

State of Qatar

Law No. 33 of 2005

Amended by

Decree-Law No. 14 of 2007

Regarding

Qatar Financial Markets Authority

And

Qatar Securities Market

Chapter I Definitions

Article 1

Pursuant to the provisions of the present law, the following words and terms shall have the same meanings attributed thereto, unless the context indicates otherwise:

- Ministry** : Ministry of Economy and Commerce.
- Minister** : Minister of Economy and Commerce.
- Authority** : Qatar Financial Market Authority.
- Board** : Board of Directors of the Authority.
- CEO** : The Chief Executive Director of the Authority.
- Company** : Qatar Securities Market Company.
- Securities** : Corporate shares and bonds for Qatari Shareholding Companies, bonds issued by the government or any Qatari authority or public institution, or any other licensed securities.
- Dealing in Securities** : Purchase, sale, transfer of property and registration of licensed securities in the market, whether consisting of direct operations or through a broker.
- Deals outside the market**: Any dealings in securities or dealings connected directly or indirectly to securities, not conducted inside the market, or any other dealings determined by any by-laws issued in pursuance of this law.

Chapter II

Qatar Financial Market Authority

Article 2

There shall be established an authority called Qatar Financial Market Authority. The Authority shall have legal personality, enjoy financial and administrative autonomy, and be given necessary supervisory, controlling and regulatory powers to exercise its functions in accordance with the provisions hereof and those of the by-laws and regulations issued in pursuance hereof. The Authority shall not be subject to the provisions of the Public Authorities and Institutions Law.

Article 3

The Authority shall be under the control of the Council of Ministers and its head office shall be in Doha City.

Article 4

The Authority aims to maintain confidence in the system of dealing in securities and protect the owners of these securities in a way that ensures stability in the securities market and reduces the risks that it might face. In order to achieve this aim, the Authority shall:

1. Regulate and supervise financial markets.

2. Conduct studies, collect pieces of information and statistics on the securities that are being dealt with, and disseminate relevant reports.
3. Enhance links, communications and information exchange with foreign financial markets, bodies, institutions, and regional and international organisations and derive benefit from their methods in a way that helps developing financial markets internally.
4. Monitor the regulations of dealing among dealers in securities and other areas.
5. Authorise and supervise brokers and other financial markets experts.
6. Combat the causes of financial crimes that are related to financial markets.

Article 5

The Authority shall be managed by a Board of Directors composed of a number of members not lower than seven or higher than nine, including the Chairman and Deputy Chairman to be appointed by virtue of Amiri Resolution determining their benefits.

The Deputy Chairman shall replace the Chairman in his absence and the Board shall have a secretary selected by the Board, and shall determine his areas of competence and his financial benefits.

Article 6

The membership of the Board shall be three years renewable for similar term(s).

Article 7

The Board shall have such powers and authorities necessary for managing the Authority affairs and achieving its objects, namely the following:

- 1- To lay down the general policy of the Authority and supervise its execution
- 2- To approve and follow the Authority's plans, programs and projects
- 3- To propose the organizational structure of the Authority
- 4- To issue administrative and financial by-laws regulating the Authority affairs, and the Personnel Affairs Policy.
- 5- To approve the annual budget and closing account of the Authority
- 6- To determine the charges against services offered by the Authority to others.

The decisions of the Board specified under items 4 and 5 shall not be enforced unless they are approved by the Council of Ministers.

Article 8

The Chairman of the Board shall represent the Authority before the justice and in its relations with others.

Article 9

The Board shall meet at least once every month upon the invitation of its Chairman or upon the request of three members at least or whenever required. The Board meeting shall not be valid unless attended by the majority of its members including the Chairman or the Deputy Chairman.

Article 10

The Board meetings shall be confidential and no representatives may be authorized to attend or vote. The resolutions of the Board are passed by a majority of the votes of the members present. In case of a tie vote, the chairman shall cast the decisive vote.

Article 11

The minutes of the Board meetings and the resolutions shall be recorded in a special register with numbered pages and the minutes shall be signed by the Chairman and the Secretary.

Article 12

The Board may invite to attend its meetings any employees in the Authority or any other experts to seek their assistance, without having the right to vote.

Article 13

The Board may form one committee or more from among its members to study the subjects submitted to the Board and it may appoint members with expertise and competent to join the committees from inside or outside the Authority.

Article 14

The Chairman shall have the right to sign on behalf of the Authority and the Board shall have the right to delegate the CEO or any other employee in the Authority to sign, individually or jointly, all documents within the field of affairs as determined by the Board.

Article 15

The seal of the Authority shall not be valid unless accompanied by the signature of the Chairman or the authorized signatory.

Article 16

Neither the Chairman nor the CEO or any employee in the Authority shall have direct or indirect personal interest in the contracts concluded with the Authority or for its account, or in the projects developed by the Authority or any of its other activities.

Article 17

The Authority shall retain a chief executive officer (CEO), who shall not be member of the board, appointed by virtue of a resolution issued by the Board. The CEO shall, under the supervision of the Board and within the General Policy of Authority, carry out all administrative, financial and technical affairs of the Authority, according to the Authority by-laws and regulations and in the limits of the annual budget. He shall be mainly responsible for the following:

- 1- To propose the Authority plans, programs and projects
- 2- To develop the organizational structure of the Authority and propose its administrative and financial regulations in addition to the Personnel Affairs Policy.
- 3- To prepare the Board agendas in coordination with the Chairman
- 4- To execute the resolutions of the Board
- 5- To prepare the annual draft budget and closing account of the Authority

- 6- To prepare an annual report about the Authority achievements and work schedules and to submit it to the Board at the end of each financial year.
- 7- Any other functions that it may be assigned to him by the Board, in accordance with the provisions of this law.

Article 18

The Authority shall be responsible for developing and issuing all regulations and resolutions required for the implementation of this law and achieving its objectives, namely:

- 1- Conditions to authorize activities related to financial markets
- 2- To determine the dealings in securities considered as market activities
- 3- Financial markets' license conditions with regard to deposit and method of management
- 4- Conditions and procedures for issuing securities to the public in the markets subject to the Authority control, and requirements to obtain the approval of the Authority of the issuance release approved by the Ministry of Economy and Commerce, verifying that it contains detailed, sufficient and accurate information required by investors
- 5- Conditions for authorizing listing and dealing in securities within the markets controlled by the Authority, particularly the conditions for periodic and immediate disclosure of

investment results, the essential developments and events that influence the securities' rates, the transparency, fairness and impartiality of the dealings in the market, the governance, control, consolidation, and possession, the financial solvency, the professional competence, and impartiality of managers and controllers of listed companies.

- 6- Conditions and procedures for granting licenses to brokers and other professionals in financial markets and approving their disciplinary system.
- 7- Conditions related to purchase and appropriate of securities issuers
- 8- To approve the by-laws and regulations pertaining to and issued by the financial markets controlled by the Authority
- 9- Conditions and procedures for resolving the claims against the decisions of those controlled by the Authority
- 10- To develop methods to settle the disputes that may arise from transactions related to securities, mainly a committee to settle the disputes by arbitration and other settlement methods and a committee to impose charges on violation of the provisions of this law and its by-laws and regulations.

Article 19

The following registers shall be created and kept in the Authority:

- 1- Securities register

2- Register for brokers and other professionals in the financial markets

3- Register for brokers' agents.

The Authority may create other registers as it may be required for the achievement of its objectives.

Article 20

The Authority shall be responsible for controlling and supervising the financial markets, in accordance with the provisions of this law and the by-laws and resolutions issued in pursuance hereof.

Article 21

The Authority may, by virtue of written notice, issue instructions to the financial markets. The financial markets shall include such instructions in their regulations and work in accordance thereof.

Article 22

Financial markets' activities may not be carried on without a license issued by the Authority, according to the provisions of this law and the by-laws issued in pursuance hereof.

Article 23

No broker may be allowed to authorize any person to serve as agent unless this person is registered as broker agent by the Authority.

Article 24

No person shall be authorized to deal in securities or exercise any other act that results in determining the rate or value of other securities, whenever such act is based on information not available to the public, or gives or may give a wrong or misleading idea about the securities, or may cause any trouble in the market.

Article 25

The Authority shall have the right to investigate any violations of the provisions hereof or the by-laws, regulations and resolutions issued in pursuance hereof. The Authority shall also have the right to inspect and visit the head offices of the bodies controlled by it to ensure observance of such provisions.

The bodies controlled by the Authority shall submit all necessary documents that may assist the Authority in fulfilling its responsibilities, namely:

- 1- To allow the Authority representatives to inspect any registers, documents, files, tapes, computers, or any other methods used for saving or treating any information.
- 2- To facilitate the mission of the Authority representatives while performing their work
- 3- To provide the Authority with copies of any requested reports or documents.

Article 26

In the event where any body controlled by the Authority violates any provisions hereof or any by-laws, regulations or resolutions issued in pursuance hereof, the Authority may take all or some of the following procedures:

- 1- Issue instructions to take appropriate correctional measures.
- 2- Notice.
- 3- Blame.
- 4- Impose specific restrictions on the business carried on by the body controlled by the authority.
- 5- Suspend the business for a limited period of time not exceeding six months.
- 6- Carry out the market management for a specific period of time.
- 7- Withdraw the license.

- 8- Impose a financial penalty not exceeding (QR5,000) Qatari Riyals five thousand per day in case of continuous violation.
- 9- Impose financial penalty not exceeding ten million Qatari Riyals.

The Authority shall have the right to oblige the violating party to recover the money or to indemnify the damaged party.

The Authority shall notify the violating party of the issued decision regarding the imposition of the penalty and the Authority may publish such decision in any way as it may deem appropriate.

The regulations laid down by the Authority shall determine the conditions and procedures for reconciliation with regard to the violations provided for, in this law.

Article 26 (bis)

It shall be formed a committee called Complaints Committee, presided over by a justice in the Court of Appeal, selected by the Supreme Council of Justice, with the membership of four members competent in considering complaints regarding the decisions of the Authority. The decision of the Committee with regard to the complaint shall be final.

A resolution shall be issued by the Council of Ministers to form the committee and determine its responsibilities and procedures to be followed.

Article 27

The financial resources of the Authority shall be composed of:

- 1- Financial support allocated by the State.
- 2- Revenues from services offered by the Authorities.
- 3- Amounts of financial penalties imposed in accordance of the provisions of this law and the by-laws issued in pursuance hereof.

Article 28

The Authority shall have independent budget and a private account for deposit of funds.

The financial year of the Authority shall start on January 1st and end on December 31st of every year.

Article 29

The Council of Ministers shall have the right to appoint one or more auditors to audit the accounts of the Authority and the funds managed by it. The auditor shall have the right, at any time, to peruse

the Authority's books, registers and documents, request any information that he may deem necessary for proper performance of his duties and verify the assets and obligations of the Authority.

The auditor shall submit an annual report on his work to the Council of Ministers.

Article 30

The Board shall submit to the council of ministers an annual detailed report on the Authority activities, projects, work process and financial position within three months from the expiry date of the financial year. The report shall include the proposals and recommendations of the Board and it shall be accompanied by copy of the Audit Bureau report.

Article 31

The Council of Ministers shall, at any time, request the Authority to submit reports on its financial and administrative positions, its activities or any information related thereto.

The Council of Ministers may issue general directives regarding the procedures to be followed by the authority in all matters related to its activity.

Article 32

The amounts due to the Authority shall, under this law, have priority over all the debtors' funds and over all the debts after judicial expenses and expenditure debts. The Authority shall have the right to collect such amounts in accordance with the applied regulations regarding the collection of government funds.

Chapter III

Qatar Securities Market Company

Article 33

A Qatari shareholding company shall be established under the provisions of this law, the Commercial Companies Law issued by virtue of Law No. 5 of 2002 and the articles of association of the company. The company shall be called “Qatar Securities Market Company” and it shall be founded by virtue of the Minister’s resolution.

The Doha Securities Market Committee shall continue to manage the market and conduct its affairs, in accordance with the rules and provisions in force, until establishment of the company and carrying on of its activities.

Article 34

The company shall aim to:

- 1- Regulate investments in securities.
- 2- Offer services in financial market management, clearance, settlement of transactions, registration, deposit, and all that is related to all types of investments authorized for the

company, whether securities or derivatives, including all types of financial instruments.

- 3- Offer facilities for transactions of brokers, dealings, market industry, stock borrowing, investment management, consulting, investment trustees' services, registration, and agents' services.
- 4- Provide and publish information related to the market.
- 5- Establish relations with financial markets or market service providers present outside the state to develop the market according to the information and experience of those markets. The company may also conclude commercial agreements with those markets or the market services providers in order to achieve its objectives.

Article 35

The capital of the company, the number and value of shares and the subscription in the shares shall be determined according to the articles of association of the company.

Article 36

All the members of the board of directors of the company and all the managers and employees of the company shall observe the provisions of the Penal Code issued by virtue of the Law No. 11 of 2004.

Chapter IV

Sanctions

Article 37

Without prejudice to the financial penalties imposed by the Authority under the provisions of this law and the by-laws, regulations and resolutions issued in pursuance hereof, or any more extreme penalty provided for in any other law, shall be punished by imprisonment for a period not exceeding two years and a fine no lower than fifty thousand Qatari Riyals or higher than ten million Qatar Riyals or by both punishments, any person who commits the following:

- 1- Disclose any confidential information that became available to him through his work or connections, in pursuance of the provisions hereof.
- 2- Deal in financial markets on the basis of undisclosed information made available to him by his work.
- 3- Spread rumors about the positions of any company in order to affect the rates of its shares.
- 4- Intentionally provide any information or statements or announce statements that he knows they are wrong statements in order to affect the decisions of the dealers in the financial markets.

- 5- Execute false operations for the purpose of monopoly and confidence exploitation.
- 6- Conclude any agreements or operations in order to manipulate the securities' rates and achieve profits at the expenses of the dealers.
- 7- Violate the provisions of the articles 22, 23, and 24 hereof.

Chapter V

General Provisions

Article 38

All assets and liabilities of Doha Securities Market shall pass to the company, including the buildings, procurements, lands owned by the Market, stocks, rights, contractual obligations, debts, and investments inside and outside the state.

Article 39

By virtue of a resolution by the council of ministers and upon the proposal of the board of directors, any employee of Doha Securities Market may be transferred to the Authority and Company under the same job grade, rights and benefits.

Article 40

The Civil Service Law No. 1 of 2001 shall be applied on the Authority Employees with regard to all matters that are not provided for in this law or in the Personnel Affairs Policy.

Article 41

The Arbitration and Disciplinary Committees provided for in Law No. 14 of 1995 mentioned above shall continue to consider the arbitrations, violations and complaints submitted to them in accordance with the applied procedures and rules until issuance of special by-laws in this regard.

Article 42

The Authority personnel, authorized by a resolution issued by the public prosecutor under an agreement with the chairman, shall serve as Case Establishment Judicial Officers authorized to establish and evidence all violations of the provisions of this law and the by-laws, regulations and resolutions issued in pursuance hereof.

Article 43

The Authority organizational structure of Authority, departments and respective responsibilities thereof shall be determined by a resolution issued by the council of ministers, upon the proposal of the board of directors.

The Board may issue a resolution to create sections within the departments of the Authority, determining the responsibilities thereof or modifying, canceling, adding or merging any such section.

Article 43 (bis)

The Authority may, by virtue of resolutions or regulations issued by it, create or approve the creation of one or more fund to cover the risks, determining all matters related thereto, including its objectives, management method, membership conditions, financial resources, management of its assets, and method of its operation and liquidation.

Article 44

The Board shall issue the by-laws, regulations and resolutions required for the implementation of the provisions hereof. Until issuance of such by-laws, regulations and resolutions, the current valid by-laws, regulations and resolutions shall continue to be applied in such a manner that does not contradict with the provisions hereof.

Article 45

The provisions of the Law No. 14 of 1995 regarding the creation of Doha Securities market shall remain to be applied until issuance by the Authority of the by-laws, regulations and resolutions regulating the financial markets.

Article 46

All the competent authorities shall, within their respective jurisdictions, implement this law which shall be published in the Official Gazette.