working Group) and (Sustainable Working Group), to study issues and facilitate information exchange and capacity building. Groups will be formed according to priority for those who want to join.

There was a presentation by the financial sector in Kenya on sustainable finance, and another presentation on fintech by Cambridge Centre for Alternative Finance (CCAF).

• Meeting of the Growth and Emerging Markets Committee - GEMC

The QFMA attended the GEMC meeting on 16 November 2020, where the members discussed opportunities, challenges and solutions involved in financial markets development in the Middle East. The Committee’s guidance comments on the preliminary analysis regarding the impact of the Coronavirus pandemic on emerging markets were mentioned.

The committee chairperson also presented the findings regarding the study related to the priorities that should be talked about and focused on by the committee.

The Secretary-General mentioned the working groups and teams that will be formed to facilitate information exchange and capacity building in their respective fields, namely:

- Intermediaries Group.
- Collective Investment Schemes Group.
- Secondary Markets Group.
- Financial Market Infrastructure Group.

• **Presidents Committee meeting**

The QFMA attended the Presidents Committee meeting on November 18, 2020, where the discussion was around the IOSCO work in the following groups and areas:

1. Financial Stability Engagement Group (FSEG):

The work of this group has been presented at the board level to support and enhance the work of IOSCO in financial stability issues. The FSEG cooperates with the Financial Stability Board (“FSB”), global Standard Setting Bodies (SSBs) and other organizations in organizing the international debate about the risks of financial stability in the capital markets.

It is noteworthy that the FSEG, since its inception in February 2020, has been involved in response initiatives to the COVID-19 pandemic crisis, as well as issues related to Non-Bank Financial Intermediation (NBFIs), and it will also do more work on open-ended funds liquidity, margins and guarantees.

2. Sustainable Task Force (STF):

The Chair of the STF presented the main findings of the Sustainable Finance Network (SFN) report published in April 2020, in addition to the Sustainable Finance Fund

Action Plan that focuses on three streams:

- Work Stream 1: (WS1) sustainability-related disclosures made by issuers.
- Work Stream 2: (WS2) sustainability-related disclosures made by asset managers, greenwashing, and other challenges to investor protection.
- Work Stream 3: (WS3) CRAs, ESG ratings, and ESG data providers.

3. Retail Market Conduct Task Force (RMCTF) at the Board level:

The Task Force Co-Chairs presented key findings of the report on potential retail misconduct risks in financial services industry arising from the COVID-19 pandemic. In addition, the Co-Chairs provided an overview of the assessment of regulatory tools and approaches related to conduct in the retail markets.

4. Risk Outlook for 2021 (RO):

The Chair of the Committee on Emerging Risks (CER) presented the 2021 Report, which is a survey of IOSCO’s outlook for regulatory issues arising in securities markets, including risks, trends and weaknesses. In doing so, the report provided an objective basis from which to define priorities for action for the next year.

5. Market Fragmentation

The Co-Chair of the Follow-up Group (FUG) gave a presentation on the latest developments in the group’s work, including the special report on good practices related to compliance procedures, as well as the group’s upcoming work.



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The 44th IOSCO's AMERC
Annual Meeting

The QFMA 3rd Annual Conference



The 44th IOSCO's AMERC Annual Meeting

(29 January, 2020)

On 29 January, 2020, QFMA hosted and organized, in coordination with the International Organization of Securities Commissions (IOSCO), the 44th Africa and Middle East Regional Committee (AMERC) Annual Meeting.





About IOSCO

The IOSCO undertakes setting the standards necessary for the oversight and supervision processes recognized by the international financial community, which all member states must comply with and fulfill their requirements. It also seeks to enhance the regulatory and supervisory

powers of capital market authorities through internationally cooperation, and enhance the effectiveness of capital market authorities to detect and combat financial crimes across borders, in addition to ensuring the enforcement of laws of capital market authorities against violators across borders.



About AMERC

The AMERC is one of the IOSCO's most important committees, as a regional committee with 41 members, including the GCC countries, the Arab countries, and the African countries. The Committee meets twice a year to discuss the most important issues, developments and risks of the region.

One of the most important works of the Committee was the formation of its own working group to study and analyze the most important issues of the region and to support cooperation among members to explore best practices, experiences and possible outcomes.

Meeting objectives:

During the meeting, the AMERC members discussed all means that would contribute to strengthening their efforts and their mutual cooperation in order to overcome all challenges facing the capital markets in member jurisdictions, to ensure the continued development and keep pace with all the global developments in the financial sector.

Participants:

The meeting was attended by AMERC members, experts and specialists in the capital market sector. The total number of participants in the meeting reached (70) including 23 of the AMERC members, representatives from IOSCO, experts and specialists in the capital market sector.

Meeting Panels:

The meeting was opened with remarks by the CEO of the QFMA and the AMERC Vice-chair. This was followed by the adoption of agenda and minutes of the previous AMERC meeting, and discussion of its arising issues.

A presentation was made by the Secretary General of IOSCO on the organization's priorities and the its Board agenda.

During the meeting, they discussed a number of issues and topics related to the capital markets sector in the AMERC member states, which focused on the importance of continuing development of the regulatory environment of financial markets to be consistent with the international best practices, and to make the Qatari capital market sector in a leading position. This could be through keeping pace with international standards and seeking to develop self-capabilities and competitive capabilities for this sector, which would contribute in the sector's quick growth and enhance its role in supporting the performance of the AMERC members' economies.

During the meeting, several presentations were made by CMA Saudi Arabia on parallel equity market and financial technology (FinTech) regulatory sandbox framework. A presentation was also made by the AMERC 's Listing sub-committee, followed by a presentation by QFMA on QFMA AML/CFT Digital Learning Module. Subsequently, a presentation was made on the AMERC Regional Priorities by the AMERC Vice-chair.

The Committee members participating in the meeting also addressed the top risks and challenges facing their markets, as well as the top initiatives. At the end of the meeting, a presentation was made on the next AMERC meeting, that will be hosted by Algeria. The meeting concluded with the closing remarks of the AMERC Vice-chair.

Participants Impressions on the AMERC Meeting:

A number of heads of participating delegations talked about their impressions on the meeting and its organizing, as they confirmed the success of the meeting in proposing and discussing many issues and topics that should have been addressed, as well as its success in drawing a future «road map» for the financial markets to ensure continuing their development and achieving their aspirations and ambitions.

Mr. Paul Andrews, the Secretary General of IOSCO,

said that he is very interested and optimistic in the Doha meeting and its sessions, adding: I am interested to learn from the meeting, because I think that there are great experiences in the region come together in one place in Doha, is going to be a good and useful experience, because the issues on the conference agenda are very important.

Mr. AbdelHakim Berrah, Chairman of COSOB (Organizing Committee and Securities and Exchange Surveillance,

said that the AMERC meeting in Doha has close views among members on many issues, ensuring that the meeting acquires great importance at this particular time, and reflects the success of the efforts made by the QFMA to enhance cooperation among the committee members.

Mr. Ahmed Al-Mulhim, Chairman of the CMA Kuwait,

said that the Doha meeting will continue discussing the issues of the Kuwait meeting in 2019, ensuring that the meeting discussed all developments related to capital markets in the member jurisdictions, so there is no doubt that this meeting will be a fruitful and meaningful meeting for all participants.

Mr. Jalil Tarif. Secretary General of the Union of Arab Securities Authorities (UASA)

said that the Doha meeting highlights the common and great interest among the AMERC members, whether from the Middle East or Africa, especially with regard to important issues related to the capital markets development. He added that this meeting is an important platform to enhance cooperation among members, in light of the great developments experienced by the financial markets, especially with regard to the great

global technological developments.

He said that the Doha meeting emphasizes the importance of concerted efforts among member states to face the challenges facing capital markets, and at the same time it must be noted that there are many countries in the committee or outside it that have made good progress in strengthening the infrastructure and legislative of their capital markets, what Enhances its ability to absorb technological developments.

Mr. Saleh El Sayel, the Tunisian CMF's Chairman,

said that the issues discussed during the AMERC meeting in Doha today are in line with the challenges ahead, and keep pace with emerging issues and changes in the financial sector and capital markets in the member states, adding that the meeting work went smoothly and well.

Mr. Abdullahi Al-Salmi, Executive President, CMA Oman,

said that the AMERC meeting in Doha was marked by fruitful discussions with beneficial and positive outcomes for all members. He added that there are common concerns and challenges facing the members, ensuring that the Doha meeting provided an opportunity for members to discuss such challenges and concerns with a view to finding radical solutions.

Mr. Alaa al-Saedi, Chairman of Iraq Securities Commission

said that the Doha meeting was launched successfully, with no surprise of that, because we have always been accustomed to the success of the conferences held in Qatar. He explained that this meeting completes the decisions made in previous meetings, adding that members are working to exchange views, visions and ideas in order to develop our markets in the Middle East and Africa region so that the benefits spread to all investors.

Mr. Paul Muthaura, former AMERC Chair, and former Chief Executive CMA Kenya,

said that the AMERC meeting is a really critical platform to allow for exchanging of ideas and learning across the various jurisdictions. And one of the key inputs to this meeting was a survey that put together the key challenges and priorities across the different capital markets. He added that the strong expectations that will come out from the Doha meeting would help the member states to strengthen deep in their financial markets in a way that reflects positively on their performance.

The QFMA 3rd Annual Conference

(30 January 2020)

On January 2020 ,30, QFMA held its 3rd annual conference in the participation of a large number of specialists, experts and concerned participants from the capital market sector, as well as international speakers representing institutions in the field of financial services sector. The conference attendees reached 174.



هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

المؤتمر السنوي الثالث لهيئة قطر للأسواق المالية QFMA 3rd Annual Conference

30th January, 2020 ٣٠ يناير ٢٠٢٠
Doha,
Qatar



Speakers:

QFMA invited a number of capital market officials and experts in Qatar and Arab and foreign countries to address the issues and topics of the conference, including: the IOSCO, the UASA, Arab and foreign securities regulators and stock exchanges, as well representatives of financial institutions and banks.

Attendees:

The conference was attended by a large number of specialists, experts and concerned participants from the capital market sector, representatives of government entities and shareholding companies, as well as speakers representing institutions in the field of financial services sector from a number of Arab and foreign countries.

Conference

Opening:

The conference was opened by the CEO of QFMA as delivered a speech in which he addressed developments in the Qatari capital market, and the

challenges facing financial markets, whether related to innovation, technology and sustainable development, or legislation, governance and investor protection.

In his speech, he stressed that despite the challenges facing the financial markets, many of these markets were able to keep pace with the development required to address these challenges, stressing the importance of working with a team spirit, in order to achieve further development of the capital market sector.

In the opening session, the Secretary General of IOSOC, Mr. Paul Andrews, talked about the importance of investor protection to ensure the financial markets development,



in light of strengthening the role of the regulatory and regulatory authorities of those markets.

In his speech, Mr. Andrews also touched on other issues such as crypto assets, artificial intelligence, asset management, market digitalization, especially in the retail sector, and lending markets, as well as the social role of investors and investment markets.

Mr. Jalil Tarif, Secretary General of the Union of Arab Securities Authorities (UASA), participated in the opening session and said that the 3rd QFMA annual conference is held in light of the rapid international developments in the global financial markets in various fields.

The Conference Panels

During the conference, five panels were held addressed topics and issues related to the capital market, including:

The First Panel:

« Capital Markets' Social Role - Financial Inclusion and Sustainability»:

The panel focused on the role of the Securities Regulator is not restricted within legislation, but should be more socially driven to ensure the grander gain of 'Investor Protection' is invested in for the long term and for future investors, through:

- Financial Literacy and Capacity Building of Financial Sector

- Wealth Distribution initiatives, implementations and relevant tools to boost investor confidence and create the opportunity for a prosperous society across both Private & Public sectors
- Accessibility to Market Industry: World Bank Group's Universal Financial Access 2020 Initiative
- Environmental, Social and Governance (ESG) Contribution to the sustainability of Capital Markets: Principles of sustainable development, why is reporting important? Performance indicators. How to make a business sustainable and profit from it?

Speakers:

- Dr. Daryl Collins, Managing Director and CEO, Bankable Frontier Associates, USA
- Ms. Nezha Hayat, Chairperson and CEO, Morocco's Capital Market Authority (AMMC)
- Ms. Raluca Tircoci-Craciun, Head of Growth and Emerging Market, Implementation Monitoring and Senior Policy Advisor, International Organization of Securities Commissions (IOSCO)
- Ms. Sanaa Abouzaid, MENA Regional Corporate Governance Lead at IFC, World Bank Group

Moderator:

Mr. Ahmed Al Mukhaini, Expert, CEO Office, Capital Market Authority – Oman (CMA)

The Second Panel:

«Crypto-Assets Risks & and Regulatory Challenges»:

It emphasized that the growth of crypto-assets and increasing interest by retail investors raises concerns about the implications of crypto-assets on market integrity and investor protection. Securities regulators need to be equipped with a deeper understanding and the underlying technology to find a balance between facilitating innovation and protecting investors. As such, the discussion could evolve around: Fundamentals, Opportunities, Risks – Secondary Market Trading – Blockchain Technology – Regulatory Developments and Approaches.

Speakers:

- Mr. Mohsin Mujtaba, Director, Products and Market Development, Qatar Stock Exchange
- Dr. Noora Fetais, Director OF KINDI Centre for Computing Research, Qatar University, Qatar
- Mr. Shreen Abeysekera, Director, Head of HSBC Securities Services, Qatar, HSBC Bank Middle East Limited

Moderator:

Mr. Nadeem Mujtaba, Managing Director, The FinTech Group

The Third Panel:

«How to Enhance Capital Market Listing & Liquidity»:

This panel addressed:

- the different peer jurisdictions approaches to improve listing and liquidity;
- a study on the listing situation in the AMERC region, clearly identifying impediments to increased access for issuers to both listed and unlisted products on either the main boards and the alternative / SME boards, and proposal on differentiated solutions taking into account and cater to the diversity of markets in the region, based on successful case studies elsewhere; and
- QFMA's experience regarding Stock Split, Market Maker, Stimulate Listing, and Product Diversification.

Speakers:

- Mr. Burak Zatitürk, Financial Services Industry Leader, PricewaterhouseCoopers, Qatar
- Rev. Daniel Ogbarmey Tetteh, Director General, Securities and Exchange Commission, Ghana
- Mr. Keith Kalyegira, Chief Executive Officer, Capital Markets Authority of Uganda
- Mr. Stephen Fisher, Managing Director, BlackRock's Global Public Policy Group, EMEA

Moderator:

Prof. Guillermo Larrain, Consultant, Economist, Chairman, Center for Regulation and Macro-Financial Stability (CREM)

The Fourth Panel:

«Smart Regulations & Innovation»:

Focus is on the ‘Characteristics and Principles’ involved in ensuring the ‘Smart’ role of the regulator supports innovation with legal clarity concerning the entire policy cycle, the shared responsibility between institution and state, and the flexibility to accommodate new technologies with fairness, while ensuring taking account of those most effected.

Speakers:

- Mr. Ishaq Burney, General Counsel, Qatar Financial Center
- Mr. Paul Muthaura, Immediate Former Chief Executive, Capital Markets Authority, Kenya
- Ms. Prue Morris, Managing Director, Policy & Enforcement, Qatar Financial Centre Regulatory Authority
- Mr. Sami Boujelben, Chief Advisor, CEO Office, Qatar Financial Markets Authority

Moderator:

Mr. Stephen Fisher, Managing Director, BlackRock's Global Public Policy Group, EMEA

The Fifth Panel:

«Means to Protection Minority Rights»:

This panel highlighted on State of Qatar and other countries' jurisdictions mechanisms regarding protecting minority rights, as well as relevant international standards and best practices.

Speakers:

- Mr. Akber Khan, Senior Director, Asset Management, Al Rayan Investment
- Mr. Nasser Al-Taweel, Chief Legal Officer & Board Secretary, Qatar Financial Centre Authority
- Mr. Sami Boujelben, Chief Advisor, CEO Office, Qatar Financial Markets Authority
- Ms. Sanaa Abouzaid, MENA Regional Corporate Governance Lead at IFC, World Bank Group

Moderator:

Dr. Daryl Collins, Managing Director and CEO, Bankable Frontier Associates, USA



Ahmed Bin Ali Stadium



Precautionary Measures & Actions Taken by QFMA to Confront Covid-19 Pandemic



The Coronavirus (Covid-19) pandemic is one of the most key challenges faced all world countries during 2020, and QFMA has taken a set of precautionary measures and actions:

Activating Business Continuity Plan and Remote Work:

The business continuity plan, remote work and the Crisis Management Committee were activated according to procedures that included the following:

1. Defining the main and vital tasks and activities of the top priority.
2. Determining and providing the necessary requirements of laptops and software, according to priority considerations.
3. Determining the minimum number of the employees by identifying most needed employees for each department.
4. Preparing remote work policies and controls manual and sending it to QFMA staff.
5. Providing training for all departments on remote work system.
6. Providing online video training on a remote work mechanism.
7. Preparing a plan for communicating with external parties and circulating contact lists for the relevant parties.
8. Establishing working groups for each department on electronic communication services.

The following is an overview of the work of the Crisis Management Committee during 2020:

At the level of QFMA	
Circulars	4
Actions	10
At the level of the capital market sector	
Circulars	4
Actions	8

Precautionary measures and actions at QFMA level:

The QFMA has taken a set of precautionary measures and actions, through which it sought to stop the spread of the virus and reduce its risks to a minimum, including:

- Activating the role of the QFMA's Crisis Management Committee.
- Developing a plan to ensure business continuity, by working at the workplace and working remotely according to official directives to reduce the number of employees, and to accomplish the tasks required to achieve the QFMA's strategic objectives and the financial sector objectives, and to limit the potential negative effects on the sector.
- Stopping meetings except for necessity, with applying prevention guidelines during them, and using visual

meetings via electronic means.

- Stopping the use of paper correspondence (internally - externally) and using electronic correspondence instead.
- Preparing the guidelines and procedures to be followed to reduce the spread of virus infection and circulating them to employees, which included information about the virus, a guidance on how to prevent the spread of infection, guidelines for reducing transmission among employees, a guidance on how to protect yourself & others in the workplace, guidelines for preparing the workplace, guidelines for meeting rooms, hand washing and sanitization instructions, and procedures for staff returning from travel.
- Assessing the employees' workflow priorities in the workplace or remotely as per the decision of the Council of Ministers to reduce the number of employees at the workplace to 20%.

The Precautionary Measures and Actions at the Level of the Capital Market Sector

The QFMA has taken several measures at the level of the capital market sector, namely, a circular to the entities and companies subject to the QFMA's jurisdiction, with the aim of raising their readiness and ensuring the continuity of their work in accordance with the precautionary measures taken to confront the spread of the Coronavirus, the circular to the relevant entities to communicate via e-mails instead of paper correspondence, as well as a circular to government institutions that use the government correspondence system, to communicate with the QFMA

via the system instead of paper correspondence.

Coordination has also been made with the Ministry of Commerce and Industry regarding a circular to the listed companies for the flexibility in holding general assembly meetings by following the instructions of the Ministry of Public Health and taking the necessary measures and actions, including, for example, but not limited to: enabling them to change the meeting location, to be in the company's headquarters, shortening the time of attendance registration and reduce crowding as much as possible, publish meeting agenda and all reports on the company's website (well in advance of the meeting date), shorten as much as possible in discussing the items on the agenda, limit meeting attendance to only the company's key employees, and provide all methods of prevention and sterilization for all attendees.

Coordination was also made with the Ministry of Commerce and Industry regarding the facilitation for the listed shareholding companies that were unable to hold general assembly meetings under the Coronavirus circumstances, and which circulated to the such companies regarding remote electronic voting on the decisions of the General Assembly, taking into account the controls stipulated in the circular.

In spite of all these challenges, the QFMA continued its activities, taking into account the peculiarity of the stage and its risks.



Ahmed Bin Ali Stadium



QFMA's Performance & Statistics during 2020



QFMA's Performance at the level of:

Key Functions

- Legal legislation and enforcement
- Licensing
- Inspection over financial services companies
- Surveillance over trading and investor protection
- Strengthening the corporate governance codes and framework
- Regulating and following up corporate disclosure
- Regulating and supervising offering and listing applications
- Supervising mergers and acquisitions
- ISIN of Securities
- Anti-money laundering and combating terrorist financing
- Receiving complaints
- Investigation
- Risk management and reduction
- Development of financial products

Support Functions

- Financial and administrative support
- International cooperation
- Developing human capital
- Communications and public relations
- IT development and support
- Planning and quality

QFMA's Performance at the level of Key Functions

1. Legal Legislation and Enforcement

In light of the QFMA's instant concern to keep abreast of developments in the legal environment regulating its activity and field of work, it constantly develops and updates legal legislation. The key achievements in this regard during 2020 includes the following:

Legal Legislation:

Within the framework of updating the legal legislations regulating the financial markets and ensuring the maintenance of confidence in financial markets dealing system, protecting securities owners and investors, upholding the values of integrity and transparency, as well establishing an investment culture in the capital market, the QFMA is working on enacting legal legislations that achieve all of the above with an ongoing updating. The most key achievements in this regard during 2020 is the completion of a project to update the Offering & Listing of Securities Rulebook, and the completion of the project to improve and develop procedures for IPOs and initial offerings. The relevant decisions issued by QFMA were:

1. Decision No. (1) of 2020 Concerning the Issuance of Anti-Money Laundering and Combating Terrorism Financing Rules.
2. Decision No. (2) Of 2020 Concerning the Amendment of some Provisions of Listing Rules for Funds' Units.
3. Decision No. (3) of 2020 Concerning Convening the

Disciplinary Committee at Qatar Financial Markets Authority using Modern Communication Technologies.

4. Decision No. (4) of 2020 Concerning the Issuance of Offering & Listing of Securities on the Financial Markets Rulebook (Issued on 2021).
5. Decision No. (5) of 2020 Concerning the Issuance of Rules of Listed Shareholding Companies Purchase of Own Shares for the Purpose of Employee Incentive Scheme (Issued on 2021).

Enforcement:

1. Following up the implementation of QFMA's penal decisions against violators.
2. Collecting the fines from violators.
3. Following up, by the coordination with the relevant department at Ministry of Justice, the publication of the QFMA's legislative tools in the Official Gazette.

Other Activities:

- Preparing Memoranda of Understandings (MOUs) related to QFMA's competencies, in coordination with the competent authorities in the State (Ministry of Justice, Ministry of Foreign Affairs, and Ministry of Finance).
- Preparing defense memos presented to the courts of different degrees in the judicial cases to which the QFMA is a party, in coordination with State Cases Department at Ministry of Justice.
- Preparing memos of response to the reasons for appeals submitted to the QFMA's Appeals Committee from the penal decisions issued against violators of the QFMA's legislation, in coordination with the State Cases Department at the Ministry of Justice.

2. Licensing

QFMA, through Licensing Department, receives and considers applications for granting and renewal licenses of financial markets activities including financial operations and services conducted by a regulated financial market, a depository, a clearing company, or a financial services company, and other entities subject to the QFMA's jurisdiction.

The Department also receives and considers the applications for approved individuals for performing the regulated functions by granting licenses and approval. In addition to that, the Department is responsible of registration application for external auditors and financial evaluators who are eligible to work to the listed entities or entities subject to the QFMA's jurisdiction as well as approved listing advisors in the second market.

The requirements, controls, procedures for granting licenses and the standards of practicing the activity shall be determined according to regulations, rules and decisions issued by the QFMA's Board pursuant to the provisions of the Law.

Financial Services Companies:

During 2020, (16) different applications were submitted from financial services companies, distributed as follows:

- (9) Applications of licensing new financial services activities for existing financial services companies.
- (5) Applications of licensing renewal for a financial services activity.
- (1) Application of licensing renewal for a broker agent.

- (1) Application of licensing for a broker agent.

External Auditors and Financial Evaluators:

The external auditors registered at QFMA's list carry out the works of audit for the listed entities and entities subject to the QFMA's jurisdiction, while registered financial evaluators undertake the tasks of preparing financial evaluation studies for the listed entities and entities subject to the QFMA's jurisdiction, or those wishing to be listed. The services completed in this regard are as follows:

- Receiving (2) applications for registration of external auditors at QFMA's list for the first time.
- Receiving (12) applications for registration renewal of external auditor at QFMA's list.
- Receiving (4) applications for registration of financial evaluator at QFMA's list for the first time.
- Receiving (8) applications for registration renewal of financial evaluator at QFMA's list.

Approving Individuals to Perform a Regulated Function

With regard to approving individuals at QFMA's regulated function, many applications for these functions were received in its three categories, which includes functions performed by persons who have a significant influence on the company's operations, technical functions of company representatives and securities professionals, or functions related to monitoring compliance.

Applications Submitted to QFMA during 2020:

Type of Application	No.
License and approval of applications	31
License renewal of approved individual at the regulated function	25
Withdraw by the applicant	3
Under consideration and requirements fulfillment	2
Refusal due to non-fulfillment of regulatory approval requirements	1
Total	62

E-Services for Licensing:

QFMA provides E-services via its official website, and via «Hukoomi» website, including licensing renewal application for individuals to perform regulated functions in financial services companies.

Licensing of Financial Markets and Depositories:

Licensing Department has followed up the fulfillment of the depository with the regulatory requirements under

which they obtained the licenses. It also reviewed and expressed opinions on the controls and rules proposed by various financial markets and the depository to proceed them, membership controls, and trading controls in the market, as well as some other controls related to financial markets.

Individuals Approved by the QFMA:

Position (job title)	2020	2019
Board Member	6	13
Managing Director	0	0
General Manager	1	1
General Manager Deputy	0	2
Chief Executive Officer	1	0
Chief Executive Officer Deputy	1	0
Financial Manager	1	1
Compliance Officer	1	1
Anti-Money Laundering Officer (MLRO)	2	1

Cont...

Position (job title)	2020	2019
Anti-Money Laundering Officer Deputy (deputy MLRO)	4	2
Risk Management Officer	2	1
Internal Auditor	2	3
Financial Advisor	0	1
Financial Analyst	0	1
Investment Manager	0	2
Trading Manager	2	0
Trading Manager Deputy	0	0
Back Office Operations Manager	3	0
Broker Representative	2	4
Account Manager	0	0
Custodian Representative	3	1
Total	31	34

Applications Submitted to Licensing Department

Application	No.
New activities for existing companies	9
Licensing renewal for financial services activities	5
Registration for external auditor at QFMA's list	2
Registration renewal for external auditor at QFMA's list	11
Registration for financial evaluator at QFMA's list	4
Registration renewal for financial evaluator at QFMA's list	7
Licensing for a broker agent.	1
Licensing renewal for a broker agent	1
Applications of licensing for a financial services activity via QFMA portal	7
Applications of licensing renewal for a financial services activity via QFMA portal	5
Applications of Licensing for approved individual at the regulated function via QFMA portal	31
Applications of Licensing renewal for approved individual at the regulated function via QFMA portal	25
Total	108

3. Inspection over Financial Services Companies

QFMA, through Inspection & Surveillance Department, conducts inspections over financial services companies and monitors their compliance with Law No. (8) of 2012, as amended by Decree-Law No. (22) of 2018, QFMA Regulation, rules and instructions issued pursuant thereto.

The Periodic & Sudden Inspection over Financial Services companies

The inspection is divided into two types:

Periodic Inspection: conduct upon prior notification to a financial services company to facilitate the inspection team task in performing their work during the coming period and review the company's records and documents.

Sudden Inspection: conduct without prior notification to a financial services company, in order to verify a specific matter that necessitated the conduct of the inspection.

First: Periodic Inspection:

The Inspection & Surveillance Department conducts periodic inspection over financial services companies, through which the records and documents of the company are viewed within procedures approved by the QFMA, prior sending a notification to the company to start the periodic inspection. The key achievements of the Department in 2020 as follows:

- Conducting periodic field inspections over two financial services companies, and under Coronavirus pandemic, conducting remote periodic inspections by requesting all documents and data needed for verifying and considering by the inspection team. During the

year, conducting remote periodic inspection over (6) financial services companies, and submitting (8) reports of periodic inspection results.

- Conducting a specialized inspection on a specific issue over (3) financial services companies and submitting two reports thereto.
- Conducting office surveillance on specific issues over two financial services companies and submitting reports on office inspections results according to two reports.
- The Inspection Section conducted periodic inspections over Qatar Stock Exchange and Qatar Central Securities Depository and submitted two reports on the inspection results.

Second: Sudden Inspection:

Conducting sudden inspections over the offices of financial services companies, in order to verify a specific scope of work identified before such inspections. (5) financial services companies have been inspected, and two inspection results reports have been submitted.

Inspection Team Remarks:

The inspection team remarks included a number of companies' violations of organizational and financial matters deemed a breach of the law and instructions issued, including the following:

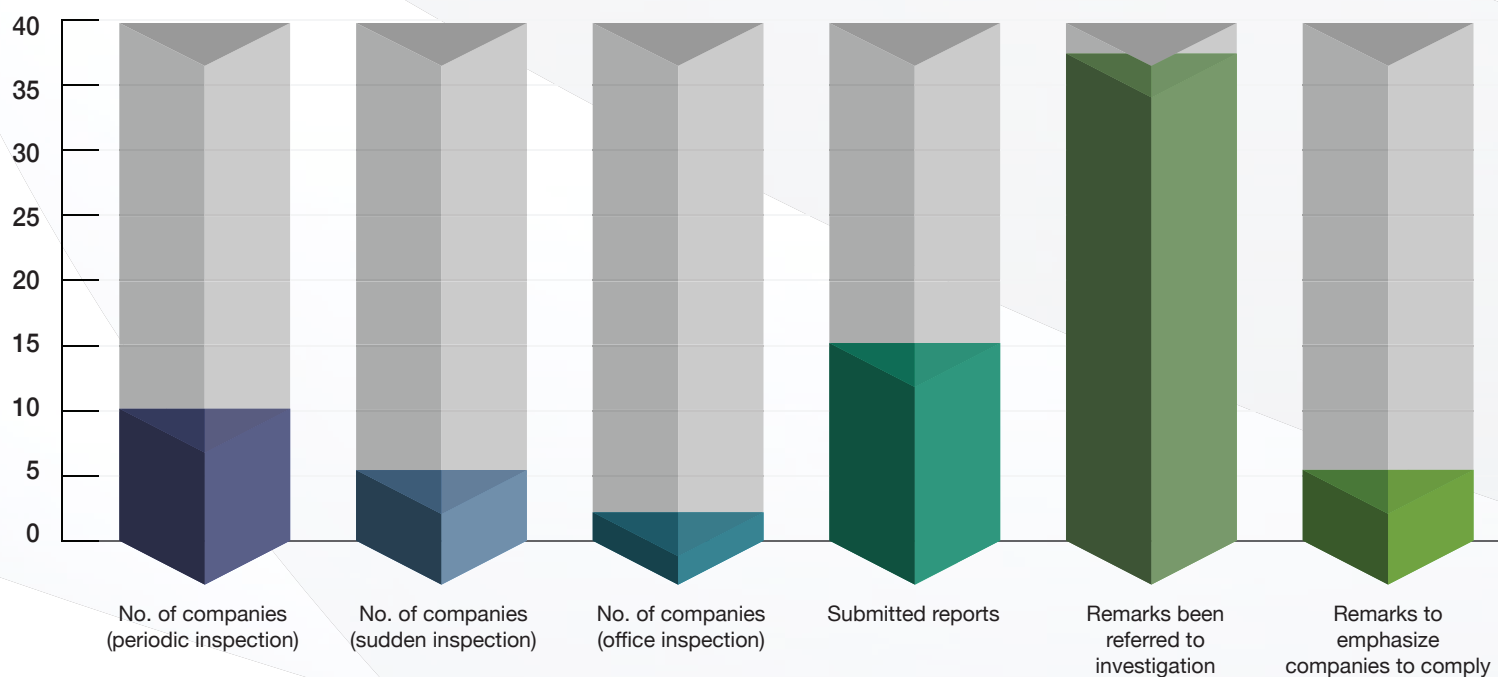
- Providing false or misleading information to QFMA.
- Failure to keep accounting records in accordance with international accounting standards.
- Failure to comply in acting on behalf of clients to implement the orders received from them.

- Failure to comply with the fees and commissions determined by QFMA.
- Failure to inform QFMA of names of persons who conduct investment management business without a license.
- Failure to comply with settling the purchase value before entering the client's purchase order.
- Failure to be meticulous and to verify the client identity before any transaction on his account.

Accordingly, the following was recommended:

- Referring (8) financial services companies for investigation regarding (37) items for their violation of the provisions of the law, regulations and rules issued pursuant thereto.
- Directing (5) notifications to emphasize companies comply with the law, regulations and rules issued pursuant thereto.

Key Inspection Results in 2020



Financial Analysis for Financial Services Companies:

The Inspection Section verifies the compliance of companies (licensed for execution of securities purchase or sale's orders for others) with Financial Adequacy Standards, through inspections and financial adequacy reports submitted to QFMA by QSE, with a view to ensuring the continuity of these companies, especially the net liquid capital and the percentage of equity to capital.

QSE provides QFMA with a report clarifying the required financial percentages based on the Financial Adequacy Standards. The Section also analyzes periodic, audited and reviewed statements of financial services companies, provided to QFMA as per the provisions of Article (49) of Financial Services Rulebook.

Financial Analysis during 2020:

- Following up Financial Adequacy Report:

The Inspection Section monitors the financial adequacy report provided by QSE on a weekly basis, in order to follow up on the compliance of financial services companies (licensed for execution of securities' purchase and sale's orders for others) with Financial Adequacy Standards.

- Following up Periodic Financial Statements:

The department follows up on the periodic financial statements, through which the key financial statements are presented and compared with the financial

statements of the same period of the previous year, whereas (3) reports have been submitted regarding the financial statements during 2020, including the fourth quarter of 2019 and the second and third quarters of 2020.

Initiatives of Inspection Section:

Preparing a program to evaluate the internal control (compliance officer) at financial services companies.

A form has been prepared to assess the internal control (compliance officers) at each financial services company, aiming to verify performing of the compliance officers for their assigned duties through the following:

- Verifying that they carry out their assigned responsibilities with QFMA.
- Verifying that they carry out their assigned responsibilities with the company.
- Verifying that they carry out their assigned responsibilities with the clients.

The inspection team conducts the inspection over the compliance officer's work during the year, and requests documents to support verification of the commitment to all assigned responsibilities.

The draft of a program for assessing the internal control (compliance officer) of each financial services company was approved by the CEO on April 14, 2020.

Key Statistics of Inspections

Item	2020	2019
Inspections over the Financial Services Companies		
No. of companies	10	15
No. of periodic inspections (on-site & remotely)	10	14
No. of sudden inspections	6	4
No. of specialized inspections	3	1
No. of submitted reports	16	14
Inspections related to AML/CFT		
No. of companies	9	20
No. of periodic inspections	11	19
No. of sudden inspections	-	1
No. of submitted reports	137	152

4. Surveillance over Trading and Investors Protection

The surveillance over trading aims to ensure the integrity and transparency of dealing in securities aiming to protect investors in securities from unfair or improper practices. Accordingly, the Surveillance Section monitors the daily trading operations to ensure their integrity, in terms of compliance with the rules and procedures regulating the market and tracking all suspicious operations as well disclosing any manipulative or improper, or fraudulent transactions, and this is done through:

- Following up price movement and trends through the QSE price display screen.
- Real-time following-up of the entered orders to ensure their integrity in terms of compliance with the rules and procedures regulating the market.
- Monitoring trading, tracking all suspicious transactions, and preparing reports thereon.
- Providing daily and periodic reports on the market dealers.

Surveillance over trading and printing reports relies on a set of systems, and Scila system is the main system for real-time monitoring of the trading session, which issues alerts when one of the standards defined on the system is not met.

Performance of Trading Surveillance Section during 2020:

- Start using the insiders system prepared by the QCSD, which aims to inquire about the list of insiders of all QSE listed companies.
- Start using the settlement and collection system that

was developed with the participation of the QFMA's Information Systems Department, which aims to enable Inspection and Surveillance Department to inquire about the key basic data for employees of financial services companies, custodian, their trades, the accepted and rejected trades of the custodian, as well inquire about settlement data and uploading screens to excel files.

- Start using the electronic link system between the Supreme Judicial Council and the QCSD, which aims to inquire about people having judicial issues.
- Participate in the cyber exercise held on December 14, 2020, under the supervision of the Ministry of Transportation and Communications.
- Participate in a training course regarding the new depository system (TCS Bancs) under the supervision of the QCSD.

5. Strengthening the Corporate Governance Codes and Framework

Governance is the 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 Corporate Governance Section at QFMA is responsible for monitoring the compliance of the companies and entities subject to QFMA's jurisdiction with corporate governance principals, receiving corporate

governance reports and ensuring that they are issued at the required time. The section is also reviewing and evaluating the governance reports, and ensuring their fulfillment of the procedures, and the information and data required according to Governance Code for Companies & Legal Entities in the Main Market issued by QFMA's Board Decision No. (5) Of 2016.

Statistics of Governance:

- QFMA received (45) corporate governance reports for 2019 issued by the listed companies out of (47) ones, and they were evaluated according to the Governance Code.
- The ordinary general assemblies of all companies (45) approved the (45) corporate governance reports for 2019.
- QFMA received the approved general assemblies for all companies (47).
- All companies complied with submitting the governance reports attached to the annual reports and signed by the executives as per stipulated in Article (4) of Governance Code.
- QFMA received the reports of independent external auditors for all companies as per stipulated in Article (24) of the Corporate Governance Code.
- QFMA received the initiatives of companies in training of board members in the field of governance and plans to be completed in this regard, as per stipulated in Article (9) of Governance Code for Companies &

Legal Entities Listed on the Main Market.

- The overall compliance percentage of all companies with the articles of the Governance Code for 2019 reached 87.6% with an increase of 3.5% over 2018 which was 84.1%.

6. Regulating and Following up Companies Disclosure

Disclosure means that each issuer of any of the securities listed and traded on the Market shall immediately notify the QFMA about immediate and periodic information and about any events or information that may affect the securities prices.

Disclosure divided into two parts:

1. Immediate Disclosure:

QFMA, through Disclosure Section, has followed up the immediate disclosures of all companies subject to its jurisdiction to ensure their compliance with disclosure and governance principles, which contributes to keep the investors informed of all investment information in a timely manner without delay. The violations related to the delay of immediate disclosure were identified and all necessary procedures were taken accordingly.

2. Periodic Disclosure:

Periodic disclosure includes:

- 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 and auditing standards, their analysis of the financial periods and followed-up such companies to provide the QFMA with their statements within the allowed period as well as prepared reports with the appropriate recommendations thereon.

The number of listed companies that complied with disclosure of their 2020 quarterly, semi-annual and annual financial statements as per the legislation in force was (47) listed companies, in addition to (2) investment funds as well as (22) financial services companies including QSE and QCSD.

- Basic Data

QFMA enhances the compliance culture of the companies through encouraging them to provide QFMA with basic data, which have a key role to assess companies' compliance with the disclosure rules.

The basic data consists of several data such as information of Boards members of companies, Board secretary, articles of association, commercial register, and other documents necessary to facilitate the internal role of the QFMA's departments.

QFMA received the updated basic data for all (47) companies listed in the market, (2) investment funds, (15) financial services companies, (12) companies of external auditors and (10) of financial evaluators twice during 2020. Note that licenses of two financial services companies were canceled, namely: Al Rayyan Financial Brokerage on

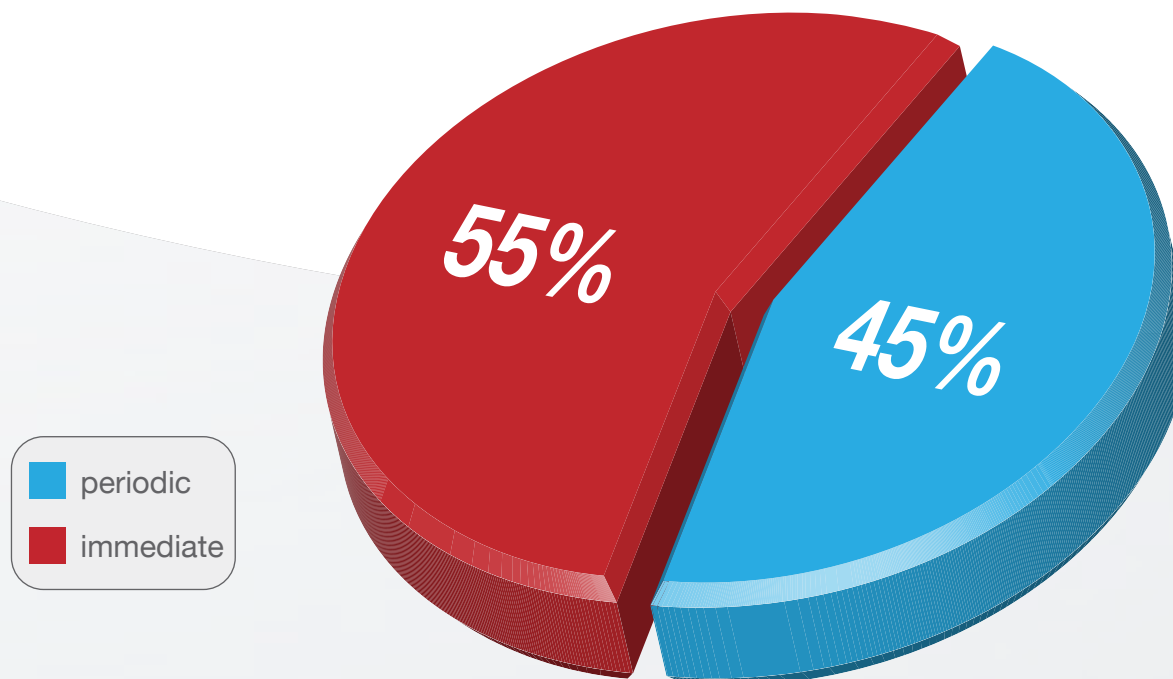
September 10, 2019, and Amwal Company on March 15, 2020. As well Dlala Brokerage and Dlala Islamic Brokerage were merged, and the procedures for the merger plan are being completed. The International Financial Securities has also been dissolved and liquidated based on the decision of the company's board of directors, and the liquidation procedures are in progress.

The 2020 Notification & Disclosure Cycle

- QFMA received (1704) disclosures and notification for 2020, as follows:

1. (461) financial statement disclosures.
2. (302) basic data disclosures.
3. (941) material events disclosures.

The percentage of disclosure for 2020



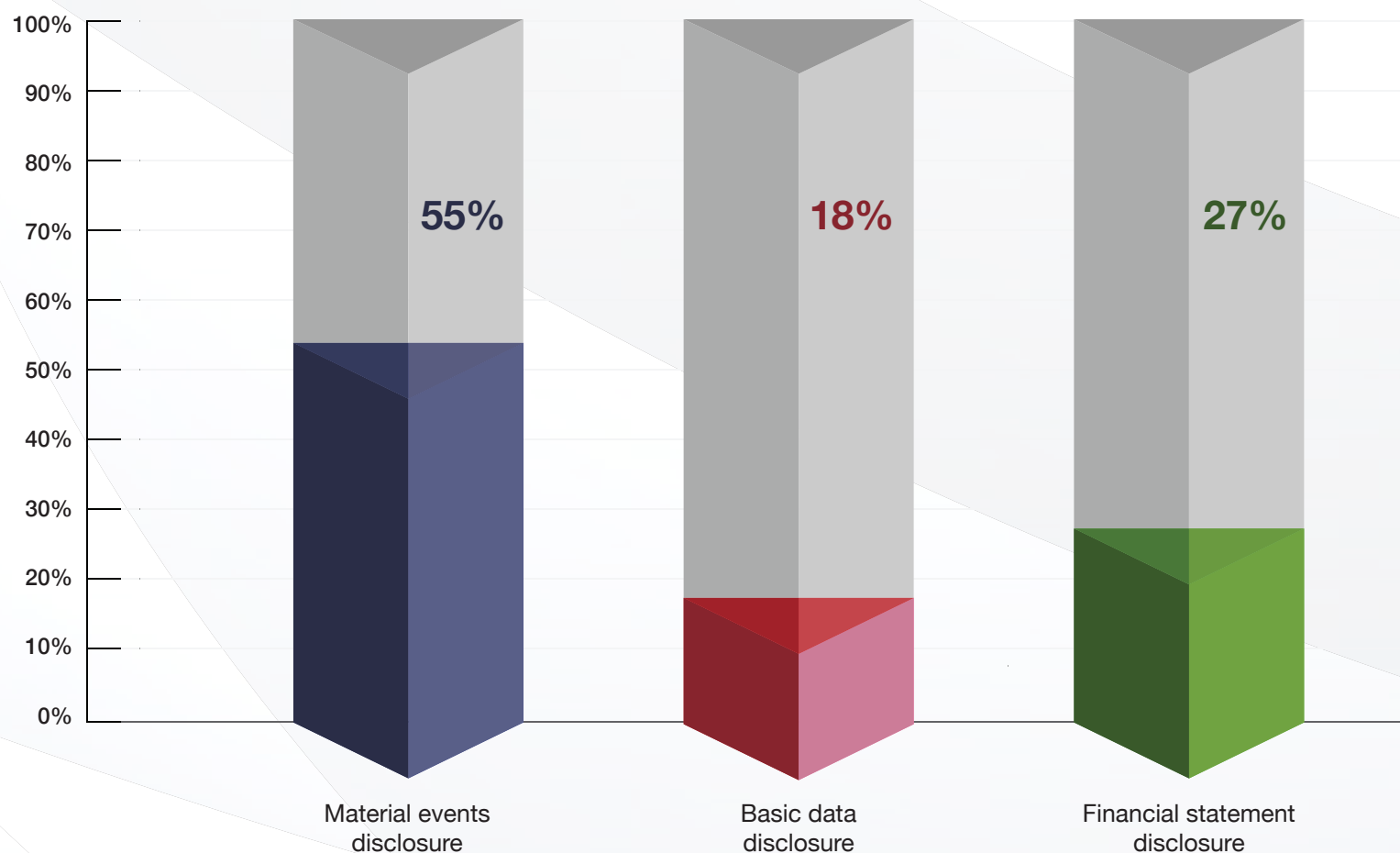
The highest percentage of immediate disclosure was 55%, while of periodic disclosure was 45% for 2020

- The percentage of disclosure for 2020:

1. The highest percentage of disclosure for 2020 was on material events, by 55%, whereby QFMA is to be notified of immediately;

2. It is followed by disclosure of financial statements by 27%, whereby QFMA is to be notified of four times a year;

3. Next is disclosure of basic data by 18%, whereby the QFMA is to be notified of twice a year.



7. Regulating and Supervising Offering & Listing Applications:

Offering & Listing Section at QFMA considers and follows up all offering and listing issues to ensure compliance with the relevant legislation, laws and regulations. The section has considered the applications submitted for offering and listing on QSE based on the QFMA's issued on Offering & Listing of Securities Rulebook "Main Market" and "Second Market".

Offering and Listing Activities:

1. Follow up the offering and listing application of the QLM Group Company (QPSC) under incorporation, as the IPO process was completed during 2020.
2. Follow-up of the process of listing Al-Faleh Company in the second market.
3. Follow up on the listing of Sukuk of the Qatar International Islamic Bank (QIIB).
4. The completion of the request to purchase treasury shares.
5. Adjustment of fixed price limits for bonds.
6. Following up on the decline of the property rights values from the capital of some listed companies.

Offering & Listing

Type of Requests	2020	2019
Offering in the main market	1	1

Listing in the main market	1	1
Listing capital increase shares in the main market	0	2
Offering in the second market	0	0
Listing in the second market	1	1
Total	3	5

8. Supervising the Acquisitions and Mergers of Listed Companies

Acquisitions and mergers took a large part of the QFMA's activities during 2020, by following up (11) acquisitions and mergers. The value of applications submitted during the year amounted to about (6.8) QAR billion, while the value of completed applications amounted to about (4) QAR billion, (applications submitted during the year, and previously submitted).

Acquisitions and Mergers

First: (6) Acquisitions and Mergers submitted during 2020, as follows:

1. A direct acquisition in the State in Consumer Goods & Services sector with a share of 100%, worth QR 3 billion.

2. A direct acquisition in the State in Industrials sector, with a share of 49%.
3. An indirect acquisition in the State in Transportation sector with a share of 76%, worth QR 1,225 million, which was subsequently withdrawn.
4. A direct acquisition in the State in Industrials sector of two companies with two shares of 25% and 40% worth QR 3.65 billion, which have been completed.
5. A direct acquisition in the State in Real Estate sector.
6. A direct merger in the State in Banking & Financial Services sector

Second: (5) Acquisitions and mergers previously submitted and then followed up in 2020, as follows:

1. An indirect acquisition in the State in Consumer Goods & Services sector, with a share of 49%, worth QR 26 million.
2. An indirect acquisition outside the State in Industrials sector, with a share of 72 %, worth QR 227 million.
3. An indirect acquisition outside the State in Transportation sector.
4. An indirect acquisition outside the State in Industrials sector with a share of 49%, worth QR 402 million, which has been completed.
5. A direct merger in the State in Real Estate sector.

Total Statistics

Item	2020	2019
Requests of listing rights issues	0	0
No. of companies that have been offered (QLM only offering, listing will be in 2021)	1	1
listing investment funds units	0	0
Requests of merger & acquisition	11	11

9. ISIN of Securities:

QFMA, as a member, follows all requirements issued by Association of National Numbering Agencies (ANNA). It also issues International Securities Identification Number (ISIN) and Classification of Financial Instruments code (CFI) for all securities listed on the Qatar Stock Exchange.

ISINs

During 2020, QFMA issued (36) ISIN of treasury bills.

10. Anti- Money Laundering and Combating Terrorist Financing (AML/CFT)

In order to enhance and raise awareness of the licensed parties on AML/CFT, reduce their risks, and comply with their requirements, the QFMA conducted several activities during the year:

First: Providing Feedback to the Licensed Parties, through:

- Following the issuance of Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing and its Implementing Regulations issued thereof, and Anti-Money Laundering and Combating Terrorism Financing Rules issued pursuant to QFMA's Board Decision No. 1 of 2020, the QFMA -on March 31- amended Guidance on Client/Customer Due Diligence, Guidance on the Risk Based Approach, and Guidance on Beneficial Ownership. It also amended the Account Opening Form and the Beneficial Ownership Form in line with AML/CFT Rules and attached them respectively to the Guidance on Client/Customer Due Diligence and Guidance on Beneficial Ownership.

- On April 1, QFMA issued a letter to the licensed parties to conduct a quarterly comparative study of the suspicious transaction reports issued within the company and submitted to the Financial Information Unit (QFIU) to raise and enhance the awareness of these parties as well as the quality of such reports.

- In February and April, and within the framework of ongoing monitoring of the licensed parties, the QFMA issued circulars to ensure the readiness of the licensed parties for the immediate implementation of the decisions of targeted financial sanctions, the followed procedures, and the used commercial systems, in order to enable them to immediately implement these decisions in compliance with the provisions of Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing and its Implementing Regulations, Law No. (27) of 2019, AML/CFT Rules issued by QFMA's Board Decision No. (1) of 2020, and the relevant Public Prosecutor's Decisions.

- On June 29, QFMA conducted a study and analysis, thus issued and circulated Guidance on Covid-19 Risk Management based on the Risk-Based Approach for Parties Licensed by Qatar Financial Markets Authority.

- On June 29, QFMA issued and circulated the Guidance on Targeted Financial Sanctions & Countering Proliferation Financing (Weapons of Mass Destruction) for Parties Licensed by Qatar Financial Markets Authority.

- On July 27, a letter was issued to clarify the requirements of Article (3.1.1) of the AML / CFT Rules regarding risk self-assessment, and this was discussed and clarified in a workshop held by the QFMA on July 29 to assist the licensed parties comply with and enhance mutual understanding among the sector's components.

- On August 13, QFMA issued a circular to the licensed parties to comply with the provisions of Paragraph (c) of Article (4.1.2) of the AML/CFT Rules, which is a new requirement added to the CDD requirements that the customer must have a bank account at a Qatari bank, regulated and supervised by the Qatar Central Bank, through which all payments for or from the customer for trading securities are made, as well follow up on the completion of this requirement.

- On September 29, QFMA issued the key AML/CFT risks identified in the first joint application report issued by the Financial Information Unit (QFIU), and re-circulated the suspicious patterns contained in the Suspicious Operations Reporting Guide, as well as the emphasis on the concerned entities to add specialized training programs for employees regarding patterns of suspicion, review of electronic systems and internal controls in line with patterns of suspicion in AML/CFT and proliferation

operations to increase the effectiveness and quality of reporting.

- QFMA has issued a circular on lists of financial sanctions and penalties to the licensed parties, in addition to the decisions of National Anti-Money Laundering and Terrorist Financing Committee (NAMLC), Public Prosecutor's decisions in this regard, and the circulars of High-risk jurisdictions have significant strategic deficiencies in their regimes to counter money laundering and terrorist financing, first-hand according to the classification of the working group Financial (FATF).

- Bilateral meetings were held with the licensed parties upon their request or QFMA request, to clarify and explain the AML/CFT requirements, as well as to assist them in making the required corrections that were identified by QFMA.

Second: Measures to Improve the AML/CFT Effective Implementation:

- Amending the AML/CFT On-Site Supervision Manual issued in 2011 to become the AML/CFT Office Supervision and On-Site Inspection Manual based on the new QFMA's AML/CFT Rules, in implementation of Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing and its Implementing Regulations in this regard. Such amendment comes through:

1. - amending the inspection mechanism to direct resources and intensifying office and on-site surveillance in consistent with the risk classification degree of the licensed parties;
2. - documenting the procedures and requirements

of office surveillance and the on-site inspection mechanism, including a form for office surveillance and two on-site inspection forms that help inspectors support the inspection mechanism; and

3. - documenting the inspection procedures of the extent of the licensed parties' compliance with all the AML/CFT requirements, and the extent to which their procedures and controls have been achieved to reduce the AML/CFT risks in accordance with the AML/CFT international standards issued by Financial Action Task Force (FATF).

- As a part of the QFMA's effort to measure the effectiveness of the Money Laundering Reporting Officer (MLRO) and his deputy in the licensed parties carrying out their responsibilities imposed under the regulatory legislation, the QFMA has prepared an annual assessment template for the MLRO performance, and another template for the Deputy MLRO performance.

- Amending the AML/CFT Assessment Template Workbook "Compliance Assessment in Relation to the QFMA Anti-Money Laundering and Combating Terrorist Financing Rules 2020", used to assess the preventive measures in reducing the AML/CFT risks taken by the licensed parties. This template helps to assess the effectiveness of the procedures taken by the licensed parties on their ability to reduce the AML/CFT risks, in line with the degree of their risks in terms of "board of directors responsibility (senior management, corporate governance (general policy), risk management, and policies, procedures, internal controls (reporting), high standard screening and appropriate training, and evidence of compliance.

Third: Preparing and Sharing Sector Risk Assessment Report in the Qatari Financial Market:

As a part of the QFMA's keenness in implementing the AML/CFT international standards, it has been applying the risk-based approach since 2016, based on identifying the AML/CFT risks and assessing the risk level of clients/customers, products and services and jurisdictions based on the analysis of the information obtained to know the possibility of these risks, and their impact on the Qatari Financial Market, on the licensed parties and the securities industry, therefor taking AML/CFT measures compatible with such risks in order to effectively mitigate and prevent them.

Fourth: Mutual Evaluation:

QFMA continued to prepare documents for the second AML/CFT mutual evaluation of the State of Qatar.

Fifth: The Risk Rating of the Licensed Parties:

QFMA has continued to review the risk rating of the licensed parties, which assist the inspection team in directing its resources and intensify supervision and on-site inspection towards the high-risk licensed parties. A periodic inspection schedule was developed accordingly, and this risk rating included five levels, according to the following:

- high, medium-high: requires at least twice a year.
- medium: requires at least once a year.
- medium-low, low: requires at least once in two

years.

Note that this rating is not fixed, as it is reviewed periodically, and when necessary material information appears that occurred in the licensed party that affects this rating.

Sixth: Surveillance and Inspection on Combating Money Laundering and Terrorist Financing:

- Follow up on the office inspection of all the licensed parties, study and analyze the data received from such parties and use the findings by the on-site inspection team on the licensed party, and follow up the completion of (4) companies with their clients' data (nationality and place of residence).
- Follow-up on on-site inspection of the licensed parties based on the risk-based approach, where on-site visits were made to (4) companies in their workplace.
- In the second quarter of 2020, due to the spread of the Covid-19, which did not constitute an obstacle to the inspection team in performing its tasks to follow up on the visits over the licensed parties, the on-site inspection was conducted remotely for (6) companies.
- Continue to follow up on the licensed parties to correct their deficiencies regarding the AML/CFT requirements, and to develop corrective plans therefor.

11. Receiving Complaints

In order to maintain confidence in the financial markets dealing system, and protect security owners and dealers in a manner that ensures the stability of the financial markets and reduces the risks thereof, QFMA seeks to ensure the impartiality and integrity in considering violations and submitted complaints.

During 2020, the Complaints Department received (11) complaints, classified as follows:

- (3) complaints against financial services companies:

These complaints relate to issues on the relationship between the investor and the financial services company (brokerage) licensed by QFMA.

- (2) complaints against listed shareholding companies:

One complaint relates to non-disclosure of information by an employee of a listed public shareholding company in the general assembly meeting, while the others related to the list of insiders.

- (6) Various other complaints:

These complaints are about the nature of the QFMA's work as a regulator, and on equity ownership of investors.

Statistics of Complaints

Item	2020	2019
Complaints		
No. of complaints	11	25
Complaints adjudicated	11	25
Complaints still pending	-	-

12. The Investigation

Within the QFMA's Complaints Department, the Investigation Section considers all violations referred by the Chief Executive Officer. In this context, the Investigation Committee, which includes members from outside the Department, conducts the necessary investigations for the cases before it, and comes up with appropriate recommendations according to the requirements of each case.

During 2020, 21 investigations were conducted, as follows:

First: (15) Investigations related to the violations attributed to some financial services companies operating in the market and licensed by QFMA, due to the results of inspections carried out by the QFMA's inspection team over those companies. The violations are as follows:

1. Violation of Financial Services Rulebook issued by the QFMA's Board Decision No. (5) of 2019.
 2. Violation of QFMA Regulation, Financial Services Rulebook issued by the QFMA's Board Decision No. (5) of 2019, Financial Adequacy Standards, QSE Rulebook, and of the QFMA's letter No. TR-10-2019 dated February 05, 2019 and the QFMA's Circular No. 9 of 2009.
 3. Violation of Financial Services Rulebook, and of QSE Rulebook.
 4. Violation of Financial Services Rulebook issued by the QFMA's Board Decision No. (5) of 2019.
 5. Violation of the QFMA's Circular No. 9 of 2009.
 6. Violation of Financial Services Rulebook in force at that time, the current Financial Services Law, Rules and Procedures of Complaints, Circular No. (2) of 2013, and QFMA Circular No. - RT-65-2019 on 11/6/2019
 7. Violation of Financial Adequacy Standards issued by the QFMA.
 8. Violation of some provisions of QFMA Law, some provisions of QFMA Regulations, and some provisions of Financial Services Rulebook.
 9. Violation of some provisions of Violation of Financial Adequacy Standards issued by the QFMA and QFMA's Circular.
 10. Violation of some provision of Financial Services Rulebook.
 11. Violation of Article (77) of Financial Services Rulebook.
 12. Violation of Article (44) of Financial Services Rulebook.
 13. Violation of some provision of Anti-Money Laundering and Combating Terrorist Financing Rulebook.
 14. Violation of some provision of Law No. (8) Of 2012 regarding the Qatar Financial Markets Authority, and some provisions of QFMA Regulation.
 15. Violation under process.
- Second: (3) investigations related to the violations attributed to some public shareholding companies listed on QSE, as follows:
1. Violating of some provisions of Governance code of Companies & Legal Entities issued by QFMA, and violation of Offering & Listing of Securities Rulebook.
 2. Violation of some provisions of the QSE Rulebook, and circular issued by the Market Operations Department No. 7 of 2010, on September 30, 2010, and Circular No. 1 of 2016 in the same regard.
 3. A trading movement that led to an increase in the company's share price, and no violation against the company has been proven.

Third: (3) investigations attributed to the entities subject to **QFMA's** jurisdiction:

1. Violation of provisions of Rules of External Auditors and Financial Evaluators for Listed Entities & Entities subject to the **QFMA's** Jurisdiction for two cases.
1. Violation of **QFMA** Regulation for one case.

General Summary:

During 2020, the total number of investigations were (21):

Item	2020	2019
Investigation		
Cases referred to Disciplinary Committee	14	14
Cases kept	1	5
Cases adjudicated by settlement	1	-
Cases adjudicated by warning	3	2
Cases still pending	1	-
Others	1	1
No. of investigations	21	22

Disciplinary Committee

According to Article (30 item 10) of the **QFMA** Law No. (8) of 2012, the Disciplinary Committee 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.

During 2020, the Committee held (6) sessions, considered (11) violations, and (12) violations were adjudicated, including previous unresolved violations from 2019,

The Committee issues its decisions by a majority of votes based on the submitted evidence and documents, and for violators to lodge a complaint with the **QFMA's** Appeals Committee with the decision of the Disciplinary Committee within fifteen days from the date of receiving the decision, or as determined by the committee in announcing the decision.

The total amount of the violations approved by the Committee during 2020 was (QAR 18.3).

Item	2020	2019
Disciplinary Committee		
No. of violations referred	11	14
No. of violations adjudicated	12	19
No. of hearings	6	13

Appeals Committee

Pursuant to Articles (37) and (38) of the **QFMA** Law No. (8) of 2012, the Committee shall have the power to decide appeals of punitive decisions issued by the **QFMA**, and its decisions shall be final and reasoned. Concerned parties may challenge these decisions before the competent circuit of the Court of Appeals.

Item	2020	2019
Appeals Committee		
Appeals that registered in the appeals record	4	19
Requests of a stay of QFMA proceedings submitted to the Committee	3	18

Total of appeals and requests of a stay of QFMA proceedings considered by the Committee	44	40
Total of appeals and requests of a stay of QFMA proceedings adjudicated	40	3
No. of the Committee hearings	6	2
No. of the Committee meetings	13	4

13. Risk Management and Reduction

Risk Unit identifies risks of the work of **QFMA** and financial markets and regulatory risks to reduce such risks thereof and to maintain confidence and ensure stability of such markets and their dealing systems.

The unit, through the Crisis Management Committee, has taken many measures and actions at the **QFMA** level, as well as at the level of the capital market sector in order to reduce the negative impacts of the spread of the Corona virus crisis, and to ensure the continuity and safety of work in the financial markets and provide services to investors and their access to their investments without any restrictions. Such measures should be taken with preserving the priority of employee safety, in line with government directives related to crisis management, and coordination with government agencies and bodies subject to the **QFMA** jurisdiction as mentioned in Part Six of this report (The precautionary measures and actions

taken by QFMA to confront the Covid-19 pandemic).

The Risk Unit has also prepared many periodic and non-periodic studies and reports related to QFMA's work and the capital market, including the following:

- Indicators of capital adequacy risks for financial services companies:

The Risk Unit studies and analyzes, quarterly, the risks associated with violations of non-compliance with the Capital Adequacy Standards and makes the necessary recommendations. The final risks of capital adequacy are also classified based on calculating the average overall risk score for the period.

- Non-Qatari investor account data and information:

On a quarterly basis, monitoring and analyzing information on non-Qatari investors' accounts regarding accounts of unknown nationality and country of residence due to the risks entailed thereof.

- Sharing risk management processes and mitigation measures with other regulators:

The Risk Unit has started coordination with the Audit Bureau with the aim of sharing the QFMA institutional risks, in accordance with the Audit Bureau jurisdiction with regard to the risk management development project, which aims to monitor, analyze and evaluate risks at the state level.

- Follow up on the workflow of financial services companies during the Coronavirus pandemic:

Since the beginning of the Coronavirus pandemic, the Risk Unit has been monitoring financial services companies periodically to determine the workflow and the

risks or challenges that may affect the proper provision of services, if any, and to submit reports thereon.

The following are the key statistics of the outcomes of the Risk Unit:

Work of the Risk Unit during 2020	No.
Periodic Reports	8
Studies	28
Recommendations	10
Directives or guidelines	6

14. Development of Financial Products

Through New Financial Instruments Department, QFMA is working to develop the financial products and mechanisms applied in the Qatari market based on the best international practices, and in line with the nature of the market and its dealers, In addition to the proposal to develop some financial products to be applied in the market, based on a set of previously prepared studies on developing brokerage firms and restructuring Qatari capital markets, as well as comparing Qatari capital market legislation with similar market legislations mainly in the GCC countries. As a result of those efforts, QFMA began the development of a set of mechanisms and legislations regulating the Qatari capital market, as follows:

- Main Market Development:

Encouraging companies to be listed in the main market, by introducing a mechanism for direct listing in the market for companies wishing to convert into public shareholding companies, provided that the number of shareholders shall be 200 who together own a minimum of 25% of the company's capital after the conversion, as well as facilitating the procedures and requirements for listing, and adding new mechanisms aimed at preserving the price stability of securities offered for public subscription for the purpose of listing in the main market. The development also included setting rules aimed at stimulating and activating trading operations in the main market.

- Second Market Development:

Activating the second market and expanding it to become an effective and active alternative to the main market, adding a direct listing mechanism in such market, and linking it to the main market, so that companies listed in the second market can transfer their listing to the main market if they fulfill its listing requirements, as well companies listed in the main market can also transfer to the second market if fails the continuity of listing on the main market.

- Updating Regulations for Settlement of Disputes by Arbitration:

Encouraging people dealing in the Qatari securities market to settle disputes arising among them through arbitration, in a way that saves time and reduces cost, by developing regulations for settlement of disputes by arbitration and setting requirements for registering arbitrators or mediators, and reducing the period of dispute settlement by arbitration, as well reducing the

associated costs.

- Investment Funds:

Investment funds contribute to providing suitable investment alternatives for small investors, therefore the QFMA strives to develop the legislation related to the establishment and listing of investment funds in the Qatari market of all kinds, with the aim of making the Qatari market a regional center for such important investment product. Accordingly, the QFMA is working to develop the law regulating investment funds, as well as listing rules for investment funds.

QFMA's Performance at the level of Support Functions

1. Financial and Administrative Support

The QFMA's role is characterized with technical specialization related to capital activities in the State; therefor, QFMA works constantly to provide administrative support to other departments by establishing and strengthening the concepts of performance skills, and developing the administrative and technical capabilities of all workers at the administrative levels that suit the specialized tasks they perform. Such development could be done through training courses and programs, participation in specialized committees, and realistically and effectively embodying technical and administrative capabilities that are characterized by activating the efficiency of performance, and carrying out the assigned work properly and in the best ways, means and capabilities

available.

The QFMA also works hard to provide the necessary financial support for development, work performance and tasks completion, to the extent necessary to perform them to the fullest extent, and in a manner that ultimately leads to the achievement of the goals for which it was established.

The Enterprise Resource Planning (ERP) project has been implemented for the QFMA's internal policies and procedures, and the current stage is considered as the actual operation phase of the system, which would facilitate the QFMA's internal function procedures in accordance with the approved internal policies and procedures.

An electronic workflow mechanism has been developed for preparing the QFMA's strategic plan with linking it to the operational plans and the approved financial budget for the initiatives, in addition to providing follow-up reports on the implementation of the strategic plan in accordance with the QFMA's strategy pillars. An advanced phase of the project has been completed.

2. International Cooperation

QFMA is connected with an integrated system of bilateral, multilateral, regional and international cooperation, with its counterparties in the field of its activities and jurisdictions.

Through this cooperation, the QFMA is keen to continue constant communication and joint work with such parties, which will positively reflect on building partnerships and the required professional and

institutional capabilities and achieving the greatest effective attendance in the international scene. This serves the development process for developing and updating the performance of capital markets to serve investors and their interests and protect their dealings.

There are many aspects of this cooperation, such as the joint committees whose membership is linked to within a vast map that includes many countries, as well as conferences, meetings and training programs, which are held periodically.

The key achievements of QFMA in international cooperation during 2020:

- Memberships and Signing MoUs:

- It was agreed to sign a multilateral memorandum of understanding "MMoU among the members of the Union of Arab Securities Authorities (UASA).
- The QFMA signed an MOU with Qatar Financial Center (QFC) on February 13, 2020, for cooperation in Anti-Money Laundering and Combating the Financing of Terrorism (AML\CFT).

- Preparation and participation in the QFMA's activities and events mentioned above Part Four (Authority Events).

- Respond to inquiries, requests and questionnaires from counterparties:

QFMA has relationships with many counterparties in the field of their activities and jurisdiction; therefore, QFMA, through the agreements or MoUs, is keen to keep cooperative relations with such counterparties active and fruitful by responding to their inquiries, suggestions or requests.

The questioners and requests during 2020 as follow:

Questionnaires

Entity	Questionnaire
International Organization of Securities Commissions (IOSCO)	Survey on the Enforcement Toolbox
International Organization of Securities Commissions (IOSCO)	World Investor Week
International Organization of Securities Commissions (IOSCO)	Priorities of Growth and Emerging Markets Committee (GEMC)

Incoming Requests

Entity	Request
International Organization of Securities Commissions (IOSCO)	Newsletter for 2020
Capital Market Authority- Kuwait (CMA)	Ratings agencies Indices
Muscat Securities Market (MSM)	The fees charged by capital markets regulators from exchanges in Arab countries
Jordan Securities Commission (JSC)	Anti-Money Laundering and Combating the financing of terrorism in the securities sector
Financial Services Authority -Seychelles (FSA)	Inquiries about a company
The Capital Market authority -Oman (CMA)	regulating the international trading transactions service

Outbound Requests

Request
Information on approving individuals in regulated functions
(3) requests for information

3. Developing Human Capital Capacity

The QFMA's Strategic Plan (2017-2022) gives great attention to developing human capital capacity, accordingly, QFMA is making strenuous efforts to enhance and develop human capital, as it is the basis of the human development process.

Through Human Resources Department with its three sections (Recruitment & Manpower Planning, Personnel Affairs, and Administrative Development & Training), QFMA continuously seeks to increase the competitive capabilities of its employees, which is reflected in their performance and professional competence.

First: Key Activities of Human Resources Dep. under Coronavirus Pandemic:

- Managing and following up the attendance and remote working since the decision was issued to reduce the employee numbers at the workplace in government entities to (20%) as of 03/22/2020 until phase 4.
- Issuing awareness bulletins and administrative circulars that included (updating employees contacts - explaining remote work policy - targeted groups - etc.), as well as the department's contribution through the QFMA's Crisis Management Committee in presenting the file on health educational materials and posters of Covid-19, as well as the procedures and measures taken by QFMA.
- Rationalizing expenditures and controlling the budget: Considering the circular on spending rationalization issued by the Ministry of Finance in relation to salaries and wages allocations, and the reduction in the monthly cost, and taking many actions in this regard.

- Continuous review of human resources policies and procedures and updating them as needed, such as recruitment procedures, adding new policies in line with new circumstances.
- Holding remotely awareness and introductory meetings for all employees divided into groups to introduce the Code of Conduct and Integrity Charter of Public Officials.
- Organizing a workshop on full-time entrepreneurship, in cooperation with Qatar Development Bank, for (8) Qatari employees.

Second: Recruitment & Manpower Planning:

- In coordination with the Manpower Planning Department at the Ministry of Administrative Development, Labor and Social Affairs, it was approved for QFMA to create (17) new jobs for the financial year 2020, ((10) jobs for Qataris and (7) jobs for non-Qataris).
- Completion of procedures for appointing and embarkation of (8) new employees to work in the Inspection & Surveillance Dept. - Governance & Disclosure Dept.- International Cooperation Unit- Human Resources Dept.- Complaints Dept.- and Risk Unit.

Third: Government Scholarships:

Within the Qatarization policy, the Human Resources Dept. has completed the preparation of the 2020 scholarship plan, in coordination with Manpower Planning Department at the Ministry of Administrative Development, Labor and Social Affairs, with the aim of providing the QFMA with its needs of various scientific specializations and degrees with the required number in each specialization.

Fourth: Personnel Affairs:

The Personnel Affairs Section follows-up all the QFMA's employees in everything related to their professional and employment affairs in all their different specialties and jobs.

Fifth: Training and Administrative Development:

QFMA is very keen to enhance the professionalism of its staff in their various specializations and departments, as it gives great attention every year in following-up their staff academic and field qualification; therefore, QFMA prepares various development and training programs that contribute to enhancing the efficiency of their performance, improving their expertise and promoting their skills.

In this regard, during 2020, QFMA completed the following:

- The completion of determine of the QFMA's staff training needs for 2020, as well the preparation of their annual training plan.
- Identifying the Qatari employees expected to get promotion during 2020 and 2021 and registering them in the administrative and specialized paths programs in the Institute of Public Administration, following up their attendance and submitting their reports to the Personnel Department Section.
- Registration of the QFMA employees in the programs of the Institute of Public Administration according to their training needs for 2020, and reporting to the Personnel Affairs Section to follow up their attendance.
- Coordination and communication with the Institute

of Public Administration to register employees during the Coronavirus pandemic period in the available programs (remotely).

- Conducting the new employee induction program sessions and preparing and following up job rotation plans for graduates of the government scholarship program.
- Coordination with the various departments to organize training workshops (remotely) during the Coronavirus pandemic, through Qatar Association of Certified Public Accountants (QCPA).

Sixth: Statistics of Training, Number of Employees, and Qatarization Percentage

Training Activities for the QFMA Staff – 2020

Item	Training program	Workshop	Conference	Seminar	Meeting
Internal	97	39	1	-	4
External	-	1	-	-	-
Total	97	40	1	-	4

Total Number of the QFMA's Employees & Percentage of Qatarization

Item	No. of employees by end of 2019	% of total by end of 2019	No. of employees by end of 2018	% of total by end of 2018
Qatari employees	86	68%	79	63%
Non- Qatari employees	45	32%	52	37%
Total	131	100%	131	100%

Note: Employees (service workers) are excluded from the total number when calculating the distillation rate in the authority

Item	No. of recruits during 2020	% of total during 2020	No. of recruits during 2019	% of total during 2019
Qatari employees	7	87.5%	14	87.5%
Non- Qatari employees	1	12.5%	2	12.5%
Total	8	100%	16	100%

4. Public Relations & Communication

- During 2020, QFMA achieved many activities related to public relations and communication, which focused mostly on the logistical and media aspects of the activities and events hosted or participated by QFMA mentioned above under Part Four (QFMA Events).
- On February 11, 2020, QFMA participated in the activities of Qatar National Sport Day within the framework of QFMA's efforts to take part in all occasions that constitute a benefit to the community, and at the same time provides a purposeful message that spreads a positive spirit at all and various levels.



- Public Relations & Communication Dept., within the framework of remote work procedures and combating the Coronavirus, has prepared an integrated guide for Coronavirus in the workplace, which includes detailed data about the virus, and deals with the preventive measures that must be followed to fight the virus at workplace, as well as includes general advice relates to work practices under the precautionary measures to prevent the virus during working hours.
- The Department has also prepared integrated awareness leaflets, in cooperation with the Ministry of Public Health, and educational materials to prevent infection with the virus, and emailing them to all QFMA staff.

5. IT Development and Support

QFMA gives constantly a great attention to keep pace with all technological developments, and to provide E-services consistent with its aspirations and at the same time meet the aspirations of investors and dealers in the Qatari capital market. Accordingly, during 2020, QFMA made great efforts in this field, which contributed to facilitating and speeding up the completion of transactions for all bodies subject to its jurisdiction.

In this regard, during 2020, QFMA, through Information Technology Department, completed the following:

- Development and launch of the website for the 44th IOSCO-AMERC meeting and the 3rd QFMA annual conference.
 - Development and implementation of a settlement and collection system for financial follow-up and control of financial services companies.
 - Implementation of system of the insiders prepared by QCSD to be used by QFMA's employees.
 - Development of the website e-learning program with making a link to the e-AML/CFT learning program in cooperation with CISI for the Qatari capital market.
 - Continuing to develop new e-services: (5) ones on QFMA's portal, and (13) ones on QFMA mobile application.
 - Development of the QFMA mobile application.
 - Implementation of the paperless institution project:
- adopting the e-signature of the QFMA's correspondence and implementation of the government correspondence system.
- Start of implementing "The National Information Assurance Policy, a project approved by Ministry of Transport and Communications "MOTC". The project aims to maintain the confidentiality, integrity and availability of information and classify them according to national standards and determine the associated risks and the appropriate protections to be applied.
 - Implementation of the project of "update of the QFMA network infrastructure project (phase 2).
 - Participation in preparing the Business Continuity Plan "BCP" of the QFMA.
 - Participation in the work of Crisis Management Committee and remote working.
 - Participation in preparing the requirements for the Dash Board to follow up the implementation of QFMA's Strategic Plan.
 - Implementation of Periodic IS Vulnerability Assessment processes.
 - Daily monitoring of information security through monitoring screens provided by information security systems.
 - Following-up on the bulletins and updates issued by Ministry of Interior (security shield), and Ministry of Transportation and Communications, (Qatar

Computer Emergency Response Team (Q-CERT)) and implement its tasks.

- Participation in the work of the Write-off Committee.
- Follow up and participation in the Business Continuity Plan “BCP” of the QSE and QCSD.
- Participation in workshops organized by the Ministry of Interior (Security Shield) and the Ministry of Transportation and Communications.
- Participation in the work of the single window team of the Ministry of Commerce and Industry (MOCI).

6. Planning and Quality

QFMA has planned and implemented many programs and events during 2020, to achieve the highest levels of quality and with the aim of effectively contributing to the achievement of its strategic objectives.

In this regard, QFMA, through the Planning & Quality Department, achieved the following in 2020:

- Weekly Leadership and Quality E-mails:

In order to achieve the strategic objective of (scaling-up the usage of modern technology tools & the level of information security in the market), the Planning & Quality Department activated the communication with all employees via weekly e-mails with content aimed at enhancing information and knowledge, providing them with skills needed to develop capabilities for the leadership class of Managers, as well as employees

in general, which ultimately contribute to raising the performance quality.

- Update of Institutional Performance Standards – Phase 5, in Coordination with the MADLSA:

In order to achieve the strategic objective (boosting the efficiency of the institutional capacity of the QFMA), and in coordination with the Ministry of Administrative Development, Labor and Social Affairs (MADLSA), phase 5 of the handbook on “Institutional Performance Standards for Government Entities” was launched, where these standards were circulated to all QFMA’s departments.

This handbook aims to adhere to the institutional performance standards approved by the esteemed Council of Ministers and which all government entities are required to implement and adhere to, as it is an indicator of the development of business environments in government entities.

- Completion of Phase 3 of the Dashboard Design for Strategic Plan Initiatives:

In order to achieve the strategic objective (scaling-up the usage of modern technology tools & the level of information security in the market), phase 3 was completed by fulfilling the data of the QFMA’s strategic plan initiatives, in preparation for launching the program after completing the part of the procurement plan.



Ahmed Bin Ali Stadium



Performance of Qatari Securities Market



Performance of Qatari Securities Market

QSE General index

2020	2019	Change %
10,435.96	10,425.51	0.10%

QSE General Index Performance



Market Capitalization (QR Billion)

2020	2019	Change %
602.20	582.74	3.34%

Summary of Market Activity

Year	2020	2019	Change %
No. of Listed Companies	47	47	-
General Index (Point)	10,435.96	10,425.51	0.10%
Market Cap (Billions QR)	602.20	582.74	3.34%
Trading Value (Billion QR)	105.78	67.70	56.24%
No. of Trading Volume (Billion Shares)	55.16	11.42	383.15%
No. of Executed Transactions	2.29	1.53	49.59%

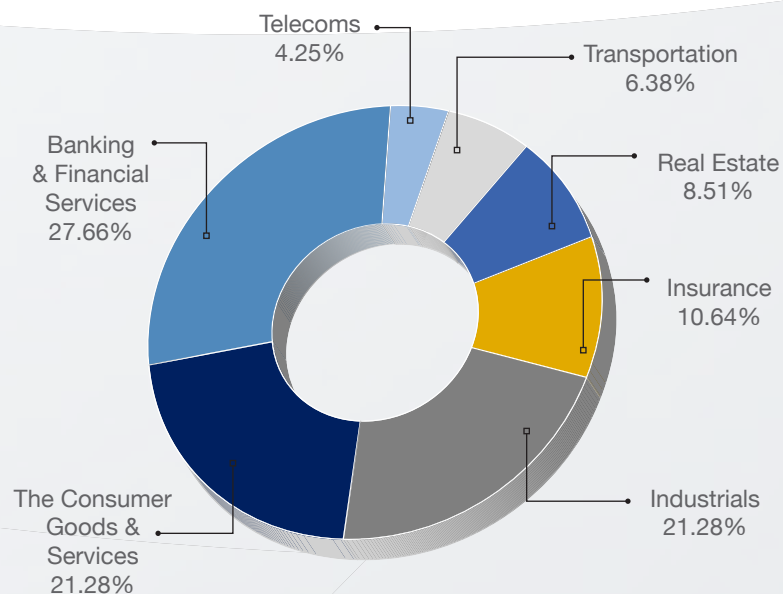
Listed shares 2020

Item	Bonus shares	New Listings	Total
No. of Listings	1		1
No. of Listed Shares (Million)	115.70		115.70

Statistics of Qatari Market Sectors

No. of Listed Companies

Sector	No. of Listed Companies	Percentage to Total %
Banking & Financial Services	13	27.66%
The Consumer Goods & Services	10	21.28%
Industrials	10	21.28%
Insurance	5	10.64%
Real Estate	4	8.51%
Telecoms	2	4.25%
Transportation	3	6.38%
Total	47	100%



Trading Activity

Sector	Traded Value (QR billion)	Traded Volume (billion)	No. of Executed Transactions (Million transactions)
Banking & Financial Services	38.19	11.06	0.72
The Consumer Goods & Services	14.31	8.53	0.32
Industrials	18.58	15.19	0.48
Insurance	2.75	1.36	0.07
Real Estate	19.89	14.97	0.38
Telecoms	4.50	1.65	0.16
Transportation	7.57	2.39	0.16
Total	105.79	55.15	2.29

Market Capitalization & Indices for Sectors

Sector	Market Cap (billion QR)	Turnover%	Earnings per Share%	PE Ratio (Times)
Banking & Financial Services	295.83	12.91%	3.58%	13.23
The Consumer Goods & Services	35.90	39.86%	4.00%	29.26
Industrials	132.07	14.07%	3.59%	28.94
Insurance	12.26	22.46%	4.89%	14.73
Real Estate	67.66	29.40%	1.41%	40.68
Telecoms	29.75	15.11%	3.40%	14.23
Transportation	28.73	26.34%	3.53%	14.93
Market	602.20	17.57%	3.38%	17.38

Equity Ownership Percentage of Investors As per No. of Shares

Individuals			Institutions		
	2019	2020		2019	2020
Qatari	28.88%	28.29%	Qatari non- governmental	32.52%	32.78%
			Qatari governmental	29.38%	29.94%
GCC	0.83%	0.82%	GCC	1.36%	1.23%
Foreign	1.20%	1.05%	Foreign	5.83%	5.89%
Total	30.91%	30.16%	Total	69.09%	69.84%

Government Debt Instrument

Treasury Bills Listed and Traded

T. Bills (Million QR)	2020	2019	Change %
Listed T. Bills	7,177.50	6,800.00	5.55%
Traded T. Bills	99.77	-	-

Government Bonds Listed and Traded

G. Bond (Million QR)	2020	2019	Change%
Listed G. Bonds	-	30,000.00	
Traded G. Bonds	9,869.19	7,207.27	36.93%

Exchange Traded Funds (ETFs)

ETF Name	Traded Value (Million QR)		Change %
	2020	2019	
QE Index ETF (QETF)	26.00	45.72	-43.12%
Al Rayan Qatar ETF (QATR)	53.87	15.40	249.70%
Total	79.87	61.12	30.68%

