بســـم الله الرحـمن الرحيـم



H.H. Sheikh

Tamim Bin Hamad Al-Thani

Emir of the state of Qatar

Qatar Financial Markets Authority's

BOARD OF DIRECTORS

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Abdulla Saoud Al-Thani
The Governor
Chairman of the Board of Directors

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Fahad Faisal Al-Thani
Deputy Governor
Vice-Chairman of the Board of Directors

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Economy and Finance - Member

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Member

Mr.
Michael Ryan
Chief Excutive Officer of Qatar
Financial Center Regulatory Authority
Member

H.E. Mr.
Nasser Ahmad Al-Shaibi
Chief Executive Officer



2013

CHAIRMAN

MESSAGE

The year of 2013 witnessed great remarkable efforts made by Qatari financial sector regulators to activate the Qatar National Vision 2030 regarding the contribution of the Qatari financial sector to position the State of Qatar as a regional center that can attract funds and foreign technologies and encourage the local investments. During 2013, a unified strategy of the financial sector in Qatar was launched, which constitutes the strategic vision for the sector over the next five years toward improving not only the activities and the financial services, but also the technical and human resources in the sector. The QFMA is very keen to be a main participants in drafting such a unified strategy for the financial sector in the State through its active role and its ongoing cooperation with other regulators, such as Qatar Central Bank (QCB) and Qatar Financial Centre Regulatory Authority (QFCRA).

In conjunction with the sector unified strategy, the QFMA also launched its strategy on Qatari capital market as the regulator for non-bank financial services and activities associated with the Qatari securities market.

During 2013, the QFMA also achieved significant steps to position the Qatari

securities market to a regional center for financial services and activities. These steps represent in gaining a full membership of the IOSCO “International Organization of Securities Commissions”, upgrading the classification of the Qatari capital market in the MSCI index from Frontier to Emerging Market status, and gaining Qatar Exchange the membership of World Federation of Exchanges (WFE). These steps indicate clearly to the international recognition in the safety and integrity of the Qatari capital market infrastructure in terms of regulation, legislations and supervision, which attracts the investors and financial service providers in the Middle East .

This second issue of QFMA’s annual report aims to maintain its permanent and continuous approach in informing the public with the most important developments and efforts made by the QFMA to develop our local markets to have the international character. Thus, the QFMA would like to receive any suggestions or ideas for upgrading our financial markets.

The QFMA takes this opportunity to extend the highest thanks and appreciation to H.H. Sheikh/ Tamim Bin Hamad Al Thani, Emir of the State of Qatar, to H.H. the Father Emir and to H.E. the Prime Minister, Minister of Interior Affairs for their continuous support. Thanks and appreciation is also conveyed to government bodies and institutions operating in the State of Qatar which cooperate with the QFMA and help it to achieve its goals.

Abdulla Bin Saoud Al Thani

The Chairman



2013

CEO
MESSAGE

The QFMA's efforts, in respect of the development of Qatari financial markets, focus on several pillars, mainly include achieving Qatar National Vision 2030 and Qatar National Development Strategy 2011-2016, through achieving the QFMA's vision, mission and strategic plan. These pillars also include working to:

- Protect investors and enhance the proficiency to support development and
- diversity of the national economy by providing favorable investment environment.
- Maintain stability, integrity and transparency of dealings in these markets.
- Develop the skills and knowledge of persons operating in the markets which raise the level of financial services available in our financial markets.

The year of 2013 is a turning point and distinction in the QFMA's performance since its inception in 2007. During this year, the QFMA achieved several successful steps that indicate clearly to the international certificate of the integrity and safety of the Qatari capital market infrastructure in terms of regulation and supervision as well as its compatibility with the best international standards and practices. This success culminated in upgrading the classification of the Qatari

capital market from Frontier to Emerging Market status and gaining of the QFMA a full membership of the IOSCO " International Organization of Securities Commissions". In this context, the QFMA has launched its strategic plan for the next years to be as the roadmap maintaining its international status and its permanent and continuous development of the financial markets to be a high quality financial services center. The QFMA was very keen to develop a strategic plan harmonized with the sector unified strategy through its active role and its ongoing cooperation and coordination with other regulators in the Qatari financial sector.

One of the QFMA's strategic objectives is to raise the level of disclosure and transparency. In this regard, the QFMA endeavors to issue periodically its annual reports that highlight its efforts done during the year and the developments that occur in our financial markets, whether to develop the Qatari market system, or the QFMA's institutional performance. This report also highlights the impact of those developments and activities on the market performance through the most important statistics and data relating thereto.

The QFMA hopes that all parties related to financial markets participate in our efforts to develop the markets, and to be an effective tool in achieving the QFMA's future vision for markets through cooperation in our public consultations or through providing development and modernization proposals via direct contact, e-mail or any other suitable mean.

Nasser Ahmad Al Shaibi

Chief executive officer

KEY FUNCTIONS OF QFMA



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 which may face. In order to achieve its objectives, the QFMA shall specifically:

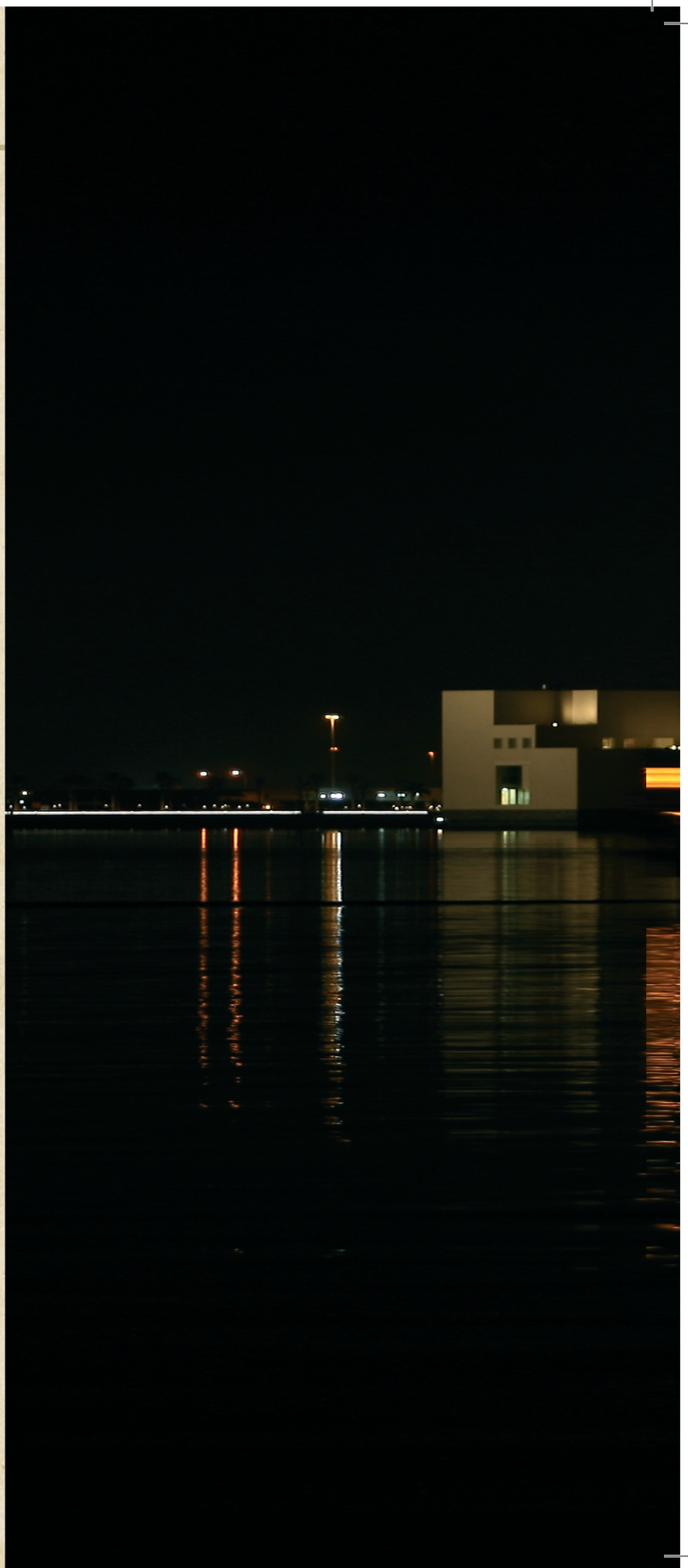
1. Regulate and supervise financial markets.
2. Regulate dealing in securities activities with fair, transparency and competitiveness.
3. Raise public awareness of securities activity and encourage their investment in securities & develop it.
4. Monitor the rules governing activities related to trading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



ESTABLISHMENT

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

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



OUR MISSION

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

Photography by: Ahmed Mohsin

QFMA
Departments

1. Securities and Issue Affairs Department.
2. Market Operations, Compliance & Licensing Affairs Department.
3. Research, Development and International Cooperation Department.
4. Legal Affairs and Enforcement Department.
5. Complaints Department.
6. Media and Communication Department.
7. IT Department.
8. Human Resource and Training Department.
9. Internal Audit Department.
10. Administration and Finance Department.

Parties Subject to QFMA's Jurisdiction

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

The QFMA regulates and supervises the following parties:

1. Qatar Exchange (QE).
2. Qatar Securities Central Depository (QSCD).
3. Listed companies.
4. Financial services companies.
5. Persons dealing in financial markets and financial activities.
6. Investors.





QFMA'S EFFORTS

Photography by: Ahmed Mohsin

(1) Legal

Legislations

QFMA is making great efforts in the development of legislations regulating Qatari capital market in order to increase the efficiency of legislations and expand the size and quality of the activities on Qatar Exchange. During 2013, the Board of Directors approved on several legislations, namely:

1. Rules of Licensing and Regulating Depositary.
2. Capital Adequacy Standards for Financial Services Companies.
3. Acquisition and Merger Regulations.
4. Selling Rights Issue Regulations.
5. Corporate Governance Code in Venture Market.
6. Amend some articles in Listing & Offering of Securities in the Venture Market.
7. Amend some articles in Corporate Governance Code in the Main market.

- The Board approved on the QFMA's proposal to reduce the nominal value of shares in listed shareholding companies to become QR 1, and taking the necessary steps in this regard with the concerned parties, in preparation for adopting the nominal value by QR 1 to be a condition for licensing of new companies listing in the future and giving the existing listed companies sufficient time to adjust their positions.

- The Board also approved on the new organizational structure, including developing new departments, which helps the QFMA to achieve its mission and vision regarding the future of the financial markets in Qatar according to its strategic plan. The new organizational structure also enables the QFMA to perform its functions determined by Law No. 8 of 2012 and helps to achieve the principles of regulatory and supervisory policy.

- The QFMA approved on reviewing Procedures of Complaints, Code of Conduct, Risk Management Policy and Procedures Manual for and QSCD rulebook.

- Procedures taken in implementation of the Board decisions, including:

1. Issuing a circular to limit the percentage of payback commission provided
2. by licensed companies that practice the brokerage activities.
3. Activating liquidity provider activity on Qatar Exchange.
4. Activating the exemption of some investors prepayment in Qatar Exchange.

(2) Strengthening Disclosure & Exchange of Information

2-1 Participating in the Launch of a Unified Strategy of the Financial Sector in Qatar

The QFMA participated in the launch of a joint strategic plan of the financial sector in Qatar, which sets out the sector strategic vision and roadmap over the next years and pave the way towards improving not only activities and financial services, but also technical and human resources in the sector. The QFMA is keen to be a main participant in drafting the financial sector strategy in the country through its active role and its ongoing cooperation with Qatar Central Bank (QCB) and Qatar Financial Center Regulatory Authority (QFCRA).

2-2 Launching the QFMA's Strategic Plan 2013-2016

At the end of 2013 and coinciding with the launch of the financial sector strategy of the State of Qatar, the QFMA outlined its Strategic Plan 2013-2016. The QFMA invited parties associated with the capital markets in the State for seeing its future vision and its mission to the market and all people dealing in the market, and for seeing the QFMA's strategic objectives and future projects to develop the Qatari markets.

2-3 Public Consultation for " Selling Right Issue Rules " and Reducing the Nominal Value of Share

As a part of the QFMA's diligent effort in activating participation of all parties associated in the local markets in regulating and developing the financial markets, the QFMA has prepared and consulted about a draft of " Selling Right Issue Rules " which aims to protect the right issue holders who do not practice their right in the capital increase subscription, so right issues is listed as a security can be sold through the market.

The QFMA also consulted for the proposal of reducing the nominal value of shares in listed shareholding companies to become QR 1 instead of QR 10 because of its active role in the capital market and increase the liquidity, increase the investors base, increase share turnover ratio and attract a new segment of investors.

2-4 Launching the QFMA New Website

The QFMA launched its new website after developing and updating and supplying with all information and data that can help investors and other parties associated with the securities market in making investment decisions and other decisions related to their dealings and activities within the market.

2-5 Launching the QFMA's Application on Apple Store

The QFMA launched its application on iPhone and iPad devices **(Apple store: QFMA)**, for the latest news to be followed easily and for the most important issuances of the QFMA to become accessible by those interested and dealers in the capital market.

2-6 Launching the SMS Service

The QFMA's Short Messages Services (SMS) aim to communicate all the QFMA's associated categories smoothly and easily, by sending a message containing the subject for each category.

(3) Control and Supervision

The QFMA exerted intensive efforts in the areas of control and supervision of the parties related to the operation in the Qatari capital market to emphasize that the Qatari market deserves the international recognition, and to keep the performance of the Qatari market and persons dealing in the market compatible with the international standards, as well as to stabilize the markets and protect investors.

The control and supervision represented in monitoring trading, analyzing trading operations in securities market, in addition to control the parties subject to the QFMA's jurisdiction to check their commitment to its issued legislations. The QFMA also conducted the control on listed companies by following-up their disclosures and declarations issued via various media so as to ensure implementing the disclosure requirements prescribed in the QFMA's legislations.

3 - 1 Control on Offering, Listing and Listed Companies

The QFMA followed up the information disclosed by listed companies to the public in all means of publishing and advertising. It also checked the disclosure of all listed companies about the periodic financial statements during the year, and reviewed the reports of corporate governance of these companies as well as requested to amend some of them to comply with the Corporate Governance Code issued by the QFMA.

During 2013, the QFMA received:

- Four (4) IPO requests and issued its final approval to the prospectus, approved by the Ministry of Economy and Commerce, of Mesaieed Petrochemical Holding Company (MPHC).
- Eleven (11) requests for listing government Treasury Bills (T-Bills) " three, six and nine months" and 3 government bonds (three and five years).
- Three (3) new acquisition requests for:

1. Acquisition of Alternatifbank AS, majority-owned subsidiary of Commercial Bank of Qatar QSC for (99.9%) shareholding of the Turkish Alternatif
2. Finansal Kiralama A.S.
   Acquisition of Al-Salam company on non-Qatari company.
3. Mannai Corporation acquisition by its subsidiary Gulf laboratories (49%) of Al Mannai Transfield Company.

As part of following-up acquisitions requests submitted previously, the QFMA has issued the following decisions:

1. Approval on the acquisition of Al Ijarah Holding on (100%) of Al Nasr Modern Driving School.
2. Non-approval on the acquisition of Al Ijarah Holding (100%) of Petro Qatar for industrial projects.
3. Approval on Al Salam International for Investment to buy additional shares of Salam Bounian Development Co.
4. Non objection of that Masraf Al Rayan to complete acquisition of Islamic Bank of Britain.

The QFMA also approved on listing new 247.2 million shares to increase the capital of listed companies during 2013.

3 - 2 Licensing and Control on Financial Services Companies

- **LICENSING**

- The QFMA issued six (6) licenses to practice the activities of liquidity provider, central depository, investment trusteeship, providing advice on securities, managing issuance of securities, and underwriting issuance of securities.
- The QFMA Approved on the appointment of Al Rayan Bank as an issuer manager for the IPO of Doha Global Investment Company.
- The QFMA approved on the rules of Qatar Securities Central Depository (QSCD).

■ **Companies have been licensed**

Company Name	Licensed Activities
• Qatar Securities Central Depository (QSCD)	Registration of Securities, Deposit of Securities, Transfer of ownership and safekeeping of Securities, Clearance and settlement of Securities transaction
• The Group	Liquidity Provider
• Qinvest	Investment trusteeship, providing advice on securities, managing issuance of securities, and underwriting issuance of securities

Source: Market Operations, Compliance & Licensing Affairs Dep., QFMA

During the year, the QFMA issued fifty-six (56) licenses for persons dealing in the financial markets, as follows:

■ **Persons dealing in the financial markets have been licensed**

Job Title	The first quarter
Board Chairman	1
Board Member	3
General Manager	2
General Manager Deputy	2
Compliance Officer	4
Anti-Money Laundering Officer	4
Anti-Money Laundering Officer Deputy	1
Back Office Operations Manager	2
Trading Manager	2
Trading Manager Deputy	1
Broker Representative	12
Custodian Representative	12
Internal Auditor	6
Risk Management Officer	1
Financial Analyst	2
Account Manager	1

Source: Market Operations, Compliance & Licensing Affairs Dep., QFMA

• INSPECTION

The QFMA conducted sixteen (16) inspections (periodical or sudden) during the year.

■ **Companies received the inspections**

No. of inspections	The first quarter
The Group Securities	3
Dlala Islamic	2
Qatar Securities	1
QNB / custodian	1
Standard Chartered Bank / custodian	1
QNB Financial Services (QNB FS)	2
Dlala Brokerage	4
Qatar Securities Depository Company (QSDC)	2

Source: Market Operations, Compliance & Licensing Affairs Dep., QFMA

• CONTROL OVER TRADING

A number of reports about suspected violations during trading whether related to impact on trading or money laundering were submitted with taking the appropriate actions in this regard.

■ **No. of reports of trading violations reports**

Period	No. of submitted reports
1st quarter	5
2nd quarter	2
3rd quarter	2
4th quarter	1

Source: Market Operations, Compliance & Licensing Affairs Dep., QFMA

• COMPLAINTS, INVESTIGATIONS & DISCIPLINARY CASES

During 2013, the QFMA has received eight (8) complaints, has conducted twenty-five (25) investigations in suspected violations. There were four (4) of these investigations forwarded from the previous year, all was completed but one case (1) is still pending before the Investigation Committee. Eight (8) cases were referred to the Disciplinary Committee which imposed punishments of fine, penalties and warning.

■ Complaints, Investigations and Disciplinary

ITEM	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Complaints	3	1	2	2	8
Investigations	3	6	4	12	25
Disciplinary Cases	2	3	0	2	7

Source: Complaints Dep., QFMA

• APPEALS COMMITTEE

Appeals Committee held eleven (11) meetings during the year to look into appeal cases against disciplinary decisions issued by the QFMA. summarizes as follows:

■ Summary of the Appeals Committee Work

ITEM	No.
Appeals requests that have been submitted to the Committee during the year	9
Requests of a stay of QFMA proceedings during the year	5
Appeals that registered in 2012 and have not been adjudicated yet	3
TOTAL	17

Appeals and requests of a stay of QFMA proceedings that have been adjudicated including submitted in 2012	13
Appeals and requests of a stay of QFMA proceedings which is still under consideration by the Committee	4
No. of the Committee meetings during 2013	11

Source: Appeals Committee Secretariat, QFMA



OUR VISION

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



(4) Awareness & Media

4 - 1 Training and Education

During the year, the QFMA has developed a set of procedures and steps that help in developing skills and increasing knowledge among all parties associated with Qatari securities market, which contribute the performance of the market, and persons dealing in the market and securities.

• Honoring Graduates of the training program "Introduction to Securities & Investment"

Qatar Finance and Business Academy **(QFBA)** and **QFMA** organized a graduation ceremony for twenty-five professionals who have successfully completed the training program "**Introduction to Securities & Investments**" which is licensed by the Chartered Institute for Securities and Investment (CISI). The "Introduction to Securities & Investments" is QFMA Program Module1 that is required for practitioners looking to obtain their license to undertake any of the regulated functions. QFMA have moved a step further in achieving development of the human capital in the Qatari Financial sector towards attaining the Qatar National Vision 2030.

• Receiving the assistants prosecutors trainees

The QFMA received a delegation of assistants prosecutors trainees as part of the fourth compulsory training course organized by Legal and Judicial Studies Center at Ministry of Justice, to get acquainted with the nature of the functioning of the QFMA in the areas of regulation, supervision and QFMA's legislations, in particular Dispute Settlement Regulation, procedures of Disciplinary Committee and the procedures followed before the Appeals Committee in the QFMA.

• Organizing a Training Program on "Dispute Resolution Procedures"

For the implementation of the work plan regarding the bilateral exchange program to strengthen cooperation and coordination between QFMA and the Union of Arab Securities Authorities (UASA), QFMA organized a training program on "Dispute Resolution Procedures). The participations were a number of representatives from the Union members countries of Arab and GCC securities authorities, and a number of employees of financial services companies operating in the Qatar Exchange.

The program contained four main themes regarding the definition of the alternative means to resolve disputes, the arbitration law in the state of Qatar and the legal system of arbitration in QFMA, the topics related to the organization of the arbitration proceedings and the Penal Magistrates according to the QFMA law and the regulations thereto.

4 - 2 Local and International Activities

1. Participation in the 6th Qatar Career Fair 2013.
2. Participation in introducing booth during the 7th GCC Regulators' Summit.
3. Participation in introducing booth during the annual conference of the IOSCO.
4. Organizing the celebration of Qatar National Day.
5. Participation in the National Sports Day.

(5) Communication with

Capital Market Community

The QFMA is always keen to be an active member in the community at national, regional and international levels, and to confirm the presence and participation in the most important meetings and events related to capital markets, including:

- The annual meeting of the International Organization of Securities Commissions (IOSCO), held in Luxembourg - 2013.
- The meeting of the GCC General Secretariat, held in Riyadh, Saudi Arabia - 2013 .
- The 7th GCC Regulators' Summit, held in Doha – 2013.
- The 7th meeting of Union of Arab Securities Authorities (UASA), held in Kuwait City – 2013.
- The 8th Meeting of Committee of Heads of GCC Securities Market Regulators, held in Manama, Bahrain – 2013.
- The FATCA Symposium 'Impact of the US Law on the Region'.



(6) Steps Towards

International Recognition

During 2013, the Qatari capital market could be upgraded to the ranks of global markets, through international recognition of the QFMA as a full member of the International Organization of Securities Commissions (IOSCO), and through upgrading Qatar Exchange (QE) to the level of the emerging markets and getting the full membership of the World Federation of Exchanges (WFE), as well as taking over the functions of numbering all domestic securities issued in the country by issuing the International Securities Identification Number (ISIN).



6 - 1 Gaining the membership of IOSCO

The QFMA signed the Multilateral Memorandum of Understanding and gained the full membership after getting the approval of the IOSCO Board of Directors on the recommendation submitted from the committee which vets joining applications and after Making sure that the legislations and regulatory environment in the Qatar capital market is consistent with the standards and requirements required of international financial markets, and they achieved the main objectives of the organization, namely:

- Protect investors.
- Ensure achieving integrity, efficiency & transparency of the markets transactions.
- Reduce the risks arising from financial transactions.

In addition to attaining the IOSCO full membership, the QFMA has also become a member of three specialized committees under the umbrella of the IOSCO:

- President's Committee.
- Africa/Middle East Markets Committee.
- Emerging Markets Committee, which focus on the development and improvement of efficiency in the emerging securities markets, assisting in the preparation of training programs and facilitating the exchange of information and transfer of technology and expertise among members.

6 - 2 Upgrading the Qatar Exchange to Emerging Market Status

The QFMA, in cooperation with QE implemented the best international standards and practices and issued several legislations and operational procedures which supports the inclusion of QE in the emerging market index. Thus, Morgan Stanley Capital International (MSCI) upgraded the Qatari capital market from Frontier to Emerging Market status starting from May 2014. This decision came after MSCI's assessment and review of the legislations related to Qatari securities market and communicating with the concerned parties (QFMA & QE) regarding the legislations.

6 - 3 Taking Responsibility of International Numbering of Securities

The QFMA signed, on September 24, 2013, a partnership agreement with ANNA (Association of National Numbering Agencies) that exercises issuing and marketing the international number of securities. Upon this agreement, QFMA was authorized for the task of numbering of all domestic securities issued in the state with unified ISIN (International Securities Identification Number) and the CFI (Classification of Financial Instruments code) to have one number for each security used in domestic and foreign trading.

The QFMA received this task effectively, starting from December 30, 2013. This step is an integral part of the QFMA's continuous efforts to develop the Qatari market into a center of excellence for financial services, increase the investor confidence and localize national and regional investments in line with Qatar National Vision 2030.

The ISIN and CFI are globally recognized identity for securities and are instrumental in attracting investors, especially international institutions. It also enhances the accurate representation of listed Qatari companies and reduces any risk of misrepresentation or confusion between similar named entities.





STATISTICS & DATA 2013



(1) Performance of Qatari Securities

Markets

During 2013, the activities of central depository, clearing and settlement was separated from QE to be an independent company, as well as for the first time, this year witnessed listing and trading of treasury government bonds. The market value of listed shares increased to reach 555.6 billion QR = (152.2) billion $ U.S..

The number of registered investors in QE increased to reach 968.3 thousand in comparison with 914 thousand in 2012, which led to the increase in the activity volume in the QE, increase securities trading value up to 80.1 billion QR and increase the number of transactions executed up to 958,646 transactions.

Summary of Qatari Securities Market

Item	2012	2013
No. of financial markets	1	1
No. of central depositories	0	1
No. of financial services companies	14	14
No. of financial brokerage companies	11	11
No. of custody services companies	3	3
No. of registered investors in the market	964.548	968,343
No. of Qatari registered investors	294,423	295,279
No. of non-Qatari registered investors	670,125	673,064
No. of Qatari listed companies	42	42
No. of foreign listed companies	Nil	Nil
Total no. of listed securities	10,293,184,475	10,540,694,178
- Shares	10,288,855,975	10,536,099,178
- T-Bills	4,328,500	3,395,000
- Government bonds	Nil	1,200,000
Total no. of traded securities	2.428,270,141	1,932,982,070
- Shares	2,428,190,041	1,932,431,070
- T-Bills	80,100	401,000
- Government bonds	Nil	150,000
Total of trading value (QR)	71,467,102,050 (19.5 U.S $)	80,184,196,199 (21.9 U.S $)
- Shares (QR)	70,673,865,500	74,689,602,449.96
- T-Bills (QR)	793,236,550	3,983,913,750
- Government bonds (QR)	Nil	1,510,680,000
No. of transactions	881,663	958,646
- Shares	881,638	958,578
- T-Bills	25	51
- Government bonds	Nil	17
Market value of listed shares (QR)	459,883,620,869 (125,164,388,749 U.S. $)	555,606,339,794 (152,220,915,012 U.S. $)
General index	8,358	10,379.59

Source: IT Dep., QFMA

(2) Government Debt

Instruments

2-1 T-Bills Listing

During 2013, the market has witnessed listing 3.39 million short-term Treasury Bills (T-Bills), with standard maturity periods of either three, six or nine months. The nominal value of the T-Bills that have been listed was 33.9 QR billion in comparison with 43.3 QR billion in 2012.

■ **Listed T-Bills during 2103 compared with 2012**

2012		2013		
Value (QR million)	No.	Value (QR million)	No.	Type of listed T-Bills
21,300	2,130,000	13,050	1,305,000	3 months
11,185	1,118,500	10,500	1,050,000	6 months
10,800	1,080,000	10,400	1,040,000	9 months
43,285	4,328,500	33,950	3,395,000	Total listed T-Bills

Source: QE monthly bulletin & IT Dep., QFMA

2 - 2 Government Bonds Listing

This year witnessed the first listing of government bonds on the QE, where a million and two hundred thousand (1.2) was listed, with a value of 12 QR billion distributed as follows:

■ **Listed Government Bonds during 2103 compared with 2012**

2012		2013		
Value (QR million)	No.	Value (QR million)	No.	Type of listed Government Bonds
Nil	Nil	6,000	600,000	3 years
Nil	Nil	6,000	600,000	5 years
Nil	Nil	12,000	1,200,000	Total listed Government Bonds

Source: QE monthly bulletin & IT Dep., QFMA

2 - 3 T-Bills Trading

The trading volumes of T-Bills has significantly increased during the year in comparison with 2012, where the value of T-Bills trading was 3.9 QR billion during 2013 in trading of 401 thousand through 51 transactions.

■ **T-Bills Trading**

2012	2013	T-Bills trading
793,236,550	3,983,913,750	Trading value of T-Bills (QR)
80,100	401,000	No. of traded T-Bills
25	51	No. of transactions

Source: QE monthly bulletin & IT Dep., QFMA

2 - 4 Government Bonds Trading

During the year, it was the first trading of government bonds, where the trading values amounted to 1.5 QR billion in trading of 150 thousand through 17 transactions.

■ **Listed Government Bonds during 2103 compared with 2012**

2012	2013	Government Bonds Trading
Nil	1,510	Trading value (QR million)
Nil	150,000	No. of traded government bonds
Nil	17	No. of transactions

Source: QE monthly bulletin & IT Dep., QFMA

(3) Equity Instruments (Shares)

3 - 1 Shares Listing

During 2013, new shares of capital increase for companies listed on QE were listed which amounted to 247.2 million leading the increase of the total listed shares by end of the year to 10.5 billion shares.

■ **No. of listed shares**

2012	2013	Item
14	13	No. of listings
57.9	247.2	No. of listed shares (million)
10,288	10,536	Total of QE listed shares (million)

Source: QE monthly bulletin & IT Dep., QFMA

3 - 2 Shares Trading

This year witnessed a significant increase in the activity volume by the increase in the value of traded shares to reach 74.8 billion QR = 20.4 US $ billion; and the number of executed transactions in the main market of QE was increased to reach 961.58 thousand, which led to increase of the market value of the listed shares to 555.6 billion QR = 152.2 US $ billion.

■ **QE Trading Activity (2013)**

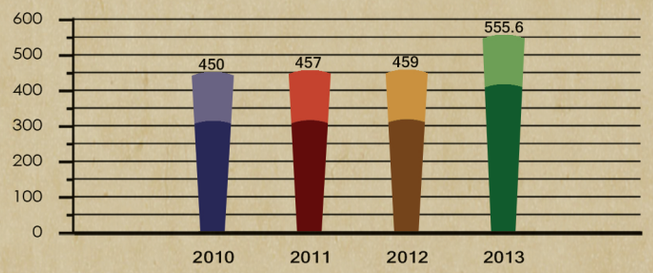
Change %	2012	2013	Item
20.8 %	459,883,620,869	555,606,339,793	Market value (QR)
%5.96	70,673,865,500	74,886,053,776	Trading value (QR)
(20.2 %)	2,428,190,041	1,937,534,283	No. of traded shares
9.09%	881,638	961,811	No. of transactions

Source: QE monthly bulletins

3 - 3 Market Value

The market value of shares listed on QE increased slightly to reach 555.6 QR billion at the end of 2013, with a growth rate of 20.8% compared with the end of 2012.

Market Value of Listed Shares (QR Billion)

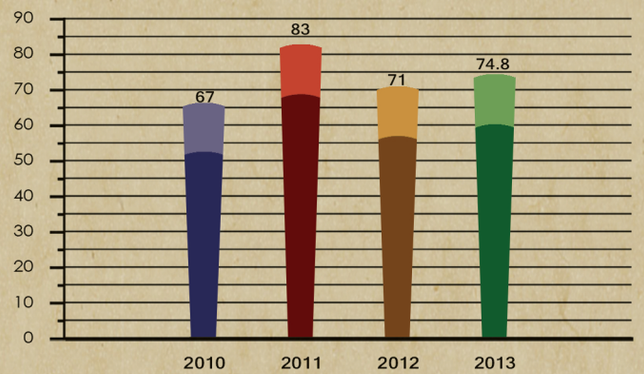


Source: QE Monthly Bulletins

3 - 4 Value of Traded Shares

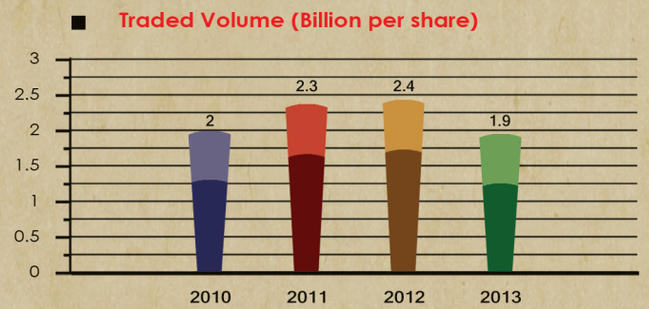
Compared with 2013, the value of traded shares during this year increased To reach 74.8 QR billion with a growth rate of 5.96%.

Traded Value (QR Billion)



Source: QE Monthly Bulletins

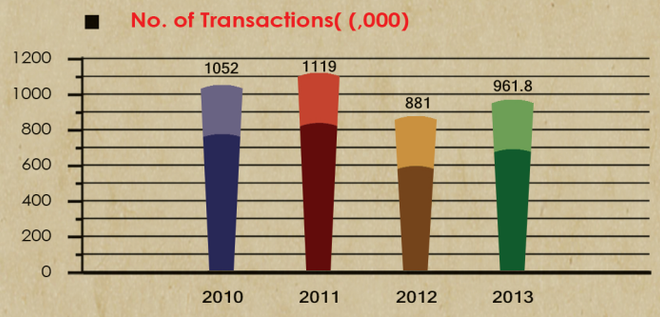
3 - 5 Number of Traded Shares



Source: QE Monthly Bulletins

Despite the increase of the activity volume on QE during 2013, the number of shares traded declined to 20.2% compared with 2012 to reach to 1.9 billion shares.

3 - 6 Number of Transactions

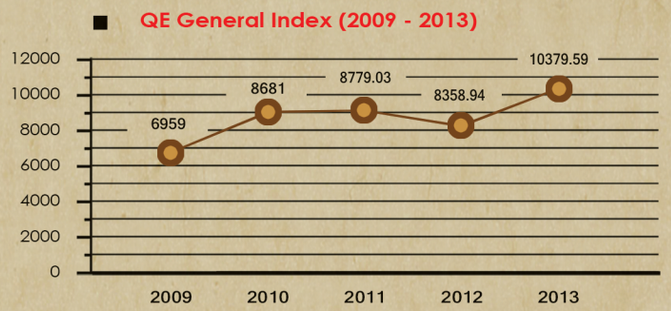


Source: QE Monthly Bulletins

Number of transactions executed in the main market on QE during 2013 increased to reach 961.8 thousand, with a growth rate of 9% compared with the end of 2011.

3 - 7 QE General Index

The General Index of QE increased during 2013 compared with 2012 by 24.17% to reach 10,379.59 points compared with 8358.94 points at the end of December, 2012.



Source: QE Monthly Bulletins

OUR VALUES

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

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



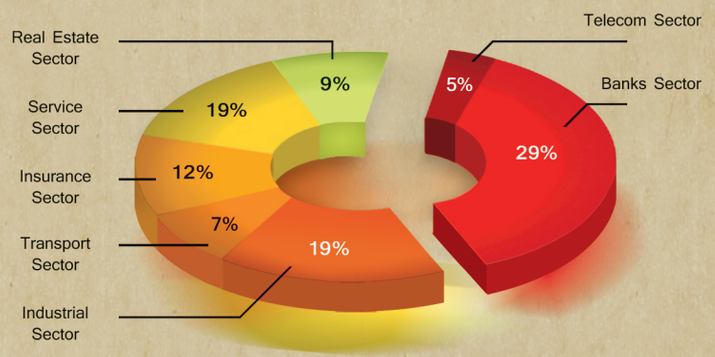
(4) Listed
Companies
Statistics

4 - 1 Listed Companies by Sector

The number of listed companies in QE was 42 Qatar Shareholding Companies including 5 companies in the Insurance sector (12% of the total number of listed companies), 8 Industrial companies (19%), 12 companies in

Banks and Financial Services sector (29%), 8 Companies belong to the Service sector (19%), 4 Real Estate companies (9%), 2 Telecom companies (5%), and 3 Transport companies (7%).

Percentage of Listed Companies by Sector

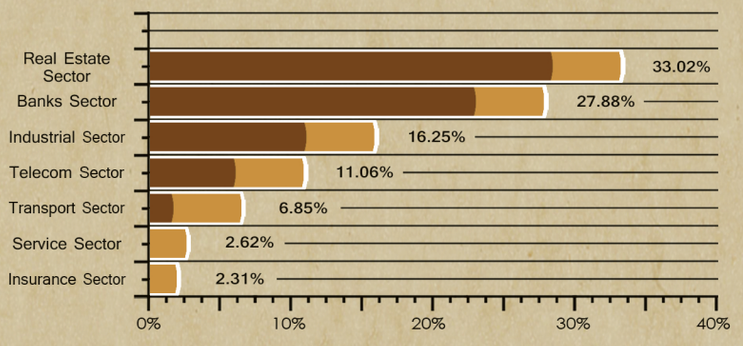


Source: QE monthly bulletin & IT Dep., QFMA

4 - 2 Number of Listed Shares by Sector

The number of shares listed in QE was 10.5 billion shares, including 3.47 billion shares for Real Estate sector (33.% of the total number of listed shares), 2.93 billion for Banks sector (27.88%), 1.71 billion for the Industry sector(16.25%), 1.16 billion of Telecom companies (11.06%), 722 million for the Transport sector companies (6.85%). 275.7 million of the Services sector companies (2.62%), and 243.8 million shares for the Insurance sector companies (2.31%).

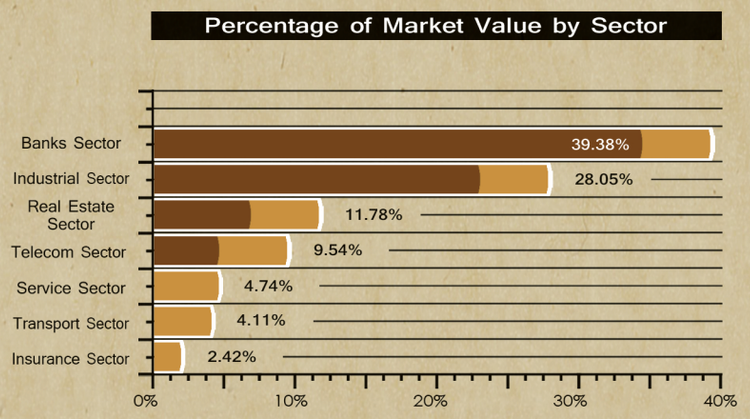
Percentage of No. of Shares by Sector



Source: QE monthly bulletin & IT Dep., QFMA

4 - 3 Market Value by Sector

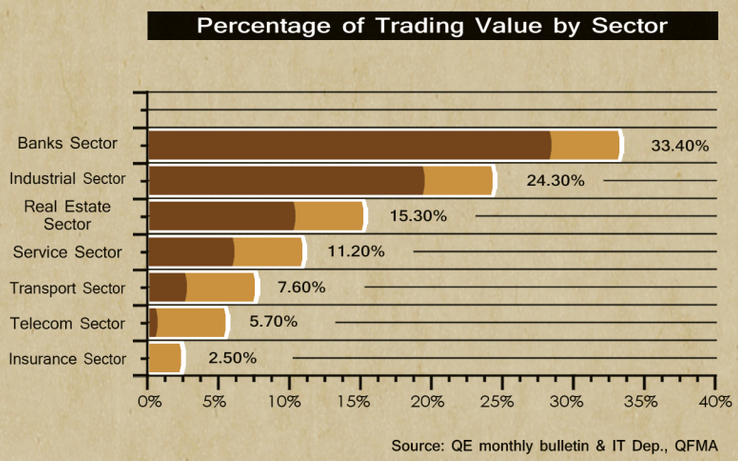
The total market value of the listed companies by the end of the year was 555.6 QR billion, including 218.7 QR billion represents the market value of the Banks sector (39.3% of the total market value of listed companies), 155.8 QR billion for Industry sector (28%), 65.4 QR for the Real Estate sector (11.7%), 53 QR billion for Telecom sector (9.5%), 26.3 QR billion for Services sector (4.7%O, and 22.8 QR billion for Transportation sector (4.1%), and 13.4 QR billion for Insurance sector (2.4%).



Source: QE monthly bulletin & IT Dep., QFMA

4 - 4 Value of Traded Shares by Sector

The value of traded shares during the year was 74.8 QR billion including 25 billion represents the value of traded shares in Banks sector (33.4% of the total value of shares traded), 18.1 QR billion for Industry sector (24.3%), 11.4 billion QR for the Real Estate sector (15.3%), 8.3 billion QR for Services sector (11.2%), 5.6 billion QR for Transportation sector (7.6%), 4.2 billion QR, for Telecom sector (5.7%), and 1.8 billion QR for Insurance sector (2.5%).

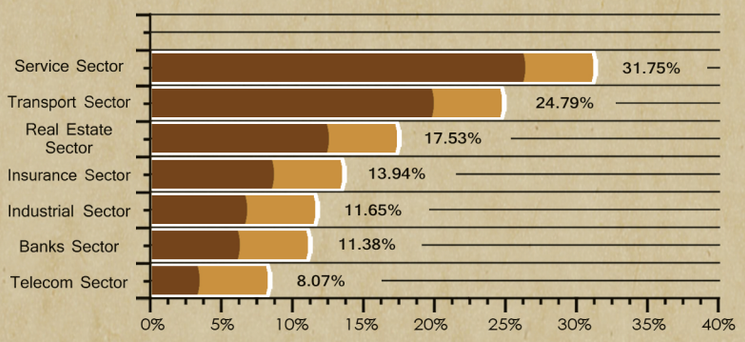


Source: QE monthly bulletin & IT Dep., QFMA

4 - 5 Turnover Ratio by Sector

The turnover ratio in QE during the year was 13.4% as a whole, where the Service sector led the turnover ratio amounted to 31.7%, then the Transportation sector 24.7%, followed by the Real Estate sector with 17.5%, then the Insurance sector with 13.94%, the Industry sector with 11.65%, followed by Banks sector with 11.38% and Telecom sector in the last place with turnover ratio of 8%. Note that the decline in turnover ratio of the banking sector is primarily due to the increase of the total market value of the banking sector as a whole which is approaching to 40%.

Percentage of Turnover Ratio by Sector



Source: QE monthly bulletin & IT Dep., QFMA

■ Summary of Listed Companies Statistics by Sector

Item	No. of companies	No. of listed shares	Market Value per share	Value of traded share	Turnover ratio per share
Banks Sector	12	2,937,465,213	218,774,967,293	25,011,344,674	11.38%
Insurance Sector	5	243,893,874	13,437,250,491	1,875,570,036	13.94%
Industrial Sector	8	1,712,319,269	155,824,511,598	18,180,811,877	11.65%
Services Sector	8	275,768,319	26,317,085,169	8,384,861,626	31.75%
Real Estate Sector	4	3,478,846,328	65,431,015,180	11,473,606,853	17.53%
Telecom Sector	2	1,165,720,000	53,002,138,000	4,296,558,718	8.07%
Transport Sector	3	722,086,175	22,819,372,063	5,663,299,989	24.79%
TOTAL	42	10,536,099,178	555,606,339,794	74,689,602,450	13.44%

Source: QE monthly bulletin & IT Dep., QFMA

4 - 6 Top Ten Listed Companies by Market Value

The top ten of listed companies by market value in QE acquired 75.6% of the total market value of all listed companies with 420.5 QR billion. 60.3% of the total market value was for the first top five companies.

■ Top Ten Companies by Market Value

Company	Market Value	Percentage
QNB	120,353,463,336	21.66%
Industries Qatar	102,184,500,000	18.39%
Ezdan Holding	45,092,443,747	8.12%
Ooredoo	43,947,904,000	7.91%
Masraf Al Rayan	23,475,000,000	4.23%
Qatar Fuel	18,457,621,875	3.32%
Elec. & Water	18,190,000,000	3.27%
Commercial Bank	17,519,203,138	3.15%
Qatar Islamic Bank	16,304,230,800	2.93%
Doha Bank	15,037,265,066	2.71%
TOTAL	420,561,631,962	75.69%

Source: QE monthly bulletin & IT Dep., QFMA

4 - 7 Top Ten Listed Companies by Traded Value

The top ten listed companies by traded value acquired at 62.6% of the total traded value of all the companies with 46.8 QR billion. 42% of the total value traded was for the first top five companies.

Top Ten Companies by Traded Value

Company	Market Value	Percentage
Industries Qatar	10,274,953,452	13.76%
QNB	6,514,382,217	8.72%
United Dev. Company	5,290,505,419	7.08%
Barwa Real Estate	4,833,172,567	6.47%
Masraf Al Rayan	4,451,468,919	5.96%
Commercial Bank	3,828,955,595	5.13%
Qatar Gas Transport	3,246,970,971	4.35%
Doha Bank	2,853,456,935	3.82%
Qatari Investors Group	2,806,051,977	3.76%
Gulf International	2,714,631,444	3.63%
TOTAL	46,814,549,496	62.68%

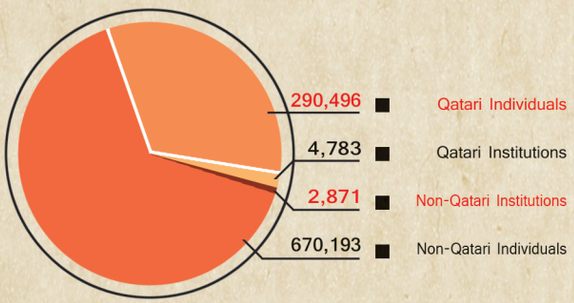
Source: QE monthly bulletin & IT Dep., QFMA

(5) Investors
Statistics

5-1 Number of Investors & Traders

The number of investors registered in QE by the end of 2013 was 968.3 thousand, including 673 thousand was non-Qatari investors (70% of the total number of registered investors), and 295.2 thousand was Qatari investors (30%). The total number of individual investors was 960.6 thousand (99.2%)

Percentage of Registered Investors by Nationality & Type



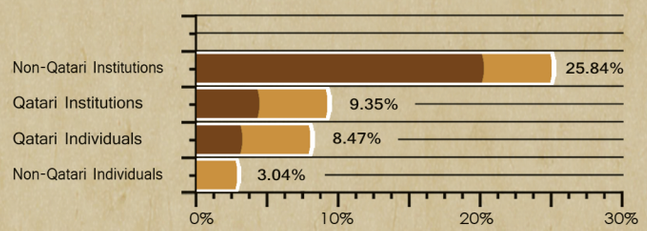
Source: IT Dep., QFMA

The Qatari investors was 290.4 thousand individuals (30% of the total number of listed investors) and 4,783 institutions (0.5%), while the non-Qatari investors was 670 thousand individuals (69.2%) and 2,871 institutions (0.3%).

The investors traders - carried out one or more transactions in QE during 2013 - was 46 thousand, which accounted 4.7% of the total number of registered investors in QE, including 25 thousand were Qatari.

The Qatari investors traders was 24,616 individuals and 447 institutions. On the other hand, the non-Qatari investors traders was 20,403 individuals and 742 institutions.

Percentage of Investors Traders of the Registered



Source: IT Dep., QFMA

■ Number of Investors and Traders

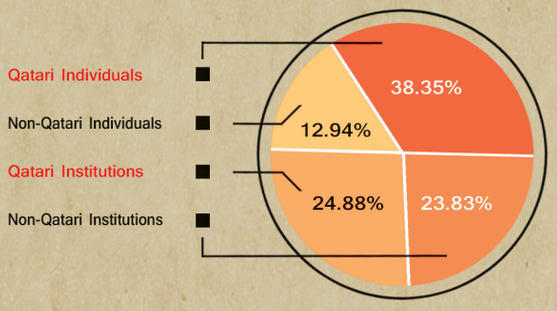
ITEM	QATARI			NON-QATARI			TOTAL
	Individuals	Institutions	Total	Individuals	Institutions	Total	
No. of Registered Investors	290,496	4,783	295,279	670,193	2,871	673,064	968,343
No. of Traders in 2013	24,616	447	25,063	20,403	742	21,145	46,208

Source: IT Dep., QFMA

5-2 Investors' Buy Transactions

Qatari investors (individuals and institutions) acquired buy transactions in QE during 2013, which amounted to 47.2 QR billion (63.23% of the total buy transaction), while 27.4 QR billion for the non-Qatari (36.77%). Where buy transactions of the Qatari individuals amounted 28.6 QR billion (38.35% of the total buy transactions).

Percentage of Investors' Buy Transactions



Source: IT Dep., QFMA

■ **Investors' Buy Transactions**

ITEM	QATARI			NON-QATARI			TOTAL
	Individuals	Institutions	Total	Individuals	Institutions	Total	
Investors' Buy Transactions	28,642,900,705	18,581,756,730	47,224,657,436	9,667,052,026	17,797,892,987	27,464,945,013	74,689,602,449
Percentage of Buy Transactions of Total Transactions	38.35%	24.88%	63.23%	12.94%	23.83%	36.77%	100.00%

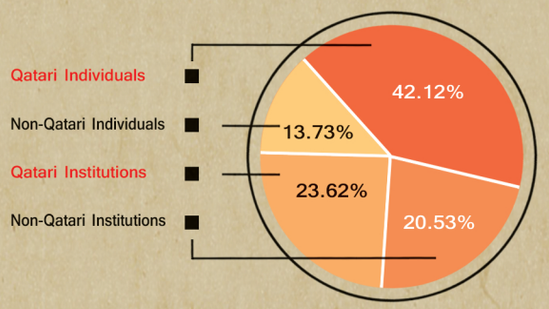
Source: IT Dep., QFMA

5 - 3 Investors' Sell Transactions

Qatari investors (individuals and institutions) acquired on Sell transactions during 2013, where the sales value was 49.1 QR billion (65.74% of the total Sell transactions), while the value of Sell transactions for non-Qatari was 25.5 QR billion (34.26% of the total Sell transactions).

The sell transactions value of Qatari individuals were 31.4 QR billion (42.12% of the total market Sell transactions).

Percentage of Investors' Sell Transactions



Source: IT Dep., QFMA

■ **Investors' Sell Transactions**

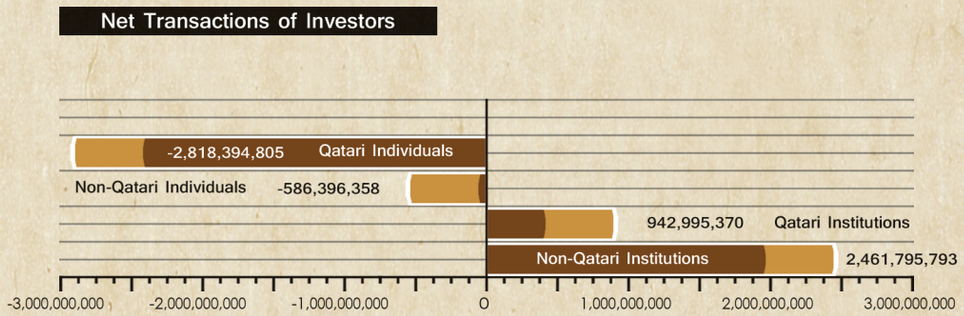
ITEM	QATARI			NON-QATARI			TOTAL
	Individuals	Institutions	Total	Individuals	Institutions	Total	
Investors' Sell Transactions	31,461,295,510	17,638,761,360	49,100,056,870	10,253,448,384	15,336,097,194	25,589,545,579	74,689,602,449
Percentage of Sell Transactions of Total Transactions	42.12%	23.62%	65.74%	13.73%	20.53%	34.26%	100%

Source: IT Dep., QFMA

5-4 Net Transactions of Investors

The net transactions of Qatari investors during the year tended to Sell as net transactions of 1.8 QR billion. The net transactions of individuals tended to Buy transactions amounted 2.8 QR billion, while the net transactions of institutions were 942.9 QR million.

The net transactions of non-Qatari tended to buy as net transactions of 1.8 billion QR. The net transactions of institutions tended to buy of 2.4 QR billion, while the net sell transactions of non-Qatari individuals amounted to 586.3 QR million.



Source: IT Dep., QFMA

■ Net Transactions of Investors

ITEM	QATARI			NON-QATARI			TOTAL
	Individuals	Institutions	Total	Individuals	Institutions	Total	
Investors' Buy Transactions	28,642,900,705	18,581,756,730	47,224,657,436	9,667,052,026	17,797,892,987	27,464,945,013	74,689,602,449
Investors' Sell Transactions	31,461,295,510	17,638,761,360	49,100,056,870	10,253,448,384	15,336,097,194	25,589,545,579	74,689,602,449
Net of Investors' Transactions	-2,818,394,804	942,995,369.69	-1,875,399,434	-586,396,357	2,461,795,792	1,875,399,434	0.00

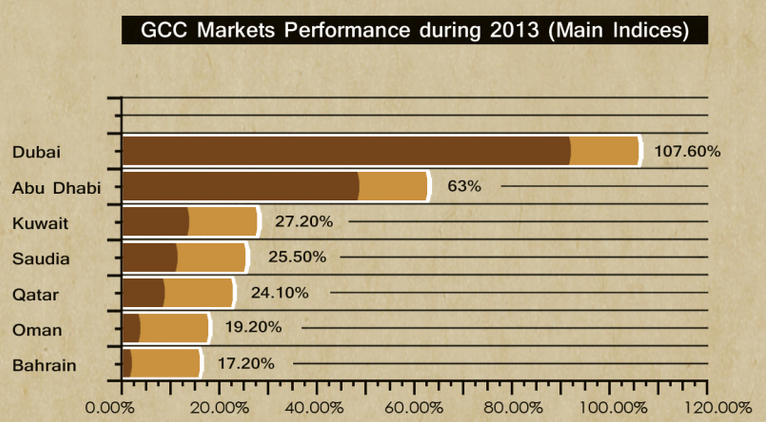
Source: IT Dep., QFMA

(6) Comparing the GCC

Markets

6-1 The GCC Markets Performance

During 2013, the performance was outstanding and robust in all main GCC indices with change rate of performance, ranging positive increase rate of 17.2% at a minimum market Bahrain to 107.6% at its maximum in the Dubai market. QE achieved the fifth place in the cumulative performance with increase rate of 24.1%



Source: Web sites of GCC markets & IT Dep., QFMA

■ Comparing of Indices change rate of GCC Markets

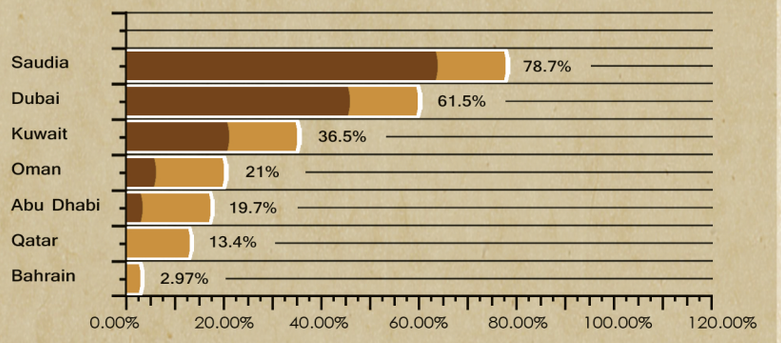
Country	Closing value of index at the end of 2013	Closing value of index at the end of 2012	Change percentage
Qatar	10,379.59	8,358.94	24.1%
Bahrain	1248.86	1,065.61	17.2%
Oman	6834.56	5,730.08	19.2%
Kuwait	7,549.52	5,934.28	27.2%
Abu Dhabi	4290.30	2,630.86	63%
Dubai	3369.81	1,622.53	107.6%
Saudia	8,535.60	6,801.22	25.5%

Source: Web sites of GCC markets & IT Dep., QFMA

6-2 Turnover Ratio

The Qatari market achieved the place before the last in terms of the turnover, amounted to 13.4%, before Bahrain market which achieved a turnover ratio of 2.97%, while the Saudi market achieved the first place in terms of turnover ratio amounted to 78.7%.

GCC markets in terms of turnover ratio



Source: Arab Moneytary Fund - monthly bulletins of Arab markets except Qatari market data

6-3 Market Value

The Qatari market came in the second place in terms of market value among the GCC markets, which amounted to 152.2 US $ billion after the Saudi market which was 459.4 US $ billion.

GCC Markets' Activity

Market	No. of Transactions	Trading Value (Million US $)	Trading Value (Million US $)	Turnover Ratio
Qatar	958,573	20,503	152,219	13.4%
Saudia	11,770,244	361,867	459,452	78.7%
Abu Dhabi	555,046	23,092	116,909	19.7%
Dubai	1,337,857	43,529	70,713	61.5%
Kuwait	2,252,744	41,446	113,372	36.5%
Bahrain	12,861	549	18,466	2.97%
Oman	449,807	5,770	27,407	21%

Source: Arab Moneytary Fund - monthly bulletins of Arab markets except Qatari market data



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THE STRATEGIC PLAN

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

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

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

تتماشى أهداف الخطة الاستراتيجية لهيئة قطر للأسواق المالية، والتي تم تدشينها خلال عام 2013، مع رؤية قطر الوطنية 2030 وقانون هيئة قطر للأسواق المالية رقم (8) لسنة 2012م. كما تتفق مع الخطة الاستراتيجية للقطاع المالي 2013-2016 بدولة قطر باعتبار أن الهيئة تشرف على جزء مهم وحيوي من هذا القطاع.

وتحقيقا للتوجه الاستراتيجي بإنشاء وتطوير نظام رقابي وإشرافي متكامل ومتناسق، ترتكز الخطة الاستراتيجية لهيئة قطر للأسواق المالية على تسعة أهداف رئيسية تتمثل بما يلي:

1- الارتقاء إلى الأسواق المالية الحديثة.
2- تحسين إمكانية الدخول إلى السوق، وتحسين وصول السوق إلى شركات الاستثمار والمنتجات.
3- إنشاء نظام رقابي وإشرافي فعال في السوق.
4- وضع وتنفيذ نظام تنظيمي فعال لتوفير خدمات أسواق رأس المال.
5- تسهيل تكوين رأس المال في الأسواق الأولية والثانوية.
6- تعزيز القدرة التنافسية للأسواق المالية القطرية.
7- تحسين التعاون الدولي.
8- تعزيز التعليم المالي للمستثمرين.
9- التحول إلى جهة تنظيمية للأسواق المالية العالمية كنموذج يحتذى به.