Qatar Financial Markets Authority

2019 ANNUAL REPORT

QFMA



Tel.: +974 44289999 . P.O.Box.: 25552 - Doha - Qatar . www.qfma.org.qa . Designer: Sara - QFMA Inhouse

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


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

Board of Directors
& Chief Executive Officer



The CHAIRMAN



H.E. Sheikh

Mohammed Bin Hamad Bin Qassim Al-Thani

VICE-
CHAIRMAN



Mr.

Yahya Saeed Al Jafali Al Nuaimi



BOARD
MEMBER

H.E. Sheikh

Khalid Bin Saud Bin Fahad Al-Thani

BOARD MEMBER



Dr.

Khalid Nasser Mohammed Al Khater



BOARD MEMBER

Mr.

Abdulrahman Mohammed Yousuf Jolo

BOARD MEMBER



Mr.

Michael Ryan



BOARD MEMBER

Dr.

Mohammed Abdulaziz Saleh Al Khulaifi

The CEO



Nasser Ahmad Abdulrahman Al Shaibi

MESSAGES

Chairman & CEO Messages

Chairman's Message

“

QFMA gives great concern to adopt a strategic planning approach in achieving its objectives and the advancement of the Qatari capital market to be among the advanced capital markets. It is also very keen to work for the continuity and sustainability of development in the Qatari market, and depending on the achievements of QFMA in its steps to transfer the market to a platform providing advanced financial services for the investors based on the best international standards and practices, especially those issued by International Organization of Securities Commissions (IOSCO), as well as making the market a financial hub to attract national, regional and international investments.

Through its strategic approach, QFMA was able to have a distinguished international status and obtain an international assessment of the base of its legislations regulating the Qatari capital market and to be an active member in many international organizations especially the IOSCO. One of the outcomes of the QFMA's strategic approach initiatives is the upgrade of the Qatari market to emerging markets status.

As a part of the continuing hard efforts of QFMA to preserve the earnings, it issued during 2019 a new rulebook for financial services to develop financial services provided to Qatari market dealers, to be in compliance with the best practices and with services provided for investors in international markets. The rulebook contributes to stimulate the trading in Qatari market, and to activate many financial services activities with international standards especially market maker, liquidity provider, securities' investment management. The new Financial Services Rulebook included a mechanism for classifying financial services companies in the Qatari market according to the type and quality of services provided to investors in the Qatari market. Thus, for the first time, the Qatari market has what is called in advanced financial markets of a Full-Service Broker that contributes in market making and increasing trading volumes and providing services of liquidity providing, advice on securities, securities' investment management, as well as the execution of securities purchase and sale orders, and clearing and settlement services to others.

During 2019, QFMA also implemented, the stock split for shares listed in the financial markets aiming to broaden the investor base, increase liquidity in the market, and provide an opportunity for small investors to diversify their investment, in a manner that supports confidence in transactions in the national markets.

QFMA has a firm belief in the necessity of developing financial markets and coinciding with the development of its institutional performance. Therefore, QFMA adopted a project aimed at promoting the QFMA's structure so that it can develop its supervisory and regulatory performance in accordance with the highest professional standards, and in a manner ensuring integrity, impartiality, fairness, transparency, ability for innovation, creativity and excellence in professional performance.

Mohammed Bin Hamad Al-Ehani
Chairman



CEO's Message

“

QFMA is moving forward in a steady step towards strengthening leadership of the Qatari capital market and its gradual advancement to the ranks of advanced financial markets. This progress comes through a distinctive strategic approach based on Qatar National Vision 2030, and derives its objectives from Qatar National Development Strategy (2018-2022), as well depends on implementation of its initiatives on harmony and coordination with the Second Strategic Plan for Financial Sector Regulation (SSP).
QFMA seeks, through its future vision and mission to all participants of Qatari capital market and their continuous interaction, to be an active element that can cope with the active and changing nature of financial markets, to be able to put forward new ideas and make them new financial products, instruments and services. This can contribute to the continuity of development process for financial markets, maintain stability, protect markets dealers, reduce the risks that may face, and enhance the position of financial markets as an investment destination that meets the changing and varied investment needs of those who deal in such markets.

In this regard, during 2019, QFMA implemented the split of shares listed in the main market easily and in coordination with all parties involved in the market. The implementation came in conjunction with the launch of a media plan to raise awareness among investors on stock split objectives and its implications on trading volumes, share turnover rates, broadening the investor base in the market, and on their investments through providing the investors greater flexibility to diversify their investments in listed securities.

QFMA also provided the Qatari market during 2019 new Financial Services Rulebook, which aims to improve financial services provided to investors in the Qatari market, through the classification of financial services companies for the first time in the Qatari market into executing, clearing and full-service brokers. An executing broker conducts execution of purchase and sale orders for investors without settlement and clearing, and a clearing broker who can conduct clearing and settlement activities for clients along with execution of purchase and sale orders and managing clients' investments in securities as well providing them with advice. The third category is a full-service broker who provides clients with all financial services based on international best practices, including securities' investments management, clearing and settlement services for executing broker, and contributes to stimulating trading through market making and liquidity providing.

In response to the tremendous and accelerating technological development in all areas, especially in financial markets, QFMA has developed its electronic services in order to increase reliance on modern technology tools to communicate with the entities involved in the capital markets in the State.

QFMA also issued several new legislations during 2019, aiming to ensure the integrity and transparency of the dealing system of markets, maintain their stability and reduce the risks they may face, as well as protect investors, maintain their rights and develop their proficiency and knowledge to enhance confidence in the markets dealings.

QFMA takes this opportunity to confirm that the positive outcoomes during 2019 would not have been achieved without the continuous support of various State agencies, fruitful cooperation by all entities subject to QFMA's jurisdiction, and professionals dealing in the financial markets and companies listed in the Qatari capital market, in addition to productive and constructive coordination and cooperation with all concerned entities in the financial sector.

Nasser Ahmad Al Shaibi

Chief Executive Officer






1
PARTE

1



ABOUT QFMA

QFMA's Establishment

The QFMA was established on 2005 to regulate & supervise the financial markets & entities associated with capital markets. QFMA has taken all the supervisory & regulatory powers needed to exercise its functions under the law.

The QFMA officially undertook its responsibility on September of 2007, where the market, the listed companies and financial services companies were informed that the official functions of supervision and regulation were transferred from the market to the Authority after such functions were with the market for the last 10 years.

To keep up with developments in the financial markets, Law No. (8) of 2012 was issued regarding Qatar Financial Markets Authority and entered into effect on October 18th of 2012 to replace the repealed law No. (33) of 2005.

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 follows:

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

Key Functions

QFMA aims to maintain confidence in the dealing system of financial markets, and protect the investors in Securities and others who deal in securities in order to ensure stability of financial markets and reduce risks that may face.

In order to achieve its objectives, the Authority shall specifically:

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

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:

1. 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.
2. 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.
3. Follow-up the disclosures of listed companies, supervise trading, and monitor the compliance of licensed companies and approved individuals with the granted licensing requirements.
4. Carry out inspection visits (periodic and non-periodic) to the QSE and QCSD and the licensed companies conducting the regulated functions.
5. License the listing of securities for trading in QSE.
6. 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.
7. Issue licenses for individuals and companies to conduct the regulated activities and the functions subject to QFMA's jurisdiction.

Principles of Professional Conduct

Qatar Financial Markets Authority issued a code of professional conduct for its employees, aiming at creating a corporate culture that supports the professional values of the 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 & aspirations of QFMA, namely:

- Showing honesty, integrity & loyalty in duty.
- Implementing work policies & 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 the 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).
4. The Second Strategic Plan for Financial Sector Regulation (SSP) (2017-2022).
5. IOSCO's Objectives.

QFMA's strategy included a set of dated and scheduled initiatives and programs up to 2022 that enable QFMA to implement these programs and achieve its eight key objectives defined in the strategy:

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 & Institutions.
8. Building Human Capital's Capacity.

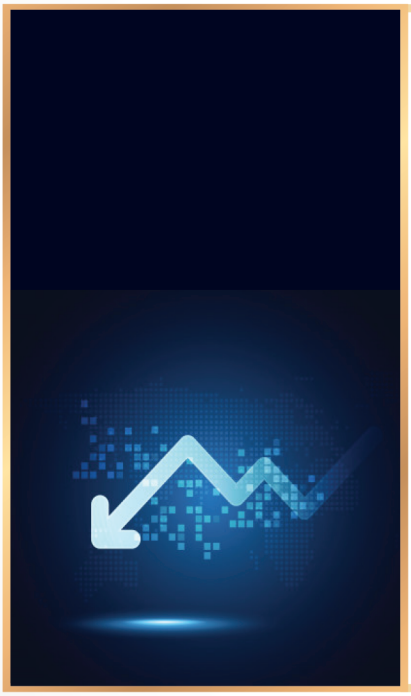

2
PART

2



Securities

Licensed for Trading on the Market



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

Financial Services Activities

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 Authority to be added to these activities.

Functions Subject to QFMA's Jurisdiction
(Regulated Functions)

Regulated functions are divided into three categories:

1 Category (1)

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

This category includes the following functions:

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

2 Category (2)

Technical functions of Company Representatives and securities professionals:

This category includes the following functions:

- "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.
- "Account Manager" is the approved individual responsible for administering the account of a client.
- "Broker Representative" is each approved individual responsible for executing sale and purchase orders for the broker or his clients.
- "Back Office Operations Officer " is each approved individual responsible for opening clients' accounts, settling transactions by receiving and delivering funds & securities, and maintaining financial records related to the clients.
- "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.
- "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.
- "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 & securities of clients.
- "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.
- "Deputy Trading Manager" is the individual who replaces trading manager in case of absence.

General Conditions
for Approving Individuals

3 Category (3)

Functions related to monitoring compliance:

- "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.
- "Money Laundering Reporting Officer (MLRO)" is the individual who performs the function of monitoring and reporting money laundering & terrorism financing crimes.
- Deputy Money Laundering Reporting Officer (Deputy MLRO) is the individual who replaces the MLRO in case of absence.
- "Risk Management Officer" is the approved individual responsible for enforcement of policies & procedures related to identification, measuring, and avoiding risks that might face the Company and for preparing relevant reports.
- "Internal Auditor" is an approved individual responsible for adopting the most suitable approach for supervision to ensure compliance with rules & 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.

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 laws, or the Authority'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 & requirements.
5- He must have obtained educational qualifications relevant to his function.
6- He must attend the training programs specified by the Authority and pass the tests or attend similar training programs set by foreign authorities recognized by the Authority.
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 & 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 depositary 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)

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

It should be noted that QSE has converted its legal form to (a Qatari private shareholding company) pursuant to the provisions of Article 207 of the Commercial Companies Law issued by law No. 11 of 2015. Accordingly, QSE amended its Memorandum of Association and Articles of Association. QSE is licensed by QFMA as a regulated financial market to regulate dealing in securities in the following financial markets:

- Main Market.
- Venture Market (Small & Medium Enterprise "SME")
- ETFs Market.
- Sukuk & Bond Market (Government bonds and Treasury Bills).
- Real Estate Funds Market.

2

2

Depository & Custody

Qatar Central Securities Depository (QCSD)

The QCSD (a private Qatari shareholding company) was established by virtue of the decision of the Minister of Business and Trade No. (36) of 2012 issued on 3/06/2012, published in Official Gazette issue No. (19) on 20/12/2014.

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

3

Listed Companies & Funds

First: Listed Companies

Following the listing of Baladna Company during the last quarter of the year 2019, the number of listed companies on QSE reached (47) companies, with a total number of shares (132.61) billion, with a market value of approximately (582.74) QR billion (USD $159.66 billion).

The listed companies by sectors as follows:

Companies Licensed by QFMA for Listing (at the end of 2019)

		Company Name	Total No. of Subscribed Shares	Min. Share's Price during the year (QR)	Max. Share's ■ Price during the year (QR)
Banks & Financial Services	1	Qatar National Bank *	9,236,428,570	16.96	200.00
	2	Qatar Islamic Bank *	2,362,932,000	14.60	177.00
	3	Commercial Bank of Qatar *	4,047,253,750	4.02	51.00
	4	Doha Bank *	3,100,467,020	2.37	24.89
	5	Ahli Bank	2,313,964,780	2.90	33.00
	6	Qatar International Islamic Bank *	1,513,687,490	7.17	75.95
	7	Masraf Al Rayan *	7,500,000,000	3.41	42.30
	8	Al Khalij Commercial Bank	3,600,000,000	1.13	12.43
	9	Qatar First Bank (QFC)	700,000,000	0.28	5.70
	10	National Leasing	494,802,000	0.64	9.60
	11	Dlala Brokrage & Investment Holding	284,160,000	0.59	11.87
	12	Qatar Oman Investment Company	315,000,000	0.47	7.15
	13	Islamic Holding Group	56,635,810	1.71	25.99
		Total	***35,525,331,42***	–	–
Consumer Goods & Services	14	Zad Holding	236,997,200	12.42	152.00
	15	Qatar German for Medical Devices-	115,500,000	0.55	8.54
	16	Salam International	1,143,145,870	0.37	5.49
	17	Baladna	1,901,000,000	0.99	1.07
	18	Medicare Group	281,441,000	6.45	68.40
	19	Qatar Cinema & Film Distribution	62,807,950	1.74	24.50
	20	Qatar Fuel	994,255,760	19.80	220.00
	21	Widam Food Co	180,000,000	5.96	78.00
	22	Mannai Corporation	456,192,000	3.03	57.96
	23	Al Meera Consumer Goods	200,000,000	14.20	156.20
		Total	***5,571,339,780***	–	–
Industrials	24	Qatar Industrial Manufacturing	475,200,000	3.01	44.00
	25	Qatar National Cement	653,528,940	5.46	76.00
	26	Industries Qatar *	6,050,000,000	9.80	149.00
	27	Qatari Investors Group	1,243,267,780	1.57	29.45
		(Al-Khaliji Holding previously)			
	28	Electricity & Water *	1,100,000,000	14.30	189.00
	29	Aamal	6,300,000,000	0.69	10.59
	30	Gulf International Services Co. *	1,858,408,690	1.48	20.50
	31	Mesaieed Petrochemical Holding *	12,563,175,000	2.41	32.30
	32	Investment Holding Group	830,000,000	0.49	6.39
	33	Qatar Aluminum Manufacturing Company "QAMCO"	5,580,120,000	0.73	13.42
		Total	***36,653,700,410***	–	–

* The company within the general index at the end of 2019.
■ The highest price before split of the shares' nominal value from 10 to 1 QR.

	Company Name	Total No. of Subscribed Shares	Min. Share's Price during the year (QR)	Max. Share's Price during the year (QR) ■
Insurance	34 Qatar Insurance *	3,266,101,330	2.83	40.45
	35 Doha Insurance	500,000,000	0.95	12.94
	36 Qatar General Insurance & Reinsurance	875,067,030	2.30	52.00
	37 AlKhaleej Takaful Group	255,279,020	1.56	21.74
	38 Qatar Islamic Insurance	150,000,000	5.52	62.90
	Total	***5,046,447,380***	–	–
Real Estate	39 United Development Co. *	3,540,862,500	1.31	16.86
	40 Barwa Real Estate *	3,891,246,370	3.20	41.29
	41 Ezdan Holding Group	26,524,966,910	0.56	16.50
	42 Mazaya Qatar Real Estate Development	1,157,625,000	0.69	9.30
	Total	***35,114,700,780***	–	–
Telecoms	43 Ooredoo *	3,203,200,000	6.23	77.30
	44 VodaFone Qatar *	4,227,000,000	1.15	8.50
	Total	***7,430,200,000***	–	–
Transportation	45 Qatar Navigation *	1,145,252,000	5.66	70.80
	46 Gulf Warehousing	586,031,480	4.60	55.00
	47 Qatar Gas transport (Nakilat) *	5,540,263,600	2.10	23.40
	Total	***7,271,547,080***	–	–

* The company within the general index at the end of 2019.
■ The highest price before split of the shares' nominal value from 10 to 1 QR.

Second: Listed Funds

Funds' units trading began in 2018, and fund listing rules have been standardized according to the QFMA's Board Decision No. 1 of 2019 Concerning the Issuance of Listing Rules for Fund's Unit that canceled the two previous decisions, QFMA's Board Decision No. (1) Of 2012 concerning the issuance of Listing of Investment Funds' Units Rules; and QFMA's Board Decision No. (1) Of 2015 concerning the issuance of Listing Rules for Real Estate Investment Funds' Units;

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.
The companies licensed to conduct financial services activities are the following:

Company Name	Activity
1 The Group	Execution of securities purchase or sale's orders for others Securities' trading for own account Liquidity providing Securities' investment management Margin trading Securities' lending and borrowing Securities' issuance management Advice on securities Market maker **(1)**
2 QNB Financial Services (Full Services Broker)	Execution of securities purchase or sale's orders for others Securities' trading for own account Advice on securities Margin trading Securities marketing and promotion Market maker Liquidity providing
3 Commercial Bank Financial Services	Execution of securities purchase or sale's orders for others Securities' trading for own account Advice on securities Margin trading
4 QINVIST	Investment trusteeship Underwriting issuance of securities Securities' issuance management Advice on securities
5 Dlala Brokrage	Execution of securities purchase or sale's orders for others Securities' trading for own account Securities' investment management
6 Qatar Securities Co.	Execution of securities purchase or sale's orders for others Securities' trading for own account Advice on securities

Company Name	Activity
7 Islamic Financial Securities Company	Execution of securities purchase or sale's orders for others Securities' trading for own account
8 Al Rayan Investment	Securities' investment management Securities' issuance management
9 Al Rayan Brokerage Trading **(2)**	Execution of securities purchase or sale's orders for others Securities' trading for own account
10 International Financial Securities **(3)**	Execution of securities purchase or sale's orders for others Securities' trading for own account
11 Dlala Islamic Brokrage **(4)**	Execution of securities purchase or sale's orders for others Securities' trading for own account
12 Ahli Brokerage Company	Execution of securities purchase or sale's orders for others Securities' trading for own account
13 QNB Capital	Advice on securities Securities' issuance management
14 Gulf Investment Group	Execution of securities purchase or sale's orders for others Securities' trading for own account
15 Amwal LLC **(5)**	Securities' investment management
16 HSBC	Custody services (cash or securities)
17 Qatar National Bank	Custody services (cash or securities)
18 PKF	Securities' issuance management
19 Standard chartered bank	Custody services (cash or securities)

Notes

(1) Initial approval
(2) The company's license was canceled on 10/9/2019.
(3) The Board of Directors of International Financial Securities, in its meeting on September 9, 2019, decided on a voluntary dissolution and liquidation of the company, and the QFMA approved the liquidation work plan and the liquidation procedures are in progress.
(4) Holding Company Board (QSC) decided at its meeting No. 5 of 2017 to merge Dlala Brokerage and Dlala Islamic Brokerage. The QFMA initially approved the merger on 10 January 2018. The last trading day was on 06 September 2018.
(5) On November 6, 2019, the QFMA issued its initial approval to the company's request to voluntarily stop conducting its activity.

Companies Registered at QFMA

On March 31, 2019, QFMA approved on registration of Aventecom Capital Management Qatar LLC under an MoU with the Qatar Financial Center Regulatory Authority, to exercise the activity of an investment manager for the funds established in the State.

Licensing Brokers' Agents of financial services companies

The Financial Service Company may appoint one or more Broker Agents who are legal persons to perform services related to opening client account, receiving orders and implementing the relevant settlements.

The companies licensed for conducting brokers' agent activities are as follows:

- Al -Amin Securities.
- Al Rowad Company for Agency.
- Fujairah Shares & Bonds Co.

5 External Auditors

An external auditor is a legal person licensed by the competent department at Ministry of Commerce and Industry 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.

The external auditors registered at QFMA:

	Entity Name	Registration Date
1	Rodl & Partner	25/01/2015
2	Talal Abu-Ghazaleh & Co	09/03/2015
3	Ernst & Young	09/03/2015
4	KPMG	09/03/2015
5	PricewaterhouseCoopers	24/03/2015
6	Deloitte & Touche	24/03/2015
7	Saoud Abdullah Al-Henzab Certified ACC	21/12/2015
8	Morison Menon Chartered Accountants & Partners	31/12/2017
9	ACCESS MOORE STEPHENS W.L L	16/07/2018
10	Dr. Sultan Hassan Al Dossari Auditing & Advisory	30/01/2019
11	AHmed Tawfik & CO CPA	11/04/2019

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 Authority's jurisdiction, or entities wish 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.

The financial evaluators registered at QFMA:

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

* The company within the general index at the end of 2019.

7

Offering Managers & 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.

The list of Offering Managers and Listing Advisors registered with QFMA:

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

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.

The list of Listing Advisors registered with QFMA:

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

9

Custodians

The Custodians conduct custody services which consist of holding money or securities belonging to any investor in connection with investment in securities issued to the public, or traded in a market subject to QFMA's jurisdiction or conducting activities related to custody services.

The custodians licensed by the QFMA:
- Qatar National Bank.
- HSBC.
- Standard Chartered Bank.

10

Approved Individuals & Regulated Functions

An approved individual is any natural person who has received a license or an approval from QFMA for conducting the regulated functions 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 2009.

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.


3
TRAP

3



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.

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

6 Tenders & Auctions Committee

The Committee shall be responsible for conducting tenders, auctions & practices for contracts relating to procurement of any needs or requirements for 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 QFMA (seniority or exceptional), modifying the job status and job titles, approving bounces & 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 and their equivalent salary, and to impose appropriate penalties on them, and considering suspending the employees referred to accountability before it and extending their suspension, whether the suspension is issued by the Committee decision or by the QFMA's CEO.

The Committee meeting shall be deemed valid if attended by its chairman, and the committee shall pass its decisions by a majority of votes, as it undertakes its duties, performs its duties, and determines its procedures and means of management, as it decides, provided that it is consistent with the provisions of the Civil Human Resources Law.

QFMA's Membership Locally & Internationally

First

Local Memberships

A) Joint Local Committees & Work Teams

among QFMA, QCB, and QFCRA

1 Financial Stability and Risk Control Committee (SRCC)

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.

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

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.

■ Financial Stability and Financial Control Committee (Supervisory Committee)

The Committee shall assist in addressing issues arising under Article 116 of Qatar Central Bank Law to create a harmonized and cooperative control environment among the regulators in the State. The Committee shall make recommendations on regulatory and supervisory policies for the purpose of enhancing consistency 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 The National Anti-Money Laundering and Terrorism Financing Committee (NAMLC)

The National Anti-Money Laundering and Terrorism Financing Committee (NAMLC) was formed under the chairmanship of the Deputy Governor of Qatar Central Bank (QCB). NAMLC is comprised of 15 government ministries & 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.

3 Financial Sector Strategy Working Group

The working group that prepared the Second Strategic Plan for the financial sector regulators (2017-2022), and proposes the mechanism for implementation of the plan and stages of implementation, and any related topics.

B) The Key Local Committees and Working Groups

1 Information Security Committee in the Financial Sector

The Committee shall coordinate with the NCSC in relation to the national strategy for information security and to develop a strategy to implement information security policies and standards for the financial sector in the State.

2 Committee of Monitoring & Implementing Government Projects & Initiatives (General Secretariat)

The Committee is responsible for implementing and following up government projects and initiatives at the State. It aims to develop the performance of government institutions through

the implementation and follow-up of government projects that would contribute to improving the performance of the institution, enhancing the work environment and raising the level of productivity.

3 Ease of Doing Business Index Working Group

The Ease of Doing Business Index Working Group was formed in April 2019 by H.E. the Prime Minister, Minister of the Interior, with the mandate to improve the Ease of Doing Business Indices issued by the World Bank.

The working group consists of representatives from several entities in the State, including the QFMA, where it participates within the Ease of Doing Business Indices issued by the World Bank.

The QFMA chairs Protecting Minority Investors Index Working Group in the State of Qatar, which includes membership of both the Ministry of Trade and Industry and the Supreme Judicial Council. The Group is working to improve the protection index for minority investors by developing and implementing action plans with the required reforms in compliance with international standards and best practices, to include legislation and regulations related to companies listed in the financial markets and ways of enforcement.

4 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.

5 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 & government entities, and representatives of the Qatari private sector.

6 Electronic Security Shield at the Ministry of Interior

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



Second

International Memberships

1 International Organization of Securities Commissions (IOSCO)

The 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.

QFMA is keen to maintain its IOSCO membership through active participation in its various committees and initiatives, because it is an international recognition of the quality of QFMA legislations and regulations.

This membership also contribute to open the international cooperation with all members in training, exchange of experience, investigation and control, as well as keep pace with the latest developments in the field of regulation & surveillance mechanisms in the international financial markets.

QFMA is keen to provide the national cadres with opportunities of development and training to develop their capacities and raise the level of their performance & efficiency by promoting secondment opportunities, hosting specialized workshops, Regional and international meetings of the IOSCO committees organized by IOSCO throughout the year.

About IOSCO

The IOSCO is the highest international professional organization in the field of regulation & supervision of financial markets. It was established in 1983 in Madrid, the Spanish capital, and its membership includes 120 securities regulators. The IOSCO aims to set the internationally recognized standards for regulations supervision & international corporations as the international umbrella body of all securities regulators at the international level. It also aims to strengthen the effectiveness of financial market regulators to detect and combat cross-border financial crimes, and ensuring that the laws of such regulators are enforced against cross-border offenders.

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 & transparency and protecting dealers in securities, especially those relating to facilitating trading.

Accordingly, QFMA was authorized for the task of numbering of all domestic securities issued in the State with unified ISIN (International Securities Identification Number) and the CFI (Classification of Financial Instruments code) to have one number for each security used in domestic and foreign trading.

About ANNA

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

One of its main objectives is to cooperate with every country for issuing globally standard identifiers with the participation of countries in the mutual financial language. This step enables investment capital to flow easily across borders and facilitates modern automated exchanges and trade settlement, as well as adds a lot to the global understanding of opportunity and risk in the markets.

3 The Union of Arab Securities Authorities (UASA)

The 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 & hosting the Union's training programs.

QFMA received the Union's presidency in 2012, and proposed at that period to restructure the Union and amend the Articles of Association which leads to develop the Union work mechanism and activate its role.

About UASA

The UASA was established in 2007 as a not-for profit with an independent legal personality. The Members of the Union are the Arab Securities Authorities and markets Regulators. The UASA aims to upgrade the legislative and regulatory level of Arab securities markets with a view to achieving fairness, efficiency and transparency.

4 The Islamic Financial Services Board (IFSB)

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

Through this membership, QFMA aims to promote awareness of issues related to the regulation and supervision of the Islamic financial services industry. It also participates in the IFSB's annual conferences, seminars and meetings organized in different countries throughout the year.

About IFSB

IFSB was established in 2003 and serves as an international standard-setting body of regulatory and supervisory agencies that have vested interest in ensuring the soundness and stability of the Islamic financial services industry, which is defined broadly to include banking, capital market and insurance. The IFSB aims to promote the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing, international standards consistent with Sharîʿah principles, and recommending these for adoption.


4
PARTE

4



QFMA's Completed Initiatives

During 2019, QFMA completed many initiatives leading to achieve its mission aimed at strengthening the presence of a regulated Qatari capital market and developing it in line with the QFMA's strategy that consistent with the State's financial sector plan. These initiatives contribute to enhancing the QFMA's follow-up the needs and requirements of all concerned parties in the Qatari capital market.

The most important of such initiatives are:

* Stock Split

What is a stock split?

Stock split is an increase in the number of shares of the company's capital as a result of reducing the share's nominal value. The issued capital and the market value of the company remains unchanged and with no effect on the shareholders equity. assigned to it by the CEO.

The Implications of Stock Split:

Stock split has implications on companies, investors and the market as follows:

1- Companies

- Broaden the shareholders' base.
- Increase the liquidity of the company's shares.
- Promote the company's ability to obtain funding to expand its activities.

2- Investors

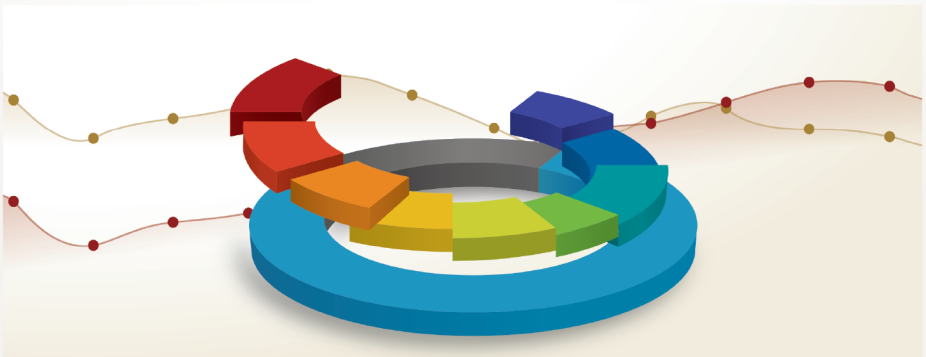
- Reduce costs of trading in the company's shares.
- Provide greater flexibility in trading options.
- Attract new categories of investors.

3- The Market

- Increase number of shares on the market and available for trading.
- Increase the market liquidity levels.
- Maintain the classification of the local market as an emerging market in the international indices.
- Attract new segments of small investors.
- Encourage investments on the market.

On July 7, 2019, QFMA completed all phases of split of the shares 'nominal value of QSE listed companies, which were as per market sector.

QFMA in cooperation with all concerned parties started the process with the technical preparation for implementation, in conjunction with a comprehensive educational and awareness campaign for investors, in addition to holding conferences and organizing direct meetings with representatives of listed companies and financial services companies, investment managers and market participants.



Governance Code for Listed Funds

The Governance Code for Listed Funds aims to raise the efficiency and effectiveness of market legislation and to promote and support social responsibility programs for participants in domestic markets. The Code was issued by the QFMA's Board Decision No. (02) of 2019 on 6/5/2019 and published in the Official Gazette No. (12) On 19/06/2019.

Both the QSE Index ETF and Al Rayyan Qatar ETF are still within the period of reconciling their positions as per Article No. (2) of QFMA's Board Decision No. (02) of 2019 concerning the issuance of Governance Code for Listed Funds.

Financial Services Rulebook

QFMA's Board issued the Financial Services Rulebook pursuant to Decision No. (05) Of 2019 on May 2, 2019 and published in the Official Gazette on June 19, 2019. The Rulebook has exceptional importance because of its benefits that would contribute to enhancing the advancement of Qatari capital markets and regulation of doing businesses mechanism related to securities.

The Rulebook gives more opportunities for any person wants to conduct financial services activity, emphasizing on the QFMA's complete readiness to receive any new licensing applications in accordance with this new Rulebook, leading to an increase in the numbers of financial services activities providers, thus promoting the quality level of such services and enhancing their competitiveness and attractiveness to investors.

The most important aspects in the new Rulebook is classification of financial brokerage companies into three categories:

1. **Executing Broker:** conducts execution of purchase or sale's orders for others only, and contracts with a full-service broker for settlement and clearing the transactions that he executes, and is a member of one of the Financial Markets.

2. **Clearing Broker:** conducts execution of purchase or sale's orders for others plus the functions of securities' investment management and advice on securities and shall be a member of one of the Financial Markets and Depository. Clearing broker may apply for margin trading, securities' lending and borrowing, securities' marketing & promotion, investment trusteeship, and any other activity determined by the Authority.

3. **Full-Service Broker:** conducts securities' trading for own account and execution of securities purchase or sale's orders of securities for others, plus market maker, liquidity providing and advice on securities and shall be a member of one of the Financial Markets and Depository. The full-service broker may apply for any of the financial services activities set out in Article (4) of this Rulebook.

The new Financial Services Rulebook has important aims, including:

* Activating activities that would contribute to increasing trading volumes and turnover rates in the market.
* Improving the services provided to investors through consultations in securities.
* Reducing the capital of financial services companies to be more fair and appropriate to the nature of the brokerage companies in line with the activity they provide.

The most important amendments on the new Rulebook:

Restructuring the minimum capital required for companies wishing to obtain a license to conduct any financial services activity, so that the total minimum capital for clearing broker shall be 15 QR million and for full-service broker shall be 30 QR million if either of them apply to perform any of the optional financial services activities available for each of them. This has resultedin an increase in the total minimum activities beyond the above limit. For other financial services companies licensed to perform all financial services activities (excluding margin trading, securities' lending and borrowing, execution of securities purchase and sale's orders for others, securities' trading for own account, market maker and liquidity provider), the minimum paid up capital shall be QR 25 million in case apply for performing all these activities.

Through the new Rulebook, QFMA reviewed the operational obligations (such as, approved individuals) for each of the activities provided by the company in a manner consistent with the activity's nature and size.

Development of Inspection Procedures Manual

The initiative aims to raise the efficiency of the QFMA's institutional capabilities, organize inspection procedures in general and direct periodic inspection in particular. This includes setting an expected inspection plan, completing standardized inspection procedures for companies according to the granted licenses, preparing forms close to inspection reports of the companies, and following up decisions regarding the inspection results and the companies' compliance with these decisions and reconcile their positions.

The initiative was approved on 7/1/2019, including the inspection stages and procedures (in particular, companies that have a license for execution of securities purchase or sale's orders for others), as follows:

- Determine preparation procedures for inspection, which include reviewing the basic and financial data received by QFMA, the previous inspection report and its final results, and any new matters.
- Determine procedures for on-site visits, which include inspection over the company's organizational and financial procedures, customer profiles, their account statements and complaints, company financial statements, a determination of tasks, and any other matters that the inspection team may request.
- Prepare the final report of the inspection notes, and complete it in office with any requirements needed by its work team, which may necessitate directing a written letter for the company's views on the inspection notes.

The Electronic System for Monitoring the Transactions of Financial Services Companies' Employees & their Relatives:

This system, developed jointly with Information Systems Department, aims to enable the Inspection & Surveillance Department to inquire about the basic data of financial services companies' employees and their relatives and surveillance over their trading transactions. This system operates according to the following mechanisms:

- Periodically upload of the basic data of financial services' employees and their relatives to the QFMA's database.

- Inquiry about data through the inquiry screens designated therefore.

- Monitor of employees and relatives 'current and historical trading transactions through the inquiry screens and print reports.

* Development of the QFMA's Communications Network (Phase 1)

The initiative includes redesigning the QFMA's communications network to cope with the latest developments in the field of networks & information security, as well as the supply, installation and preparation of networking devices in the server room as phase 1.
The development includes Core Switches, Data Center Switches and Wireless Controllers.

The initiative mainly aims to:

- **High Availability:** Avoid single point of failure.
- **Scalability:** easily accommodate change and implement additions with a little infrastructure change.
- **Simplicity:** automatic prediction of access paths in cases of stability and failure.
- **Security:** Protect networks, computers, software, and data from attack, damage, or unauthorized access.
- **Management:** faster guarantee to discover, escalate, analyze and solve any problem.


5
PRA
TA

5



QFMA's Performance

QFMA, with its various departments and committees, is exerting efforts to implement its responsibilities and functions set out in Law No. 8 of 2012 of Qatar Financial Markets Authority, as amended by Decree-Law No. 22 0f 2018. QFMA takes the responsibility of the advancement and development of the Qatari capital markets to be among ranks of the global advanced financial markets.

QFMA undertakes this task under its vision, mission and values, to enhance the Qatari capital market to get more strength and competitiveness, and to have ability to keep pace with global developments, as well as to attract domestic and foreign investments.

QFMA's constant concern to protect investors, regulate the financial market, maintain its stability, integrity and transparency, in addition to develop the level of skill and knowledge and encourage investment, represents the main framework and driving engine for the QFMA's performance based on its supporting and key functions.

Key Functions

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

Support Functions

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

QFMA's Performance

Key Functions

1

Legal Legislation and Enforcement

As a part of the QFMA's responsibilities towards the Qatari capital market, it continuously works to enhance its regulatory and supervisory role.

Legal Legislation

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 develops and updates legal legislation. The most important works in this regard during 2019 includes the following:

- Issuing and updating the following decisions:
  1- Decision No. 1 of 2019 Concerning the Issuance of Listing Rules for Fund's Units.
  2- Decision No. 2 of 2019 Concerning the Issuance of Governance Code for Listed Funds.
  3- Decision No. 3 of 2019 Concerning the Amendment of some provisions of Market Maker Rules.
  4- Decision No. 4 of 2019 Concerning the Issuance of Margin Trading Rules.
  5- Decision No. 5 of 2019 Concerning the Issuance of Financial Services Rulebook.
- QFMA participated in preparing Law No. (20) of 2019 on Anti-Money Laundering & Terrorism Financing (AML/CFT Law), and in preparing its Implementing Regulations.
- Preparing and reviewing contracts of which the QFMA is a party.
- Preparing drafts of Memoranda of Understandings (MOUs).

QFMA prepared draft MOU related to its competencies, in coordination with the relevant departments thereof, and 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 QFMA is a party, in coordination with State Cases Department at Ministry of Justice.

Enforcement

Developing and updating legal legislation requires a continuous follow-up process for the enforcement that helps in promoting the relevant role of QFMA, as well as the enforcement of penal decisions and judicial rulings within its jurisdiction. Through enforcement, there is an ensuring to achieve the QFMA's objectives towards developing the legislation.

Accordingly, the QFMA shall:

- Follow up the implementation of Disciplinary Committee decisions.
- Collect the fines from violators.
- Follow-up, by the coordination with the relevant department at Ministry of Justice, the publication of the QFMA's legislative tools in the Official Gazette.

2

Strengthening the Corporate Governance Codes and Framework

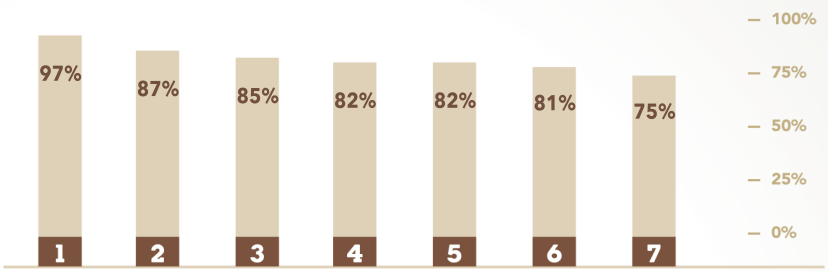
The Corporate Governance Section at QFMA is responsible for monitoring the compliance of the companies & entities subject to QFMA's jurisdiction with corporate governance principals, receiving corporate governance reports and ensuring that they are issued at the required time. The section is also reviewing 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

- The number of companies listed for trading on the QSE by the end of 2019 reached 47 companies, compared to 46 companies at the end of 2018.
- Corporate governance reports were not received from Qatar Aluminum Manufacturing Company (QAMCO) due to its listing on the market at the end of 2018, as well Baladna Company, which was listed at the end of 2019.
- QFMA received (45) corporate governance reports for 2018 issued by the listed companies, and they were evaluated according to the Corporate Governance Code.
- During 2019, QSE Index ETF and the Al Rayyan Qatar ETF were within the period of reconciling their positions as stipulated in Article No. (2) of the QFMA's Board Decision No. (02) of 2019 Concerning the Issuance of Governance Code for Listed Funds. Their 2018 governance reports were not issued.
- All QSE listed companies held their ordinary general assemblies, and adopted the 2018 corporate governance report.
- QFMA received the annual reports of all companies, which the corporate governance report is an integral part of, as per stipulated in Article (4) of Corporate Governance Code.
- QFMA provided all companies with its notes on their corporate governance reports.
- QFMA received the initiatives of companies in training of board members in the field of governance and plans to be completed in this regard, according to a special circular issued by QFMA.
- The compliance percentage of all companies with the articles of the Governance Code reached 84.1%.
- Statistics of corporate governance reports were prepared by sectors, to show the percentage of compliance of listed companies to the articles of the Governance Code, and the highest compliance percentage in the transportation sector was 97%, while the lowest compliance percentage in the insurance sector was 75%.

The following is the compliance percentage for each sector:

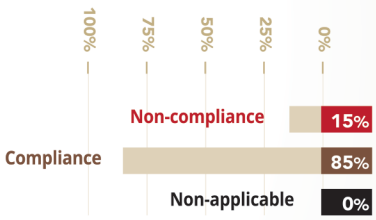
1- Transportation **97%**.
2- Telecom **87%**.
3- Banks and financial services **85%**.
4- Consumer goods and services **82%**.
5- Industries **82%**.
6- Real estate, **81%**.
7- Insurance **75%**.



A diagram showing the percentage of companies compliance by sectors

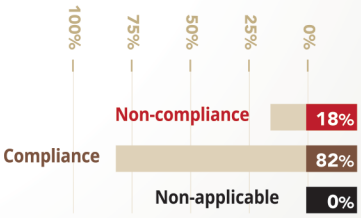
1 Banking & Financial Services

The 2018 corporate governance reports were reviewed by (13) banks and financial companies in terms of compliance with the articles of Corporate Governance Code.



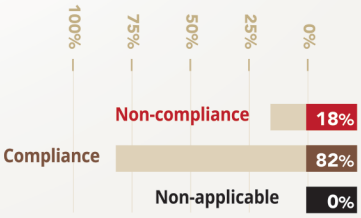
2 Customer Goods & Services

The corporate governance reports for 2018 were reviewed by (9) companies in terms of compliance with the articles of Corporate Governance Code.



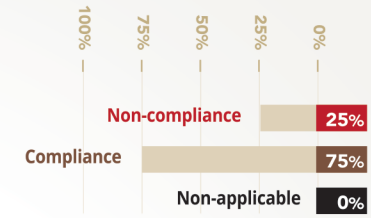
3 Industries

The 2018 corporate governance reports were reviewed for (9) companies in terms of compliance with the articles of Corporate Governance Code.



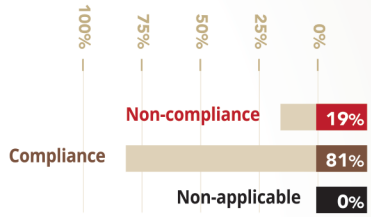
4 Insurance

The 2018 corporate governance reports were reviewed for (5) companies in terms of compliance with the articles of Corporate Governance Code.



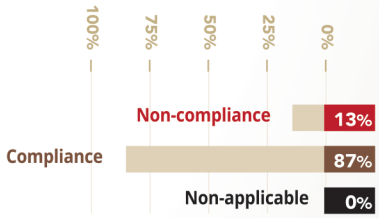
5 Real Estate

The 2018 corporate governance reports were reviewed for (4) companies in terms of compliance with the articles of Corporate Governance Code.



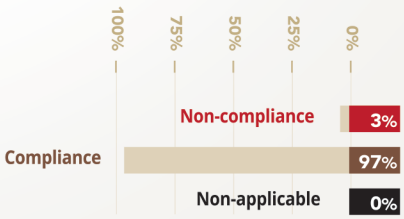
6 Telecoms

The 2018 corporate governance reports were reviewed for (2) companies in terms of compliance with the articles of Corporate Governance Code.



7 Transportation

The 2018 corporate governance reports were reviewed for (3) companies in terms of compliance with the articles of Corporate Governance Code.



3

Regulating & Following up Companies Disclosure

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

Disclosure divided into two parts:

I Immediate Disclosure

QFMA 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.

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

  The number of listed companies that complied with disclosure of their quarterly, semi-annual & annual financial statements of 2019 in accordance with the legislation in force is (46) listed companies, in addition to (2) investment funds as well as (21) 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 (46) companies listed in the market, (2) investment funds, (21) financial services companies, (10) companies of external auditors & financial evaluators once during the first half of 2019.

The 2019 Disclosure Cycle

QFMA received (1490) disclosures for 2019, as follows:

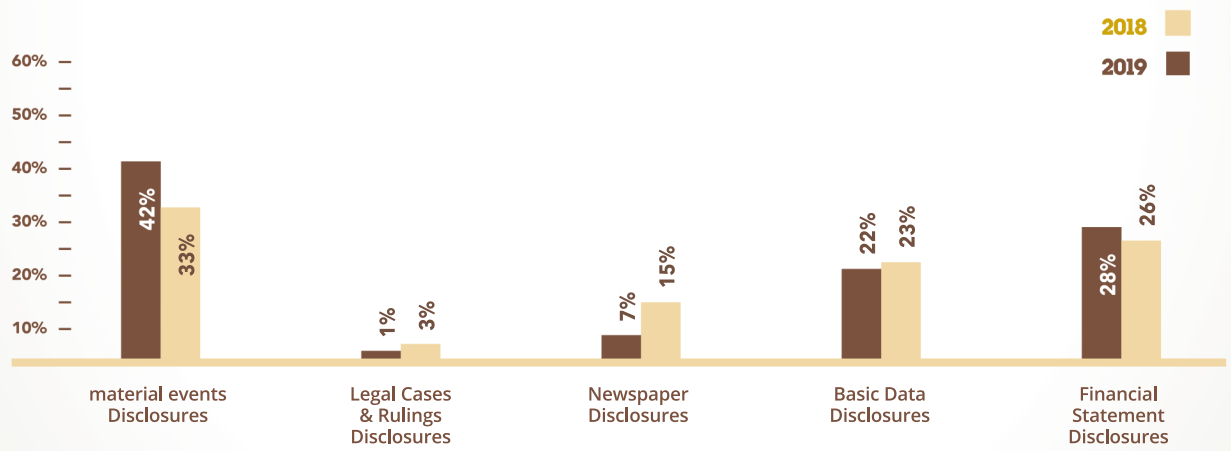
1- (417) financial statement disclosures.
2- (329) basic data disclosures.
3- (111) newspaper disclosures.
4- (8) legal cases and rulings disclosures.
5- (625) material events disclosures.

A statistic was prepared on a 2019 disclosure percentage compared to 2018, with results as follows:

1- The highest percentage of disclosure for the two years was on material events, by 42% for 2019 and by 33% for 2018, whereby QFMA is to be notified of immediately;
2- It is followed by disclosure of financial statements by 28% for 2019 and by 26% for 2018, whereby QFMA is to be notified of four times a year;

3- Next is disclosure of basic data by 22% for 2019 and by 23% for 2018, whereby QFMA is to be notified of twice a year, taking into account the different deadlines for delivery in 2019;
4- Next is disclosure of newspapers (daily news) by 7% for 2019 and by 15% for 2018, as it is followed up on a daily basis; and
5- The lowest percentage of disclosure for two years for all months was the disclosure of judicial cases and rulings by 1% for 2019 and by 3% for 2018.

2019 disclosure percentage compared to 2018



4

Regulating and Supervising Offering & Listing Applications

Offering & Listing Section at QFMA accomplishes and follows up on all matters related to offering and listing 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 on the main market and on the second market.

Offering & Listing Applications during 2019

Offering and Listing of Baladna

On July 14, 2019, the single window at the QFMA received Baladna Company's profile and it was completed, studied and the necessary approvals issued. On October 27, 2019 the offering started, on December 11, 2019, the trading of the shares of Baladna began on the QSE.

With the listing of Baladna, the number of companies listed for trading on QSE has reached to (47) companies.

About Baladna

- A Qatari public shareholding company with a total capital of QAR (1.90) billion; and (1.43) billion shares were issued, with a nominal value of QAR (1.01), (QAR 1 plus offering expenses of QAR 0.01 per share). These shares represent 75% of the company's capital.
- The State of Qatar, represented by Ministry of Commerce and Industry, holds (1) Special Share.
- The founders retain the remaining (25%) called "Founders Shares".
- The Founders' Shares were paid in advance as an in-kind value, after they undertake, in their capacity as the indirect owners of Baladna Food Industries, to transfer the entire ownership of their share to the company upon founding and completion of all legal procedures. As a result of the offering, the total number of company's shareholders reached 56,653, of whom 56,378 individuals (with (770.92) million shares), 268 companies (with (217.60) million shares), (6) strategic shareholders with (437.23) million shares).
- The proceeds of the offering will be used to pay part of the company's obligations.

Applications for listing the increase share capital in the main market

QFMA approved on listing capital increase shares for two companies, as follows:

1- A company listed in Consumer Goods & Services sector, where its capital increase shares were listed as a result of an acquisition.
2- A company listed in Insurance sector, in return for exchanging shares for a minority stake in a subsidiary company.

5

Following-up applications for selling treasury shares of listed companies.

Approval on reduce the capital of listed companies

"The" Single Window " for Offering and Listing Applications

In March 2016, QFMA approved for QSE to establish the "Single Window" to receive and review offering and listing applications and verify their fulfilling the legal requirements & conditions, and the procedures for this initiative are being updated to facilitate the offering and listing process for companies wishing to list their shares on the QSE.

Initiatives of Offering and Listing that underway at QFMA

Updating Offering & Listing of Securities Rulebook

The QFMA exerts efforts to develop its regulations, especially those closely related to enhancing the depth and liquidity of the capital market. Offering & Listing of Securities Rulebook is considered as the organizer of the process of listing the companies traded on QSE. Many advantages have been added to the draft rulebook that has presented to all market participants for consultation, where the presenting order of the rulebook has been rearranged to more easily access for the required information.

Several other advantages were added, such as electronic publishing to keep pace with the level of development and cost reduction for listed companies, and new mechanisms were added to conduct the IPOs such as book building, as well as a price stability fund to further protect individuals and small investors.

Procedures for Evaluating In-Kind Shares

This procedures are considered as an implementation of the Companies Law requirements, that the QFMA shall establish procedures for evaluating the in-kind shares of the company, whether upon incorporation or when increasing capital, or when converting to a public shareholding company listed on the financial market. These procedures include the mechanisms that the financial evaluator must follow when performing the financial evaluation procedures.

Financial evaluation means preparing evaluation studies for listed entities and entities subject to the QFMA's jurisdiction, or entities wish 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.

Book Building Controls

Book building is one of the mechanisms that QFMA intends to work with as part of the mechanisms for evaluating companies wishing to make a public offering of their shares to investors.

The book building is the process by which the offering advisor submits an evaluation to the company wishing to make offering of its shares to a group of qualified investors, (including but not limited to financial services companies, banks, insurance companies, State institutions and State-owned companies). A portion of shares of the company wishing to make offering will be offered to qualified investors. Then, through negotiations, a value is reached that is acceptable to the parties of the process, and an order book is built through the subscription requests submitted by them, and accordingly the shares offering price is determined for the general investors.

ISIN of Securities

QFMA, under membership, is responsible of numbering securities, in compliance with 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. In this regard, QFMA shall:

- Receive & consider the applications of issuing ISIN and CFI for all securities.
- Upload and update the status of securities periodically on the database (ASB) and in the QFMA's statistics.
- Meet all requirements of the ANNA.

During 2019, QFMA issued ISIN for (46) securities as follows:

- (9) ISIN of government bonds.
- (36) ISIN of treasury bills.
- (1) ISIN of shares.

5

Supervising the Acquisitions and Mergers of Listed Companies

QFMA, through Mergers & Acquisitions Section, supervised on a number of acquisitions & mergers carried out by some of the QSE listed companies and its subsidiaries inside and outside the State in accordance with the QFMA's Merger & Acquisition Rules.

During the year, QFMA supervised (11) processes, including (9) acquisitions and (2) mergers.

Acquisitions and Mergers during (2019)

1- An indirect acquisition outside the State in Industrials sector, with a share of 73%, worth QAR 227mn.
2- An indirect acquisition outside the State in Industrials sector, with a share of 80%.
3- An indirect acquisition outside the State in Transportation sector with a share of 50%, worth QAR 448mn.
4- An indirect acquisition outside the State in Banking & Financial Services sector, with a share of 100%, worth QAR 80mn.
5- An indirect acquisition outside the State in Industrials sector, with a share of 49%, worth QAR 402mn.
6- An indirect acquisition in the State in Banking & Financial Services sector with a share of 49%, worth QAR 26mn.
7- A direct merger outside the State in Banking & Financial Services sector, which was subsequently withdrawn.

Acquisitions and mergers previously submitted and then followed up in 2019

1- An indirect acquisition outside the State in Transportation sector.
2- An indirect acquisition outside the State in Industrials sector, with a share of 100%, worth QAR 51mn.
3- A direct acquisition in the State in Consumer Goods & Services sector, in exchange for listing shares of its value in the company.
4- A direct merger in the State in Real Estate sector.



6

Licensing

QFMA, through Licensing Department, receives and considers applications for granting & renewal licenses of performing financial markets activities including financial operations & 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 2019, (27) different applications were submitted from financial services companies, distributed as follows:

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

On June 17, 2019, QFMA issued initial approval to a company under incorporation wholly owned by a licensed financial institution in the State, to perform financial services activities, provided that the company fulfills all the remaining requirements upon completion of incorporation procedures as per Financial Services Rulebook.

External Auditors & 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 (8) application for registration renewal of external auditor at QFMA's list.
- Receiving (9) applications for registration renewal of financial evaluator at QFMA's list.

Companies Registered at QFMA

On March 2018, QFMA signed a Memorandum of Understanding (MoU) with Qatar Financial Centre Regulatory Authority (QFCRA) with regard to licensing of the conduct of investment management activities for an investment funds established in the State "State Fund" or established in Qatar Financial Centre "QFC Fund". Based on this MoU, the QFMA shall register the companies authorized by QFCRA to conduct the activity of investment management for State Fund or QFC Fund upon completion the registration requirements at QFMA.

Under this MoU, on March 31, 2019, QFMA approved for "Aventecom Capital Management Qatar LLC" that applied for registration to act as QFMA investment manager for State Fund.

5

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.

During the year, QFMA received (88) applications, (24) license renewal applications and (48) new approval applications, as follows:

Type of application	No.
– Approval of applications.	34
– License renewal of approved individual at the regulated function.	24
– Withdraw by the applicant	7
– Under consideration and requirements fulfillment	14
– Refusal due to non-fulfillment of regulatory approval requirements	9
Total	***88***

QFMA's E-services for Licensing

At the beginning of 2019, QFMA started to provide E-services via its official website, and via "Hukoomi" website, including licensing renewal application for individuals to perform regulated functions in financial services companies.

(4) New E-services been added, namely:

- Licensing renewal of Financial Services Activities.
- Approving Individuals to Perform a Regulated Function.
- Licensing renewal of approved individuals.
- Registration renewal of External Auditors and financial evaluators at the QFMA's list.

Since the launch of the new E-services during the second half of 2019, QFMA has received (36) applications, as follows:

- (9) Applications for licensing renewal of financial services activities.
- (24) Applications for licensing renewal of approved individuals in regulated functions.
- (2) Applications for registration renewal of external auditor.
- (1) Application for registration renewal of financial evaluator.

Licensing of Financial Markets and Depositories

Licensing Department has followed up the fulfillment of the professionals working in various depositories 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 & depositories to proceed them, membership controls, and trading controls in the market, as well as some other controls related to financial markets.

7

Inspection over Financial Services Companies

QFMA, through Inspection and 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 Financial Services Companies Inspection & Surveillance Section seeks to protect customers' funds and maintain their transactions confidentiality, verify that the company maintains its records properly, take all necessary measures to reduce the risk of fraud and forgery and present records to QFMA within a specific time, in addition to verify that approved individuals carry out their assigned tasks.

The inspection is divided into two types:

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.

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.

Performance of the Section during 2019

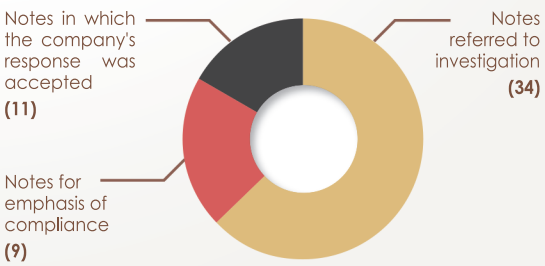
First: Periodic Inspection

Periodic inspections during the year included (14) financial services companies, with submitting reports regarding the companies covered by the inspection, included all notes of inspections.

The most important results are as follows:

- Requesting comments of (8) financial services companies (licensed for execution of securities purchase and sale's orders for others) regarding (54) inspection notes that might be considered violations of the Law, regulations or instructions issued pursuant thereto. Such notes included the companies' organizational and financial matters, including for example, but not limited to, the following:
  1- Inspection results and update of a sample of clients' files.
  2- Inspection results of a sample of the clients' trading accounts and financial transactions on these accounts.
  3- Inspection results of the execution mechanism for client orders and listening to a sample of phone calls made with clients.
  4- Inspection results of the company's accounts and making sure their compliance with accounting standards.
  5- Inspection results of the approved individuals at the company and their assigned tasks.
- Taking actions against the companies subject to the periodic inspection, after reviewing the companies' comments regarding the inspection notes. These actions included the following:
  1- Referring (8) companies regarding (34) inspection notes to the QFMA's Investigation Committee.
  2- Emphasizing on (4) companies that they should comply with Financial Services Rulebook regarding (9) inspection notes.
  3- Accepting responses of (5) financial services companies regarding (11) inspection notes.

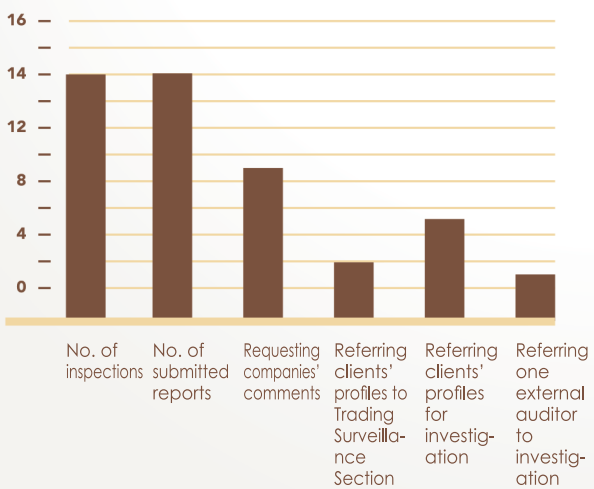
Notes Submitted on Inspections Reports (54) Notes



5

- Referring the files of (2) clients to Trading Surveillance Section, as they are included in the insiders list in one of the listed companies after being suspected of their trading.
- Referring one external auditor to investigation due to violating the provisions of Article (9 / a) of Rules for External Auditors and Financial Evaluators of Listed Entities & Entities Subject to the Authority's Jurisdiction.
- Directing a circular to all financial services companies on 11/6/2019 regarding the need to conduct customer due diligence measures to verify the customer identity, and the need to be accurate before performing any transaction on his account.
- Requesting brokerage companies to clear the payables, especially for clients who have not traded for more than a year, to verify the protection of clients' funds, and to separate their funds in special accounts separate from the company's own funds.
- Submitting (5) periodic inspection reports to (5) service companies, (conducting inspection procedures to (4) companies, requesting views of one company).

Periodic Inspections



Second: Sudden Inspection

In cooperation with Trading Surveillance Section, (4) Sudden inspection visits were carried out included (2) financial services companies (licensed for execution securities purchase and sale's orders for others). This inspection conducted to complete the surveillance processes of the two companies in order to verify the mechanism of client trading and the correctness of their procedures in executing client orders and protect their funds. The inspection section conducted a specialized visit to one company regarding clarifying special inquiries about the procedures of a specific order.

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 2019

First: Financial Adequacy

(13) Reports were submitted regarding the financial adequacy of financial services companies (licensed for execution of securities purchase and sale's orders for others), including companies' violations of their views and Financial Adequacy Standards as QSE provides QFMA with a weekly report. The most important results of the reports as follows:

- Direct an emphasis letter to two companies for the need to comply with the Capital Adequacy Standards.
- Direct a warning to a single company due to repeated violations.
- Direct emphasis for one company due to continue dealing in cash as a result of a decline in percentage of equity to paid-up capital.

Second: Periodic Financial Statements of Financial Services Companies

(4) Reports were submitted regarding the periodic financial statements that include the most important matters mentioned in the financial statements, comparison with the previous period, as well as any other fundamental notes that were mentioned in the financial statements. The most important results of these reports are as follows:

1- Direct a warning to a single company due to a decrease in cash to accounts payables (clients).
2- Requesting one company's comments regarding the low ratio of equity to the paid-up capital, and preparing a plan to reduce the losses of its investments.

Initiatives under Implementation of Inspection Section

Preparing a program to evaluate the officers in charge of internal control (compliance officer) at financial services companies

The overall objective of the initiative is to raise the performance efficiency of financial services companies. The measures taken include:

- Preparing a proposal for evaluation form of the Compliance Officer.
- Participating of Licensing Department in the proposal with adding some amendments.
- Referring the matter to the Legal Affairs & Enforcement Department for opinion.

Reviewing and developing Financial Adequacy Standards for Financial Services Companies.

The overall objective of the initiative is to reduce the risks facing the market.
The measures taken include:

- Review of the current Financial Adequacy Standards.
- Examine of the new financial adequacy percentages that can be applied to the financial market.

8

Surveillance over Companies and Investors Protection

The surveillance over securities trading on the QSE aims to protect investors and ensure that all parties comply with the legislative controls regulating the trading operations, ensuring that the largest possible degree of compliance with the discipline standards of market transactions is achieved.

Accordingly, the Surveillance Section monitors the daily trading operations to ensure the safety of these transactions, track all suspicious transactions, and detect any violations or manipulations in the market, as well as to submit reports of such violations to the competent parties at the QFMA.

There are several types of violations, for example:

- Suspicion of dealing in a security or manipulation with its prices in order to facilitate its sale or purchase.
- Statement of a misleading or incorrect information of the volume, liquidity, or price of a specific security in the market.

The Surveillance Section relies on a set of systems to monitor the transactions and detect violations, and to submit periodic reports (daily, weekly and monthly) with the most important transactions. A system has been added to monitor the transactions of financial services companies' employees and their relatives, which was developed in conjunction with the Information Systems Department.

This system operates under the following mechanism:

1- Periodically uploading the basic data of financial services companies' employees & their relatives to the QFMA's database.
2- Inquiry about data through the inquiry screens.
3- Monitor employees and relatives' current and historical transactions through the inquiry screens and printing reports.

Performance of Trading Surveillance in 2019

27 suspicious violations were detected and their reports were submitted as follows:

- (14) Reports on violations related to the effect on the stock prices and trading volumes.
- (6) Reports of insiders' trades, and financial services companies' employees and relatives.
- (1) Report of trading for others.
- (6) Reports related to combating economic and electronic crimes.

The actions taken included:

- (2) Reports resulting in a referral to the investigation.
- (9) Reports resulting in summons and signing a pledge.
- (2) Reports resulting in a warning by phone.

Initiatives under Implementation

Payment and Settlement System Initiative

This initiative aims to provide reports on settlement processes that show net obligations and benefits on the settlement day of financial services companies, as well as provide data on broker transactions and the custodian transactions, whether rejected or accepted. This initiative is now in the development and programming phase, to be implemented as planned in the first quarter of 2020.

9

Anti- Money Laundering and Combating Terrorist Financing

QFMA has powers under Law No. (20) of 2019 to issue Anti-Money Laundering and Combating Terrorist Financing Law, the Implementing Regulations issued by Council of Ministers Resolution No. (41) of 2019, QFMA Law No. (8) of 2012, and Anti-Money Laundering and Combating Terrorism Financing Rules issued by QFMA and its effective role in protecting Qatari financial market, investors and all components of the market from the AM/FT risks. Within these powers, QFMA gives more concern for development of the legislations appropriate in this regard and issuance of relevant instructions, including those related to compliance with Law No. (27) of 2019 on Combating Terrorism, and in line with the AML/CFT international standards issued by the Financial Action Task Force (FATF), the international standards of financial markets, especially international standards and principles issued by the International Organization of Securities Commissions (IOSCO).

The QFMA's role in AML/CFT is also very clear in local and international cooperation and signing several MoUs and bilateral & multilateral agreements (locally and globally) to exchange information for effective combating. QFMA has also an effective supervisory and regulatory role over the licensed entities in monitoring their compliance with AML/CFT legislation, and their effectiveness and adequacy of the actions taken in risks mitigation. Under its supervisory and regulatory role, QFMA detects violations, imposes appropriate and deterrent sanctions as per the specific procedures and controls, and follows up on violators within corrective action plans set within reasonable periods, to address the shortcomings detected.

The most important of the QFMA's works in this regard during 2019 as follows:

Legal Legislation & Enforcement for AML/CFT

- Through its membership in the National Anti-Money Laundering and Terrorism Financing Committee (NAMLC), QFMA contributed to preparing Law No. (20) of 2019 on issuing Combating Money Laundering and Terrorism Financing Law and its Implementing Regulations issued by Council of Ministers' Decision No. (41) of 2019.
- Updating Anti-Money Laundering & Combating Terrorist Financing Rules issued by the QFMA's Board Decision No. (2) of 2010, to comply with Law No. (20) of 2019 on issuing Combating Money Laundering and Terrorism Financing Law and its Implementing Regulations issued by Council of Ministers' decision No. (41) of 2019 and international standards in this regard.
- Issuing Circular No. (M-R-T-172-2019) on July 2, 2019 on (Client/Customer Screening) conformity of customer data with sanctions lists.
- Issuing Circular No. (420-2019) on December 5, 2019 regarding the AML/CFT risks assessment and the combating measures at the licensed parties.
- Issuing Circular No. (8) of 2019 dated December 31, 2019 to ban dealing in Virtual Assets "VA" and virtual assets services providers "VASPs".

Surveillance and Supervision on Anti- Money Laundering & Combating Terrorist Financing

QFMA has an important regulatory & supervisory role in office and on-site inspections & surveillance over the licensed parties. Thus, QFMA, within this role, aims to make sure that these parties comply

with the requirements of the relevant legislation and instructions issued in this regard, including those related to the implementation, immediately within 24 hours, of local & international decisions as per the procedures established in accordance with Law No. (27) of 2019 Promulgating the Law on Combating Terrorism. Accordingly, QFMA determines and evaluates the effectiveness and adequacy of the policies, procedures & regulations of the licensed parties related to the role of senior management, governance, risk management, compliance, the efficiency of human resources to combat money laundering and terrorist financing, as well as detects suspicious transactions and submits report immediately to Financial Information Unit "FIU" with verification at all times of tipping-off "non-disclosure". The risks, size and complexity of the business of the licensed party shall be taken into account as well the periodicity of their review and update, in accordance with the QFMA's application of the results of risk-based approach to direct appropriate resources and intensify inspection of licensed parties according to degree of risk so that the priority is for the high risk parties.

The most important works of QFMA in this field are as follows:

Office Surveillance and On-Site Inspection

QFMA continuously exerts efforts to raise the efficiency of its supervisors and to direct them towards an effective surveillance and supervision mechanism. Consequently, QFMA has **amended the manual for office & on-site surveillance & inspection regarding AML/CFT** in accordance with the legislative and regulatory development.

Supervision and surveillance work within its plan includes the following stages:

- **Office surveillance and pre-inspection planning:**

  To verify in office, of the compliance of the licensed party with the AML/CFT Law, regulations, rules, circulars & issued decisions. It represents the basis for continuous follow-up on those parties through statistical data that QFMA receives periodically.

- **Field Visits (On-Site Inspection):**

  On-site inspection is carried out according to the results of the risk-based approach applied by QFMA as follows:

Risk Degree of Licensed Parties	Period
High risk	Every six months
Medium high risk	Every six months
Medium risk	Every year
Medium low risk	Once in two years
Low risk	Once in two years

On-site visits are conducted through a qualified inspection team visiting the licensed party, determined according to the results of risk-based approach and office surveillance reports to ensure compliance of the licensed party and its branches at the financial group level, with the AML/CFT rules, procedures and controls. The team requests the necessary samples to ensure the effectiveness and adequacy of the preventive measures, regulations, and controls that the licensed party takes in mitigating and preventing the AML/CFT risks.

- **Sudden (Directed) Inspection:**

  The inspection team visits the licensed party to ensure the correctness of information received by QFMA in a timely manner from the Financial Information Unit or any other entity or through complaints submitted to the QFMA.

  The following table shows the number of office surveillance & on-site inspection reports carried out by QFMA on the licensed parties for 2019:

No. of Licensed Parties	No. of Office Surveillance Reports	No. of On-Site Inspections
20	152	20

Corrective and Penalties Actions

After the inspection, QFMA shall develop corrective plans for the deficiencies that have been monitored in the implementation of the AML/CFT procedures, and the reasonable time limits for compliance and follow-up until full compliance.

The table below shows the QFMA's done work in this regard:

Licensed Party	Correspondents	Corrective Plans
Advisors	24	5
Brokers	47	9
Custodians	12	3
Market & depository	13	2
Total	**96**	**19**

QFMA also detects violations related to the AML/CFT Law and its implementing regulations, AML/CFT Rules, and proceeds with legal procedures in accordance with specific procedures, and imposes appropriate and deterrent penalties.

The table shows the detected violations:

No. of Violating Licensed Parties	Violation	Legal Actions Taken
3	• Failure to comply with the CDD requirements for account opening for some customers. • Non-completion of CDD data for some customers. • Failure to appoint a MLRO.	• Impose a financial penalty of (QAR 500,000) and obliging the company to appoint a specialized expert house to review and examine customer files. • Impose of a financial penalty of (QAR 100,000). • Impose of a financial penalty of (QAR 300,000).

Provide feedback and exchange it with licensed parties

In order to ensure the continuity of the common understanding between QFMA and the licensed parties, the effective application of AML/CFT procedures, and an understanding of these risks to reduce and prevent them, as well as to consolidate this common understanding, QFMA conducts the following:

- Exchange written letters and respond to inquiries of licensed parties.
- Bilateral meetings with the licensed parties.
- Issuing guidelines.
- Holding workshops and training programs to assist the licensed parties in the proper implementation of AML/CFT procedures. During 2019, QFMA held several workshops with the participation of the other financial sector regulators as follows:

No. of workshops	Subject
8	• Combating financial crimes. • Guideline and suspicious transaction reporting form. • Strengthening the AML/CFT national system. • Collect AML/CFT data. • A training program for the national evaluation process for private sector participants. • The components of the AML/CFT effective system, which is held more than once a year.

Domestic & international cooperation to combat money laundering and terrorist financing

In the context of enhancing cooperation, QFMA concluded an agreement with Financial Information Unit "FIU", and held three joint forums, focusing on Suspicious Transactions Reports "STR", their quality, and the way of submitting, by clarifying what was mentioned in the FIU Manual in this regard.

QFMA cooperates & coordinates with the financial sector regulators in the State. Some of the most important areas of cooperation are:

- **Developing a strategic plan for regulation and supervision of the financial sector on AML/CFT,** which is considered as a road map that reflects the head for building a sound financial sector that maintains the integrity and trust in the financial system.

- **Developing a unified action plan and implementation goals and programs** to prevent the exploitation of the financial system with all its components of the AML/CFT risk.

This domestic cooperation works, through the exchange of financial information and coordination among all its components, to use, follow up and verify this data to provide **the following pillars:**

- Providing a strong environment that avoids weaknesses and reduces the AML/CFT threats & risks that may affect the financial system.
- Following a cooperative and coordinating supervisory approach among the financial sector regulators based on risks, ensuring the exchange and updating of information and controlling the intensity and degree of surveillance overlap, especially regarding the parties licensed by multiple regulators.
- Strategic planning & supervisory approach that are based on enabling effective surveillance, risk monitoring & management, compliance and raising awareness for licensed parties in the effective application of AML/CFT procedures.

10

Receiving Complaints

As a part of the QFMA's regulatory and supervisory role over the capital market in the State, it seeks to achieve a set of goals, including aiming 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.

In order to do such role, and to ensure the greatest possible impartiality and integrity in considering violations and submitted complaints, QFMA has established an integrated cycle of procedures and committees aiming of protecting the rights of market participants that may be harmed as a result of intended or unintended errors, or resulting from some deficiency in the procedures of performing the role assigned to each party subject to QFMA's jurisdiction as per the provisions of the applicable legal legislation. Therefore, a department for complaints has been established at QFMA, whose key function is to receive complaints.

The Complaints Department has prepared and amended the rules and procedures for lodging complaints and investigations to ensure their best follow-up, so that all working methods are clear to all market participants.

The Complaints Department is responsible for receiving and considering all complaints submitted to the QFMA, addressing subjects pertaining to the scope of activities and functions regulated and subject to the QFMA's control & supervision. These complains are lodged by natural or legal person who considers himself subject to a material damage caused by the conduct or act of others, missing opportunities as a result of others behavior or action, or damage resulting from their failure to fulfill any certain mission they were entrusted with as per the legislation in which QFMA operates.

Procedures of Complaints (Electronic and Paper)

1- Receive the complaint lodged by the complainant through:
   - Personal attendance of the complainant.
   - The QFMA's website for complaints.
   - Complaints email.
2- Give the complaints lodged to the QFMA a serial number related to the year of the date on which the complaint was lodged.
3- Study and technically analyze the subject of the complaint.
4- Collect the relevant preliminary conclusions of the complaint.
5- Address a written letter to the defendant requesting to express his opinion of the subject of complaint.
6- Request the defendant to reply about the complaint and to attach all supporting documents, within a maximum three days.
7- Study the written reply sent by the defendant and compare to the complaint and relevant enclosures.
8- Prepare the final report with regard to the subject of complaint, clarifying the technical point of view after all preliminary evidences are gathered. The report shall include:
   - Recommending reserving the subject if proved that the complainant has no right to lodge such complaint.
   - Recommending not to accept the complaint for the lack of legal basis.
   - Accepting to compensate the complainant if the defendant acknowledges in written the right of the complainant.
   - Binding the defendant to correct the violation which caused damages to the complainant.
   - If none of the aforementioned cases is proved, the subject shall be referred for investigation.
   - Recommending to refer the subject for investigation in order to complete necessary legal proceedings.
   - The final report of the case and the recommendations are presented to the CEO.

During 2019, the Department received (25) complaints, classified as follows:

- **Complaints against financial services companies**

  (7) Complaints related to issues on the relationship between the investor and the financial services company (brokerage) licensed by QFMA in terms of selling shares without the investor's knowledge, or selling greater or less than the required a number of shares, or selling or repurchasing shares without the customer's knowledge, and related to the mistakes in IPOs and obtaining any surplus dues for the subscription process.

- **Complaints against listed shareholding companies**

  (15) Complaints classified as follows:
  - (8) Complaints related to membership nominations of boards of directors in listed shareholding companies.
  - (7) Complaints about non- disclosure of information affecting the share price by listed shareholding companies, or subsidiaries according to the legislation in force.

- **Various other complaints**
  - (3) Complaints about the nature of the QFMA's work as a regulator over its licensed entities, related to equity ownership of investors.

11

The Investigation

The Investigation Section within the QFMA's Complaints Department considers all violations referred by the QFMA's 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.

Investigations Section is responsible for:

- Conducting the investigation of violations of the QFMA Law and the relevant legislations.
- Participating in the investigation of electronic violations, suspicious breaches of accounts,
- investment portfolios and others.
  Coordinating with the regulatory authorities in
- investigations of violations of relevant legislations.

During 2019, 22 investigations were conducted, as follows:

- **(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 includes the following:

- Violation of Financial Services Rulebook.
- Violation of Law No. (8) Of 2012 regarding the Qatar Financial Markets Authority, as amended by Decree-Law No. (22) Of 2018, QFMA Regulation, and of Financial Services Rulebook.
- Violation of Financial Services Rulebook, QFMA Regulation, and Circular No. 9 of 2009.
- Violation of Financial Services Rulebook in force at that time, Margin Trading Rules, Financial Adequacy Standards, QSE Rulebook, market notice issued by the Market Operations and Supervision Department at the QSE and the QFMA letter.
- Violation of Anti-Money Laundering and Combating Terrorist Financing Rulebook.
- Violation of provisions in QFMA Regulations, Financial Services Rulebook, Financial Adequacy Standards, and in Rules of External Auditors and Financial Evaluators for Listed Entities & Entities subject to the QFMA's Jurisdiction. Violation of the QFMA's circular regarding not buying on heirs' accounts.

The results of these investigations were as follows:

1- Referral of (9) violations to the QFMA's Disciplinary Committee to implement its affairs.
2- Keeping (3) violations.
3- One recommendation to address the financial services company to stop dealing with investment for others, and to address senior management in this regard.
4- Directing warning for one violation.
5- One investigation is pending to date.

- **(3) Investigations attributed to some dealers in the securities market,** as a result of reports prepared by the trading control at Inspection and Surveillance Department, which are as follows:

- Violation of Financial Services Rulebook and QSE Rulebook, the market notice issued by the Market Operations and Supervision Department at QSE and the QFMA's letter.

- The client trades on the shares of a listed company based on inside information.

- Violation of Law No. 8 of 2012 regarding the Qatar Financial Markets Authority, as amended by Decree-Law No. (22) of 2018, and QFMA Regulation.

The results of these investigations were as follows:

1- Referring a financial services company to Disciplinary Committee.
2- Recommending to keep the case in order to avoid the violation of the investor right.
3- Recommending to refer one investor to Disciplinary Committee & Public Prosecution.

- **Investigation of a complaint lodged by an investor.**
  This investigation relates to a complaint lodged by an investor against a financial services company that completed with the referral of each of the following to Disciplinary Committee:

1- The CEO of the company.
2- Financial Services Company (the defendant).
3- One of the former employees of the company.

- **(3) Investigations related to other matters, which are as follows:**
  This investigation relates to a complaint lodged by an investor against a financial services company that completed with the referral of each of the following to Disciplinary Committee:

- Violating the QSE Rulebook, the market notice issued by the Market Operations & Supervision Department at the QSE, and the QFMA's letter.
- Inability to complete the tasks assigned to a licensed entity.
- Notification from one of the entities of updates to the requirements of the FATCA reports by a financial services company.

The results of these investigations were as follows:

1- Referral of one violation to Disciplinary Committee.
2- Referral of one violation to the competent department at the QFMA.
3- Direct warning to a single violation.

The Investigation Committee shall submit a report on the results of each investigation to the CEO, which includes: a description of the violation, names of the violators, a summary of the procedures that have been done, the result reached as well as the recommendations, including referring the violators to the QFMA's Disciplinary Committee.

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 the year, the Committee held (13) sessions, considered (14) violations, and (19) violations (previous violations that were not resolved and violations from 2019) were adjudicated.

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 2019 was (QAR 17,200,000).

Appeals Committee

Pursuant to Articles (37) and (38) of the Qatar Financial Markets Authority 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.

During 2019, (40) appeals and requests for a stay of processing that the committee considered, as the formed committee considered and adjudicated upon decisions.

12

Development of Financial Products

QFMA works to ensure the continued development of the financial sector in the State, to promote the development of the Qatari capital market, and to protect its stability and dealers in it, as well as to diversify its investment products and mechanisms.

It also seeks to regulate the mechanism of doing business related to securities, in a manner that ensures the competitiveness and satisfaction of the needs and aspirations of investors and dealers.

Through New Financial Products Department, the QFMA is working to develop the Qatari capital market with all of its financial products & services, including:

- Facilitating the issuance of new securities.
- Developing financial institutions and proposing new investment products.
- Following up the financial market performance, identifying and submitting proposals to address the market's weaknesses.
- Promoting the development of the financial market and working financial institutions.

During 2019, the New Financial Product Department accomplished the following:

1- Conducting a comparative study between the QFMA's legislation and other regional markets' legislation, in order to determine the legislative position of the Qatari financial market at the regional level in particular, and then prepare a road map and propose strategic initiatives to advance that legislative position in accordance with strategic plans approved by the QFMA.

2- Preparing studies on the possibility of stock split in the Qatari market as a tool to increase the market activity volumes, and attract small investors for active participation in the market.

3- The Department presented a study on the possibility of developing financial institutions subject to the QFMA's jurisdiction by developing their financial services, according to a qualitative classification for brokerage firms for the first time in the Qatari market. This contributes to improving the services provided to investors, and activating some financial activities with positive returns on the levels and volumes of trading in the market, such as market maker activity, liquidity provider & securities' investment management. In the light of that study, the QFMA issued Financial Services Rulebook and amended Market Maker Rules and Margin Trading Rules.

4- The Department has prepared a study on financial markets structure in the Qatari market and its development ways. Based on the study results, a review is in progress for Offering & Listing of Securities Rules in financial markets after their restructuring.

5

13

Risk Management and Reduction

QFMA aims 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. From this standpoint and for achieving the strategic plan objectives, QFMA began to activate the functions of Risk Unit.

The most important functions and objectives of Risk Unit are as follows:

- Identifying risks of the work of QFMA and financial markets and regulatory risks, as well as proposing and following up evaluation mechanisms.
- Proposing and developing policies and foundations of the QFMA's work according to the approved standards.
- Proposing the foundations for addressing risks of non-compliance with the approved standards by participants in the capital market.
- Considering and following the implementation of the work policies proposed by the QFMA's departments based on the approved policies.
- Considering projects proposed by the competent departments based on the approved policies of risks mitigation.

Accordingly, Risk Unit collected data and considered the current reality to develop effective plans, policies and systems starting with identifying the internal risks reaching to developing general foundations for the systems applied by capital market dealers and following the best international practices that ensure the quality of identification systems and addressing the risks of securities and their procedures.

The most important **internal projects** implemented by the Unit is the **"QFMA's Business Continuity Plan"**. This project falls within the tasks of the Risk Unit and comes to achieve the relevant objectives set out in 2017-2022 QFMA's Strategy, given the importance of the regulatory role in any emergency circumstances, to ensure stability of QFMA work, continued confidence in the capital market and investors protection.

The sub-objective of the QFMA's Strategic Plan 2017-2022, (Build programs and indicators for the early warning of risks facing the markets and their participants), which emerges from the main objective "Mitigating the Risks Encountering the National Markets". For achieving this sub-objective, the Unit has developed a system to follow up the most important performance indicators and to commit to risks early warning creating a Dash Board for risks in coordination and cooperation with concerned parties inside and outside the QFMA, in order to ensure that the right decisions are taken in a timely and proactive manner.

The Risk Unit considers the initiatives and the proposed solutions by the competent departments for opinion and evaluation in terms of potential risks. The following is a summary of Unit works during 2019:

Item	No.
Reports submitted to the CEO	6
Reports issued (internal, external)	10
Studies	18
Recommendations	10
Programs & reports developed for the Risk Unit	9

One of the most important **external initiatives** implemented by the Unit is **conducting a periodic study regarding the compliance of financial services companies with QFMA's Capital Adequacy Standards** in order to reduce liquidity risk and the resulting risks, and to achieve the QFMA's strategy objective of developing risk indicators of non-compliance with Capital Adequacy Standards, which resulted in issuing periodic reports and preparing recommendations.

In this regard, the QFMA developed a unified mechanism that can provide the following:

- An index to evaluate and classify the company's compliance with Capital Adequacy Standards based on the risks involved.
- Quarterly reports showing the compliance of financial services companies with Capital Adequacy Standards.
- Classification of financial services companies based on the degree of risk assessed.
- A detailed study and analysis of the causes of violations and addressing proposals.

Accordingly, the following was achieved:

- Increase in the companies' compliance with Capital Adequacy Standards by 20%.
- Drop in the percentage of companies' non-compliance with Capital Adequacy Standards by about 80%.

Due to the importance of customer data verification (Know Your Customer), and its impact in reducing the AML/CFT risks, the Risk Unit has followed up and analyzed the lists of customer data and information. In cooperation between companies and the QFMA's concerned departments, the quality of information was improved & completed in encouraging percentages through all categories, indicating the enforcement the regulations related to the company's compliance with the QFMA's legislations related to the requirements of AML/CFT Rulebook, and AML/CFT Law No. 20 of 2019.

QFMA's Performance

Support Functions

1 Financial and Administrative Support

QFMA is giving increasing concern to the financial and administrative development process. QFMA, through Finance & Administration Department, is keen to develop concepts of sustainability and the proper use of available resources.

The most important works of Finance & Administration Department during 2019 are the following:

Developing Workflow Procedures of the Committees

For achieving the first objective of QFMA's Strategy 2017-2022 (Boosting the efficiency of the institutional capacity), QFMA has started in implementation of the initiative of developing a workflow mechanism for Investigation Committee, Disciplinary Committee, Appeals Committee, and Dispute Settlement Committee by Arbitration, with the aim of facilitating the current workflow mechanism and establishing a database for these committees work.

Concluding Contracts

- **Electronic system for committees' work procedures**
  QFMA signed a contract with a company to implement a project to develop an integrated electronic system for workflow procedures for Investigation Committee, Disciplinary Committee, Appeals Committee, and Dispute Settlement Committee by Arbitration. The project was completed and the system is currently being tested.

- **Project of Technology Solutions Development of QFMA's Strategic Plan**
  An advanced phase of the technology solutions development project has been completed, which was contracted to develop a workflow mechanism for preparing the QFMA's strategic plan with monitoring its implementation in accordance with the approved operational plans and financial budget. The system also links the main strategic objectives and sub-objectives with the detailed initiatives.

Implementation of the Enterprise Resource Planning (ERP) Project

The project aims to develop and introduce the workflow procedures of Finance & Administration Department on the system in accordance with the QFMA's internal policies and procedures. It also aims to link the system to "Mawared" system for salaries and wages at Ministry of Administrative Development, Labor and Social Affairs.
This would facilitate the internal function of Finance & Administration Department, as well make use of information provided by "Mawared" system for the QFMA.

Finance & Administration Department performs routine works, including

- Implementing financial and administrative laws, regulations and policies related to the QFMA's activities.
- Preparing annual budgets and final accounts in coordination with the relevant departments and monitoring the execution of endorsements, audit revenues and expenditure accounts.
- Implementing processes of procurement, tenders and auctions in line with rules and regulations in force.
- Collecting service fees provided by the QFMA.
- Organising and safeguarding the archives.
- Monitoring the QFMA's stores.
- Providing QFMA and its departments with required support for appropriate performance, in coordination with the relevant departments.

2

International Cooperation

QFMA is keen on promoting bilateral and multilateral cooperation, and working with counterparties, international and regional organizations and global authorities, to build the professional and institutional capabilities required and to achieve the greatest attendance and partnerships on the international scene.
The most important areas of cooperation with counterparties are participation in committees, conferences, meetings and training courses, and responding to inquiries and requests by international and regional organizations and authorities.

The most important achievements of QFMA in international cooperation during 2019:

Participation in Conferences and Meetings

QFMA is concern to participate in several conferences, meetings and workshops at the regional and international levels in order to activate and enhance its activities development and support the cooperative relations with regional and international organizations.

The key participations are as follows:

- **The IOSCO Meetings, including:**
  - The IOSCO Annual Conference that took place at Sydney - Australia.
  - Meetings of IOSCO's committees, including: (Presidents Committee, Growth & Emerging Markets Committee-GEMC, Africa & Middle East Regional Committee-AMERC, and MMoU Monitoring Group).
  - The Annual Meeting of Africa & Middle East Regional Committee-AMERC, held in the Stat of Kuwait.
- **The Annual Meeting of the Union of Arabic Securities Authorities (UASA) held in the Hashemite Kingdom of Jordan.**
- **GCC Meetings and Workshops, including:**
  - The 19th Meeting of the Heads of GCC Financial Markets Regulators Committee (or their equivalent).
  - The 2nd Joint Meeting of Heads of GCC Financial Markets Regulators Committee (or their equivalent and Heads of GCC markets (stock exchanges).
  - The 8th Ministerial Committee of the Board Chairmen of GCC Financial Markets Regulators.
  - The 5th meeting of the Financial Markets Integration Strategy Task Force.

5

- **ANNA Annual Meeting (Association of National Numbering Agencies), held in Germany.**

Preparation & Participation in Various Activities & Events

- **Specialized Training Program on "Combating Financial Crimes"**

  QFMA held this program in collaboration with the Union of Arab Securities Authorities (UASA) on February 4 and 5, 2019. The program addressed various issues related to combating financial crimes, including money laundering, terrorist financing, bribery, corruption and fraud, along with the practical defenses, and focuses on how laws, regulations and best practices in this field.

  The program discussed the role of the private sector in combating such crimes, which aims to enable participants with the tools to examine the financial crimes.

  The most prominent feature of the program that it was highly interactive, so that participants are invited to discuss a number of real-life cases and practical experiences in order to gain an objective and practical understanding of the nature of financial crimes.

  The program was hosted professionals and those working within financial services industry, including compliance officers and money laundering reporting officers (MLROs), as well those working in various regulators and law enforcement bodies, and commerce sector.

  At the end of the training program, participants were given official certificates issued by the UASA.

- **World Investor Week of IOSCO**

  As a part of its continuous efforts and endeavors to spread financial culture among children and youth, QFMA participated in the World Investor Week (WIW) launched from 30 September to 6 October 2019. The QFMA's events during this week were through organizing an extensive seminar on investment principles held on the campus of Qatar University (QU), attended by a group of students and interested people. At the seminar, QFMA's representatives presented a detailed explanation of the investment process that included disseminating key messages that support investor education and financial literacy; improve their skills in how to increase income, spending, savings and investment, as well as the exchange of ideas and views aiming at enhancing investment awareness in general.

  Through its participation, QFMA headed towards two categories in the Qatari community, primary school students and university students. A QFMA's specialized technical team visited Othman Bin Affan Model Boys School and Doha Academy, in addition to students of the College of Administration and Economics at QU for boys and girls. The team presented several lectures that shed light on Qatar National Vision 2030 and the second strategic plan for the financial sector and the QFMA Strategy, with focusing on the QFMA's role and work as a regulatory, supervisory authority.

- **Training Workshop on Multilateral Memoranda of Understanding (MMoUs)**
  QFMA, represented by International Cooperation Unit, participated in the IOSCO MMoU/EMMoU Training Workshop held on 12 – 14 November 2019 in Malaysia, Kuala Lumpur.
  The program highlighted on MOUs as a key tool in international cooperation in enforcement of securities laws in terms of obligations and best practices for cooperation & information exchange, in addition to the importance of international cooperation in enforcement issues. They also addressed common practical problems and inquiries among members involved in the use of the MMoU.

- **Awareness activities and programs**
  QFMA organized a number of awareness-raising activities & programs aimed at spread knowledge and financial and economic culture among children and youth, as part of the activities of the Global Money Week "GMW" held during the last week of March 2019 under the slogan "Learn. Save. Earn".

  The GMW, launched globally in 2012, is organized annually by the initiative of Child & Youth Finance International (CYFI) based in Amsterdam is the capital of the Netherlands.

- **The IOSCO/PIFS-Harvard Law School Global Certificate Program**
  It is a program jointly developed between IOSCO and Harvard Law School (PIFS-HLS), this two-phase program is an executive education program that is exclusively tailored for regulators of securities markets.

  Phase I consists of three components:

  - Online learning materials.
  - An in-person module on regulation.
  - An in-person module on compliance, and will cover the fundamentals and intricacies of securities regulation and compliance.

  Phase II consists of:
  A one week-long in-person module that will be conducted on campus at the Harvard Law School, and examines current and future regulatory challenges and emerging issues.

  Participants can obtain the Global Certificate after attending Phase I. Successful participants in both phases are awarded a joint certificate of participation issued by IOSCO and PIFS-Harvard School.

Memberships and Signing MoUs

In order to enhance the QFMA's role, and based on its strategic objectives, it has become necessary to increase regional and international cooperation and coordination among the financial regulators locally & internationally. QFMA, through International Cooperation Unit, prepares everything necessary to conclude agreements and MoUs with other counter-parties & various international organizations around the world.

In this context, during 2019, QFMA prepared everything necessary to sign agreements and new MoUs serving the capital market as well QFMA.

3

IT Development and Support

QFMA is exerting more efforts to keep pace with the technological development and provide modern E-services for investors and dealers in the capital markets in the State, which would reduce a lot of time and effort in a manner that contributes to facilitating and speeding up the completion of their transactions.

The new E-services and projects developed by QFMA during 2019 are the following:

- Enhancing the QFMA's E-services provided via its electronic portal, adding (4) new E-services, raising the total number to (10), namely:
  1- Application for licensing & registering (14) financial services activities.
  2- Application for approving individuals to perform (19) regulated functions.
  3- Complaints.
  4- Application for the ISIN of securities issued in the State.
  5- Application for listing capital increase shares of the existing shareholders.
  6- Application for approval on buying or selling treasury shares.
  7- Application for licensing renewal of (13) financial services activities.
  8- Application for licensing renewal of individuals to perform (21) regulated functions
  9 Application for licensing renewal of external auditors.
  10- Application for licensing renewal of financial evaluators.

- Implementing the QFMA network development project (phase 1).

- Implementing the 2019 phase of IT Security Development Project at QFMA, which has been ongoing over the years of QFMA's Strategy (2017-2022).

- Monitoring and examining the implementation of the Business Continuity Plan "BCP" of the QSE and QCSD. The QSE and QCSD develop a BCP which is monitored and followed up by the Information Systems Department and Inspection &Surveillance Department at QFMA as a recipient of data and a regulator over them. The BCP requires the participation of all concerned parties, including market members (brokerage companies) and custodians.
- Following up implementation of the unified electronic disclosure system project using XBRL language (Extensible Business Reporting Language) in coordination with QSE to participate with all relevant concerned parties.
- Developing an AML/CFT electronic educational program includes international principles and regulations, as well as State of Qatar's relevant legislation.
- Developing the website for 43rd Africa Middle East Regional Committee (AMERC) Annual Meeting and the 3rd QFMA conference.
- Following up the implementation of technological systems projects at QSE, QCSD, and financial services companies.
- Following up (technically) to implement the stock split for the nominal value of QSE listed companies and issuing analytical reports for the post-implementation stage.
- Participating within the technical team to follow up the events caused the interruption of QSE services trading systems.
- Implementing Periodic IS Vulnerability Assessment processes and addressing solutions.
- 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 & Communications, (Qatar Computer Emergency Response Team (Q-CERT)) and implement its tasks, exchange information, and participate in workshops.

4

Developing Human Capital Capacity

QFMA is making strenuous efforts to implement its strategic plan (2017-2022) on Building Human Capital's Capacity and increasing its competitiveness at work.

The Human Resources Department with its three sections (Recruitment & Manpower Planning, Personnel Affairs, and Administrative Development & Training) conducted a great number of activities during 2019:

Recruitment & Manpower Planning

QFMA applies a policy based on studied criteria in recruitment by appointing specialized cadres, with the required skills and experience, to reflect on the performance quality.

Within this policy, and considering that Qatarization process as one of the QNV 2030's objectives, QFMA gives great important concern to this objective by employing national competencies in all specializations.

Recruitment and Qatarization

QFMA is keen to implement a clear policy based on increasing the numbers of Qataris among its staff, with having a high level of competence and skill to occupy advanced position in terms of competitiveness and self-esteem.

QFMA is moving forward with increasing the percentage of Qatarization in the jobs being created, and hence the numbers of appointed employees. Accordingly, during 2019, QFMA:

1- Created (10) new jobs, including (8) jobs for Qataris, at 80% of the total jobs created.
2- Appointed (16) new employees, including (14) Qataris at 87% of the total new appointments, so that the total number of QFMA's staff became (131), including (97) Qataris at 63% of the total, and (52) non-Qataris at 37% of the total.

Qatarization Policy

During 2019, in coordination with Manpower Planning Department at Ministry of Administrative Development, Labor and Social Affairs, QFMA continued in implementation of Qatarization policy to provide the QFMA with its needs of various scientific specializations and the required number in each specialization.

Based on 2019 QFMA's scholarship plan, the number of scholarships for Qatari students was (11) in various scientific specializations, and in different degrees (Ph.D. - Masters- Bachelor).

In the field of scholarships, during 2019:

1- (8) QFMA's scholarships students have successfully completed the scholarship program.
2- (7) Students from the scholarship program graduates joined QFMA staff in the departments of (Legal Affairs and Enforcement - Risks - Finance & Administration - Internal Audit - Licensing).

Training and Administrative Development

QFMA gives great attention in following up their staff academic and field training by organizing training and development programs that enhance their competency and develop their work expertise and competitiveness.

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

5

Training Statistics

During 2019, a remarkable activity has been in various training programs and workshops on many issues, through which the QFMA targeted several categories of concerned entities and persons.

1- **Training Programs and Workshops:**
(172) employees joined various training programs and workshops, including (8) outside the State and (164) inside the State.

2- **Conferences and Seminars:**
(17) Employees joined in conferences and seminars, including (12) outside the State and (5) inside the State.

3- **Meetings:**
(21) Employees attended external meetings that included signing agreements, or meetings of Arab, regional and international unions.

Training Plans and Special Programs

1- **Plan to link Training Path to Career Path:**
(15) Qatari employees who meet the requirements of seniority promotion were registered for the financial year 2019 in the administrative & specialized paths programs according to their financial degrees, and reports were submitted regarding the fulfillment of (12) employees of them the requirements of seniority promotion.

2- **Specialized Training Programs:**

- **CISI/International Introduction to Securities & Investment:**

Two employees of CISI-certified international test have successfully passed.

- **2019 IOSCO/PIFS-Harvard Law School Global Certificate Program.**

A Qatari employee has successfully passed the two phases of the program.

- **2019 Kawader Program**

Two Qatari employees have passed the program organized by Qatar Finance and Business Academy "QFBA".

- **National training program on Anti-Money Laundering & Combating Financing Terrorists (AML/CFT)**

Employees of Inspection & Surveillance Dept. and Anti-Money Laundering Section were enrolled in the first, second, fifth and sixth programs within the plan of the national training program supervised by National Anti-Money Laundering and Terrorism Financing Committee (NAMLC).

Internal Training Programs & Job Rotation

- **QFMA New Employee Induction Program:**
(16) New employees received the QFMA Induction Program.

- **Practical Training (field) for University Students:**
In coordination with Qatar University, QFMA prepared a training plan for (7) students, where students had to pass successfully (120) hours of practical training.

- **Governmental Scholarships:**
Job rotation plans were prepared for (4) students who graduated from the government scholarship program for a month in the QFMA's departments related to their specializations, and they were assessed at the end of the plan and distributed accordingly.

Qatarization and Care of the Gifted

1- Approval on scholarship of one employee for studying a master's degree in International Business through Government Scholarship Program 2019.

2- Approval on enrollment of a female employee in National Leadership Program for 2019/2020.
3- Approval on the nomination of a female employee to attend the 17th Mandatory Training Course for Jurists of 2019, which will last for one year.
4- Approval on employee's study for a Master of Public Administration "MPA" - from Doha Institute for Graduate Studies.
5- Approval on the nomination of an employee for training on IT Digital Driving.

Personnel Affairs

QFMA follows up everything related to its staff in various specialties through the Personnel Affairs Section, which carries out the tasks related to this field, including:
Completing the promotion of (12) Qatari employees who meet the requirements, preparation of a draft of part one of the QFMA budget (salaries and wages), monitor the monthly budget disbursement, and other relevant matters.

QFMA's Personnel Affairs Committee held (3) meetings, during which it considered (31) applications for QFMA's employees.

5

Planning and Quality

QFMA, through Planning & Quality Department, follows up the implementation of its strategic plan, and complies with the standards of institutional performance in order to ensure the quality of performance, services and the work environment at QFMA. The Planning & Quality Department is one of the new departments at the State level, created in 2014 within the organizational structures of government entities, and its role was activated in the middle of 2018.

The most important completed works in terms of planning & quality during 2019 are:

Update of the QFMA's Strategic Plan Data

QFMA quarterly updates the data of its strategic plan initiatives in order to measure the progress made in their implementation by the QFMA's departments, and followed up by Planning Section.

Completion of the Strategy Dashboard

The electronic dashboard provides decision-makers with periodical monitor of the QFMA's departments

work by looking at the achievement percentages done to the target achievement percentages in the strategic plan. The dashboard update is carried out by the departments in a seamless way ensures accuracy, time and effort.

Within this framework, completion of the electronic dashboard comes in accordance with the strategic objective (Scaling-up the usage of modern technology tools & the level of information security in the markets), with the aim of converting to a paperless institution, in line with the government's trend of digital transformation and reducing paper usage in government operations.

Update of the Second Strategic Plan for Financial Sector Regulation "SSP"

As one of the three financial sector regulators, QFMA is working on implementing SSP (2017-2022) within its competence. Accordingly, Planning & Quality Department follows up on updating the QFMA's completion percentages for the SSP initiatives, and prepares a quarterly report thereof.

Participation in the Collection of Government Entities Data

In the context of collecting government entities data according to the model of the Standing Committee for the General Supervision and Follow-up of the Implementation of National Development Strategies in Council of Ministers, QFMA has collected its data related to initiatives and programs emanating from the National Strategy, including laws and regulations, membership in regional & international committees and the concluded agreements.

The Standing Committee was established by the H.E Prime Minister Decision No. (28) of 2018. The Planning & Quality Department participated in the meeting held by the Committee headed by Minister of Justice, where they discussed the mechanism of the Committee's work and the role of planning and quality departments during the next stage.

Update of the Data of Comprhensive Development Strategy for the GCC States (2010-2025)

QFMA prepared the third consolidated report for the State of Qatar related to the accomplished goals of long-term Comprehensive Development Strategy for the GCC States. The Planning & Quality Department updated and reviewed the data related to the QFMA's work, and provided the required information for Planning and Statistics Authority.

Participation in Evaluation of Tracks of the GCC Common Market

The GCC States are working to activate joint GCC action decisions for the tracks of the GCC common market. From this point, QFMA evaluated a draft survey form for the third phase of studying the extent of implementation of joint GCC action decisions, and was keen to make its proposals and comments in order to develop the form to cover all required aspects.

Completion of Phase 4 of the Institutional Performance Standards 2019

QFMA completed phase 4 of implementing the institutional performance standards 2019 approved by the Council of Ministers, in cooperation and coordination with Ministry of Administrative Development, Labor & Social Affairs. All government bodies must implement and comply with this phase as an indication of business environment development in various government bodies.

QFMA's Standard Operating Manual (Procedures Manual)

QFMA has fulfilled one of the requirements of institutional work, by completing phase1 of the initiative to prepare a Standard Operating Manual for QFMA's departments (Procedures Manual). That represents an important indication of compliance with institutional work standards, in a way that ensures business success by having a road map for all QFMA's businesses and activities, and ensures accuracy in completing tasks and carrying out the required responsibilities.

Organizing Workshops

- **A workshop for departments managers entitled (Results-Based Strategic Planning)**
  The workshop was of great importance as it provided a full explanation of the form adopted by the government to achieve Qatar National Vision 2030, and to provide all government members the information of this form, especially leaders and managers of departments and sections.
  QFMA organized this workshop in coordination with Planning and Statistics Authority, in order to build the capacity of the leadership team, and promote awareness and education in strategic planning and related matters, and it is part of a series of programs and leadership workshops for QFMA managers.

- **A Workshop for Departments' Coordinators entitled (Institutional Performance Standards – Phase 4 - 2019)**
  This workshop was the gateway to applying the concepts and standards of institutional performance of government bodies. It was held in coordination with Ministry of Administrative Development, Labor and Social Affairs.
  The workshop was presented by one of the Ministry's experts hosted at QFMA's headquarters to explain the importance and how to apply the required institutional performance standards in this field, with the aim of building the capabilities of departments' coordinators and providing them with concepts and skills to do their job perfectly.

Hosting Qatar University Students 2019

QFMA hosted students from Qatar University to brief them on QFMA's role in the capital markets sector and its activities internally and externally. These events contribute to attracting distinguished cadres from university students.

Creative Ideas Bank Program

QFMA launched on the Creative Ideas Bank Program to spread the culture of creativity and innovation in the work environment, and to encourage employees giving attention to participation and move the work to wider horizons in creative development.

Leadership and Quality E-mails

Planning & Quality Department has been keen on providing this electronic educational service on a weekly basis. The e-mails aim to enhance the employees' information and knowledge, and provide them with the skills needed to develop their professional capabilities.

6

Public Relation and Communication

QFMA gives great concern on continuous communication with the local and external community, and enhancing its role through this communication. To achieve this, Public Relations & Communications Department carries out several activities and events, whether those related to the QFMA's work and activities, or those related to education and awareness of the local community, with a focus on the entities and persons related to the QFMA's activity.

During 2019, the most important activities in this filed done by QFMA are as follows:

Signing a MoU between QFMA and Qatar University

On October 2019, QFMA signed a Memorandum of Understanding (MoU) with Qatar University for further collaboration between the two parties. The MoU includes areas of researches and studies, surveys and polls, in addition to questionnaires, programs and events of mutual interest.

The MoU provides the cooperation in areas of exchange of experiences and information including newsletters, journals, studies, statistics, general data, and training.

5

Signing a MoU between QFMA and Ministry of Public Health

Ministry of Public Health "MoPH" is exerting efforts for cooperation with the various ministries and official agencies in the State to promote a healthy lifestyle awareness among different segments of the society. As a part of such efforts, and in line with the QNV 2030, the National Health Strategy, the Public Health Strategy and the National Nutrition and Physical Activity Action Plan, the Public Relations & Communications Department made all the necessary arrangements to sign a joint MoU with MoPH on the third stage of the Workplace Wellness Program, on April 2019. Under this MoU, three awareness lectures were organized for the QFMA's staff on heart disease, mental health, and diabetes.

Arrangements for QFMA's Participation in External Conferences

Public Relations & Communications Department organized all logistical arrangements to ensure the success of QFMA's participation in several external meetings and conferences, such as all IOSCO and its committees' meetings, the 2nd Arab Capital Markets Conference, the UASA meeting, in addition to its participation in the meeting of the Heads of GCC Financial Markets Regulators Committee.

Organizing Training Programs and Local Conferences

As a part of the QFMA's role in raising awareness of local community on many topics and issues related to the capital market sector, the Public Relations & Communications Department coordinated a number of conferences and training programs during the year.

Participation in Qatar National Sports Day

The Public Relations & Communications Department organized the QFMA's participation in the activities of Qatar National Sports Day, which is celebrated annually in the second week of February. At that day, QFMA along with financial sector institutions takes a part in the walking sport activity organized by Qatar Central Bank "QCB", starting at the QCB building yard to the Ministry of Interior previous building and back.


6
TRAP


6

Statistics of QFMA's Efforts

Individuals Approved by the QFMA

	Position (job title)	2018	2019
1	Board Member	19	13
2	Managing Director	1	0
3	General Manager	1	1
4	General Manager Deputy	-	2
5	Chief Executive Officer	3	0
6	Chief Executive Officer Deputy	1	0
7	Financial Manager	1	1
8	Compliance Officer	4	1
9	Anti-Money Laundering Officer (MLRO)	5	1
10	Anti-Money Laundering Officer Deputy (deputy MLRO)	5	2
11	Risk Management Officer	-	1
12	Internal Auditor	2	3
13	Financial Advisor	4	1
14	Financial Analyst	2	1
15	Investment Manager	1	2
16	Trading Manager	-	0
17	Trading Manager Deputy	-	0
18	Back Office Operations Manager	2	0
19	Broker Representative	2	4
20	Account Manager	-	0
21	Custodian Representative	1	1
	Total	**54**	**34**

Applications Submitted to Licensing Department

Application	No.
Adding an activity to an existing company	5
License renewal for financial services activities	19
Registration renewal for an external auditor and financial evaluator at QFMA's list	7
Registering an external auditor at QFMA's List	2
Registration renewal for an external auditor at QFMA's List	1
Registration renewal for a financial evaluator at QFMA's List	2
License renewal of agent	3
The number of application of license renewal for financial services activities submitted via QFMA's website	9
Licensing individuals for regulated functions via QFMA's website	48
License renewal individuals for regulated functions via QFMA's website	24
Total	**120**

Inspections & Surveillance

Item	2018	2019
Inspections over the financial services companies		
No. of companies	11	15
No. of periodic inspections	10	14
No. of sudden inspections	10	4
No. of specialized inspections	12	1
No. of submitted reports	13	14
Inspections related to AML/CFT		
No. of companies	22	20
No. of periodic inspections	12	19
No. of sudden inspections	5	1
No. of submitted reports	75	152
Surveillance over the financial markets		
No. of submitted reports on surveillance	10	27

Complaints & Investigations

Item	2018	2019
Complaints		
No. of complaints	28	25
Complaints adjudicated	28	24
Complaints still pending	-	1
Investigations		
No. of investigations	15	22
Cases referred to Disciplinary Committee	10	13
Cases kept	4	5
Cases adjudicated by settlement	-	-
Cases adjudicated by warning	1	2
Cases still pending	-	1
Others	-	1

Disciplinary Committee & Appeals Committee

Item	2018	2019
Disciplinary Committee		
No. of violations referred	11	14
No. of violations adjudicated	19	19
No. of hearings	6	13
Appeals Committee		
Appeals that registered in the appeals record	8	19
Requests of a stay of QFMA proceedings submitted to the Committee	5	18
No. of appeals referred by the court for adjudicating	1	3
Total of appeals & requests of a stay of QFMA proceedings considered by the Committee	14	40
Total of appeals and requests of a stay of QFMA proceedings adjudicated	14	3
No. of the Committee hearings	6	2
No. of the Committee meetings	15	4

ISIN of Securities

Item	2018	2019
ISIN of shares	1	1
ISIN of rights issues	-	0
ISIN of government bonds	6	9
ISIN of treasury bills	36	36
ISIN of investment fund "ETFs"	1	0
Total	**44**	**46**

Merger & Acquisition

Item	2018	2019
Requests of listing rights issues	0	0
No. of companies that their shares have been listed and offered	1	1
listing investment funds units	2	0
Requests of merger & acquisition	11	11

Offering & Listing

Type of Requests	2018	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	0	1
Total	**2**	**5**

Training activities for the QFMA staff - 2019

Item	Training program	Workshop	Conference	Seminar	Meeting
Inside	148	16	4	1	--
Outside	6	2	11	1	21
Total	**154**	**18**	**15**	**2**	**21**

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

Item	By end of 2018		By end of 2019	
	No. of employees	Percentage of total %	No. of employees	Percentage of total %
Qatari employees	71	61%	79	63%
Non- Qatari employees	52	39%	52	37%
Total	**123**	**100%**	**131**	**100%**

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

Item	During 2018		During 2019	
	No. of recrutments	Percentage of total %	No. of recrutments	Percentage of total %
Qatari employees	15	83%	14	87.5%
Non- Qatari employees	3	17%	2	12.5%
Total	**18**	**100%**	**16**	**100%**

QFMA Employees by Education Degrees

Item	By end of 2018				By end of 2019			
	No.	Percentage of total	Local universities	External universities	No.	Percentage of total	Local universities	External universities
University degree & above	82	67%			93	71%		
Non-university degree	41	33%	42	40	38	29%	50	43
Total	**123**	**100%**			**131**	**100%**		


7
TRAP

7



Qatar's Economy

Gross Domestic Product

GDP at Current Prices and GDP at Constant (2013=100) Prices, Q1 to Q4 2019

Gross Domestic Product (QR Million)	Q4	Q3	Q2	Q1
At Current Prices	167,758	167,451	164,473	168,135
Percentage change Q-o-Q	0.2	1.8	-2.2	-7.0
Percentage change Y-o-Y	-7.2	-6.6	-3.3	1.1
At Constant (2013=100) Prices	206,582	209,517	201,210	202,123
Percentage change Q-o-Q	-1.4	4.1	-0.5	-2.7
Percentage change Y-o-Y	-0.6	0.0	-1.0	0.8

Source: Planning and Statistics Authority - 2020

International Classifications of Qatar's Economy

Credit Rating

The State of Qatar was classified at **(-AA)** according to Standard & Poor's (S&P) and Fitch, and at **(Aa3)** according to Moody's, with a stable outlook. According to these ratings, Qatar's sovereign rating reflects a high level of creditworthiness and very limited risk. This reflects the strength and the continued positive performance of the Qatar's economy.

Source: Trading Economics website- January2020.

Global Competitiveness

In 2019/2020, Qatar's economy received the **2nd rank at Arab level** and the 29th rank at the international level out of 141 countries (according to the report issued by the World Economic Forum, Davos).

Source: 2019-20 World Economic Forum Global Competitiveness Index, Davos



Economic Freedom

Qatar's economy has been classified among the mostly free category (second category) which included the United States of America & the United Kingdom according to 2018 Index of Economic Freedom issued by The Heritage Foundation. Qatar's economy freedom is ranked the **2nd rank at Arab level** and it is ranked the 31st freest at the international level among 180 countries covered by the classification.

Source: 2019 Index of Economic Freedom issued by The Heritage Foundation

Anti-Corruption

Qatar's economy has achieved the **2nd rank at Arab level** and the 30th at the international level in the efforts exerted for anti-corruption out of 180 countries, according to Corruption Perceptions Index 2019 of Transparency International, the global coalition against corruption level.

Source: Transparency International, The global coalition against corruption-2019.

Anti-Money Laundering

According to the 2019 edition of the Basel Anti-Money Laundering (AML) Index covered 125 countries, Qatar's economy came in the **8th rank at Arab level** and the 77th rank at the international level, with a score of 4.97, which indicates less than average of probability of occurrence of terrorist financing or money laundering in Qatar. Note that the countries were rated from the highest to the lowest level of risk.

Source: Basel Anti-Money Laundering (AML) Index 2019, Basel Institute on Governance

Report	Countries covered	Arab Rank	Int'l Rank
Global Competitiveness	141	2	29
Economic Freedom	180	2	31
Anti-Corruption	180	2	30
Anti-Money Laundering	125	8	77

Classifications of Qatari Capital Market

USD Billion
159.66

Market Capitalization of the Listed Companies

Qatari market still maintain its **2nd rank at Arab level** and the 12th at the level of European countries, Africa and the Middle East, in terms of market capitalization of listed shares which amounted to 159.66 (USD Billion) – end of 2019, according to the World Federation of Exchanges WFE) statistics out of 43 country.

Market Cap to % GDP

According to the World Economic Forum's Global Competitiveness Report, the Qatari market ranks the **1st at Arab level** and the 21st rank at the international level in terms of market capitalization of listed companies to percentage of the GDP. The market capitalization of listed companies was **89.5%** of GDP, which indicates the strength of Qatari listed companies and their market capitalization.

Qatar's Capital Market Financing for SMEs

According to the Global Competitiveness Report, the Qatari capital market is the **1st at Arab level** in financing the SMEs, and the 4th at the international level.

The Qatari capital market is attractive destination for foreign investments

The Qatari market is still a favorite destination for foreign investors for the second consecutive year. During 2019, the net purchase of foreign shares on the QSE amounted to about $1.3 billion of the total traded shares in the QSE during the year (4.78 QR billion).

Classifications of Global Competitiveness Report for Financial Sector & Capital Markets

The Global Competitiveness Report 2019-2020 issued by the World Economic Forum's (WEF), Davos shows that the financial sector in general and the Qatari capital market in particular have a top ranking among all Arab markets in the overall ranking of the following indices:

			Arab Rank	Int'l Rank
Indicators	1	Financial System Depth	1	18
	2	Financing of SMEs	1	4
	3	Venture capital availability	2	5
	4	Market capitalization % GDP	1	21

Source: The World Economic Forum's (WEF) Global Competitiveness Report 2019-2020.



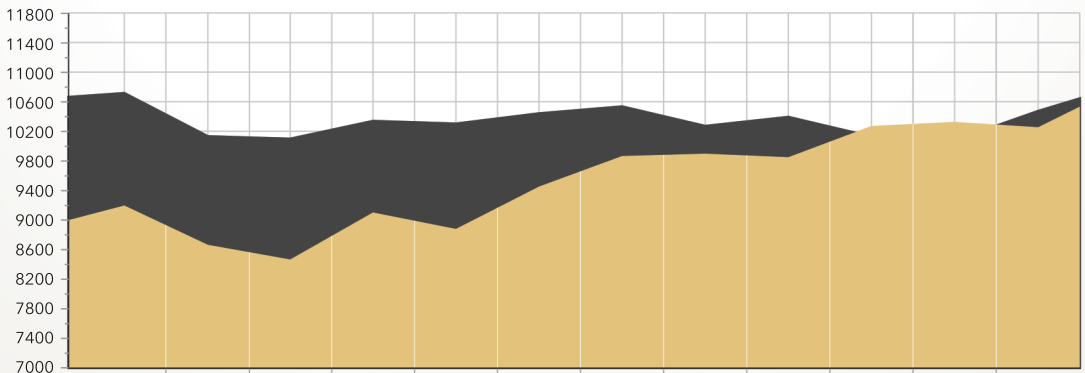

8
TRAP

Performance of Qatari Securities Market

Equity Market Indices

QSE General index

Change% 2018 - 2019	2018	2019
1.23 %	10,299.01	10,425.51



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	10,720.31	10,111.62	10,107.42	10,376.80	10,273.01	10,455.67	10,505.00	10,232.85	10,367.08	10,188.97	10,147.88	10,425.51
2018	9,204.62	8,653.32	8,573.99	9,111.97	8,880.51	9,024.03	9,825.11	9,886.45	9,813.32	10,300.92	10,364.54	10,299.01

Market Capitalization (QR Billion)

Change% 2018 - 2019	2018	2019
-1.01%	588.72	582.74

Summary of Market Activity

Year	No. of Listed Companies	General Index (Point)	Market Cap (Billions QR)	Trading Value (Billions QR)	No. of Trading Volume (Billions Shares)	No. of Executed Transactions (Millions Transactions)
2018	46	10,299.01	588.72	68.50	2.29	1.04
2019	47	10,425.51	582.74	67.70	11.42	1.53
Change %	2.17%	1.23%	-1.01%	-1.16%	399.39%	46.60%

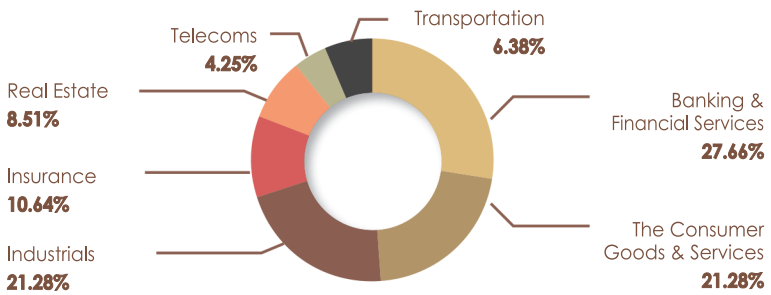
Listed shares 2019

Item	Total	Bonus shares	New Listings	Private Offering	Acquisition
No. of Listings	4	1	1	1	1
No. of Listed Shares (Million)	2,022.85	21.04	1,901.00	7.70	93.11

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 (Billions QR)	Traded Volume (Billions Shares)	No. of Executed Transactions (Millions Transactions)
Banking & Financial Services	28.20	3.83	0.42
The Consumer Goods & Services	8.53	1.02	0.15
Industrials	15.50	2.87	0.46
Insurance	2.17	0.38	0.06
Real Estate	7.01	2.28	0.26
Telecoms	3.25	0.52	0.12
Transportation	3.04	0.51	0.06
TOTAL	**67.70**	**11.42**	**1.53**

Market Capitalization & Indices for Sectors

Sector	Market Cap (Billions QR)	Turnover %	Earnings per Share %	P.E Ratio (Times)
Banking & Financial Services	311.85	9.04	3.28	2.11
The Consumer Goods & Services	36.80	23.17	3.81	1.97
Industrials	132.18	11.72	4.86	1.59
Insurance	14.59	14.90	4.60	0.89
Real Estate	36.30	19.32	3.81	0.58
Telecoms	27.58	11.80	3.67	1.03
Transportation	23.44	12.97	4.30	0.94
TOTAL	**582.74**	**11.62**	**3.80**	**1.53**

Equity Ownership Percentage of Investors (As per No. of Shares)

	Qatari Investors			Non-Qatari Investors	
category	Individuals	Non-governmental Institutions	Governmental Institutions	Individuals	Institutions
2018	28.47%	33.02%	29.27%	2.16%	7.08%
	90.76%			9.24%	
2019	28.88%	32.52%	29.38%	2.02%	7.20%
	90.78%			9.22%	

Government Debt Instrument

Treasury Bills Listed and Traded

T. Bills (Million QR)	2018	2019	Change %
Listed T. Bills	9,390.00	6,800.00	-27.58%
Traded T. Bills	----	----	----

Government Bonds Listed and Traded

G. Bond (Million QR)	2018	2019	Change %
Listed G. Bonds	14,900.00	30,000.00	101.34%
Traded G. Bonds	10,472.61	7,207.27	-31.18%

Exchange Traded Funds (ETFs)

ETF Name	Traded Value (Millions QR)
QE Index ETF (QETF)	45.72
Al Rayan Qatar ETF (QATR)	15.40
TOTAL	**61.12**