

Law No. 33 of 2005 Qatar Financial Markets Authority (QFMA) 33 / 2005

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We, Tamim bin Hamad Al-Thani, Deputy Emir of the State of Qatar,
Having perused the Constitution,
Law No. 14 of 1995 establishing the Doha Securities Market, as amended by Law No. 26 of 2002,
The proposal of the Minister of Economy and Commerce,
The draft law PRESENTED by the Council of Ministers,
And after consulting the *Shura* Council,
Hereby promulgate the following Law:

Chapter One

Definitions

Article 1 (Amended By Law 10/2009) (Amended By Decree 14/2007)

The following words and expressions shall have the following meanings unless the context requires otherwise:

“Ministry” means the Ministry of Economy and Commerce.

“Minister” means the Minister of Economy and Commerce.

“Authority” means the: Qatar Financial Market Authority.

“Board” means the Board of Directors of the Authority.

“CEO” means the Chief Executive Director of the Authority.

“Company” means Qatar Securities Market Company.

“Securities” mean corporate shares and bonds for Qatari Shareholding Companies, bonds issued by the government or any Qatari authority, public corporations and/or any other licensed securities.

“Dealing in Securities” means 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” means 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 pursuit of this law.

Chapter Two

Qatar Financial Market Authority

Article 2 (Amended By Law 10/2009) (Amended By Decree 14/2007)

An authority called Qatar Financial Market Authority hereinafter referred to as the "Authority" shall be established. The Authority shall have a corporate personality and shall have a budget attached to the budget of the Ministry

Article 3 (Amended By Law 10/2009)

The Authority shall be under the authority of the Minister of Economy and Finance and shall have its headquarters in Doha City. The Minister shall be responsible of the general supervision over the Authority

Article 4

The Authority shall aim to maintain confidence in the system of dealing in securities and shall protect owners of such securities in a way that ensures stability in the securities market and reduces the unforeseeable risks. In order to achieve this aim, the Authority shall conduct the following:

1. Regulate and supervise the financial markets;
2. Conduct studies, collect information and statistics on securities traded in the Market and disseminate relevant reports.
3. Enhance links, communications and information exchange with international and regional financial markets, authorities, corporations and organizations to derive benefit from their methods in a way that helps developing the state's financial markets.
4. Monitor the regulations of trading among traders in securities and other areas of their business.
5. Authorise and supervise brokers and other financial markets practitioners.
6. Combat causes of financial crimes related to financial markets.

Article 5 (Amended By Decree 14/2007)

The Authority shall be managed by a Board of Directors consisting of at least seven members and a maximum of nine members. This shall include the Chairperson and the Deputy Chairperson to be appointed by an Emiri Resolution which shall also determine their remuneration. The Deputy Chairperson shall chair the meetings in the absence of the chairperson. The secretary shall be appointed by the Board. The board shall determine the secretary's job description and remuneration.

Article 6

The membership of the board shall be three year term which shall be renewable for similar terms.

Article 7 (Amended By Law 10/2009) (Amended By Decree 14/2007)

The Board shall have the authorities and powers necessary to manage the affairs of the Authority in order to achieve its objectives, in particular:

- 1- Develop the Authority's general policies and supervise their execution.
- 2- Approve and follow up the implementation of short term plans, programs and projects of the Authority.
- 3- Issue the administrative and financial by-laws that regulate the Authority affairs.
- 4- Propose the annual budgets and closing accounts of the Authority.
- 5- Determine the financial charges for services offered by the Authority to third parties.
- 6- Issue licences related to the securities and the likes.

The resolutions of the Board specified under items 2 and 3 may only be enforced after the approved of the Council of Ministers.

Article 8

The Chairperson of the Board shall represent the Authority before the judiciary and in its relations with third parties.

Article 9

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

Article 10

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

Article 11

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

Article 12

The Board may invite any employees or experts to the meetings for their assistance. However they shall not have the voting rights

Article 13

The Board may form one committee or more from among its members to assist it in studying the issues submitted to the Board. The Board may also appoint from inside or outside the Authority members with expertise and competence for such assistance.

Article 14

The Chairperson shall have the right to sign on behalf of the Authority. The Board shall have the right to delegate the signing powers, in the affairs determined thereby to the CEO or any other employee to sign severally or jointly.

Article 15

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

Article 16 (Amended By Decree 14/2007)

Neither the Chairperson nor the Board members or CEO or any employee in the Authority may have any 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 activities.

Article 17 (Amended By Law 10/2009) (Amended By Decree 14/2007)

The Authority shall retain a Chief Executive Officer (CEO), who shall not be a member of the board. The CEO shall be appointed by an Emiri resolution following the proposal of the Minister. The CEO shall, under the supervision of the Board and within the General Policy of the Authority, carry out all administrative, financial and technical affairs of the Authority according to the Authority's by-laws and regulations and within the limits of the annual budget. The CEO shall be mainly responsible for the following:

1. Propose the Authority's short term plans, programs and projects.
2. Carry out the functions of the CEO as provided for in the aforesaid Law of Human Resources Management.
3. supervision of the proper functioning of the Authority's work;
4. Prepare the agenda of the Board in coordination with the Chairperson;
5. Execute the resolutions of the Board;
6. Prepare the annual draft budget of the Authority;
7. Prepare an annual report about the Authority achievements and work;
8. Any other functions that may be assigned to him by the Board, in accordance with the provisions of this law.

Article 18 (Amended By Law 10/2009) (Amended By Decree 14/2007)

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

1. Preparing licensing terms and conditions to authorize activities related to financial markets;
2. Determining the transactions in securities considered as market activities;
3. Determining the terms and conditions of the license of financial market in respect of deposit and management;
4. Determining 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 disclosure of information as required by the investors;
5. Determining conditions for authorizing listing and dealing in securities within the markets controlled by the Authority, particularly conditions for periodic and immediate disclosure of investment results, essential developments and events that influence the rates of securities, transparency, fairness and impartiality of the dealings in the market, the governance, control, consolidation, acquisition, financial solvency, professional competence and impartiality of managers and controllers of listed companies.
6. Determine the conditions and procedures for granting licenses to brokers and other professionals in financial markets and approving their disciplinary systems.
7. Determine the conditions related to the purchase of securities and appropriateness of the securities issuers;
8. Approve the by-laws and regulations pertaining to and issued by the financial markets controlled by the Authority.
9. Determine the conditions and procedures for resolving the claims against the decisions of those controlled by the Authority.
10. Developing mechanisms to settle disputes that may arise from transactions related to securities, particularly a committee to settle disputes by arbitration and other means of resolving disputes and a committee to impose charges on violation of the provisions of this law and its by-laws and regulations.

The regulations and resolutions issued by the Authority in the matters provided for in Article 10 may only be effective after the approved of the Council of Ministers.

Article 19

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

1. Securities register;
2. Register of brokers and other professionals in the financial markets;
3. Register of agents of the brokers.

The Authority may establish 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 in implementation thereof.

Article 21

The Authority may issue written instructions to the financial markets. The financial markets must include such instructions in their regulations and work in accordance therewith.

Article 22

Activities of the financial markets may not be carried out without a license issued by the Authority. The license shall be issued according to the provisions of this law and the by-laws thereof

Article 23

No broker may be allowed to authorize any person to serve as an agent unless such person is registered at the Authority as a broker agent.

Article 24

No person may be authorized to deal with the market in securities or exercise any other act that may result in determining the rate or value of other securities, whenever such act is based on information not available to the public. Furthermore no person may promote a wrong or misleading perception about securities or may cause any instability in the market.

Article 25 (Amended By Decree 14/2007)

The Authority may have the right to investigate any violations of the provisions of this law; and bylaws, regulation and resolutions implementing thereof. The Authority shall also have the right to inspect and visit the head offices of the bodies it controls to ensure observance of such provisions. The bodies controlled by the Authority shall submit all necessary documents that may assist the Authority to fulfill its responsibilities, namely:

1. Enable the Authority's representatives to review registers, documents, files, tapes, computers, or any other methods used to save or process any information.
2. Facilitate the work of the Authority representatives while performing their duties;
3. Provide the Authority with copies of any requested reports or documents.

Article 26 (Amended By Decree 14/2007)

Where anybody controlled by the Authority found guilty of violating any provisions of this law or any executive by-laws, regulations or resolutions thereof, the Authority may take all or some of the following procedures:

1. Issue instructions to take correctional measures.
2. Give a notice.
3. Apportion blame.
4. Impose specific restrictions on the works of the party controlled by the authority.
 1. Suspend the business of the offending party for a limited period of time, that period shall not exceed six months.
 2. Carry out market management for a specific period of time.
 3. Withdrawal of the license.

4. Impose a financial penalty not exceeding five thousand Qatari (5000) Riyals per day in case of continuous violation.

5. Impose financial penalty not exceeding ten million Qatari (10,000,000) Riyals.

The Authority may oblige the violating party to recover the money or to indemnify the affected party. The Authority shall notify the violating party of 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 composition regarding violations stated in this law.

Article 26 - BIS (Added By: Decree 14 / 2007)

A Complaints Committee headed by a judge of the Court of Appeal selected by the Supreme Council of Justice, with the membership of four competent members to consider complaints regarding the decisions of the Authority. The decision of the Committee regarding the complaint shall be final. The Committee shall be formed by a resolution issued by the Council of Ministers which shall also determine its functions and procedures.

Article 27 (Amended By Decree 14/2007)

The financial resources of the Authority shall be derived from the following sources:

1-Financial support allocated by the State;

2- Revenues from services offered by the Authority.

3-Financial penalties paid to the Authority in accordance with the executive by-laws, regulations or resolutions thereof.

Article 28 Cancelled (Repealed By Law 10/2009) (Amended By Decree 14/2007)

Article 29

The Council of Ministers may appoint one or more auditors to audit the accounts and the funds managed by the authority. The auditors shall have the right, at any time, to peruse the books of the Authority; its registers and documents. They may request any information that they deem necessary for proper performance of their duties and shall verify the assets and liabilities of the Authority. The auditors shall submit an annual report on their work to the Council of Ministers.

Article 30 (Amended By Law 10/2009)

The Minister shall submit to the council of ministers an annual detailed report on the activities of the Authority including its 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 a copy of the Audit Bureau report

Article 31

The Council of Ministers may, at any time, request the Authority to submit reports on its financial and administrative positions, or any information thereon. 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 alimony debts. The Authority shall have the right to collect such amounts in accordance with the applied regulations regarding the collection of government funds.

Chapter Three

Qatar Securities Market Company

Article 33 (Amended By Law 10/2009) (Amended By Decree 14/2007)

A Qatari shareholding company shall be established under the provisions of this law and the provisions of the foregoing Commercial Companies Law issued by virtue of Law No. 5 of 2002 to run and introduce investments services in financial markets and achieve other objectives included in the Articles of Association of the Company as approved by the Authority. The company shall be established by a decision of the competent minister.

Article 34 (Amended By Law 10/2009) (Amended By Decree 14/2007)

The Company's decisions shall be appealed before the Authority in accordance with the controls of the authority approved by the Council of Ministers.

Article 35 Cancelled (Repealed By Law 10/2009) (Amended By Decree 14/2007)

Article 36

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

Chapter Four

Sanctions

Article 37 (Amended By Decree 14/2007)

Without prejudice to the financial sanctions imposed by the Authority under the provisions of this Law and the executive bylaws, regulations and resolutions relating thereto, or to any more severe penalty provided for by any other legislation, any person who commits the following shall be punished with imprisonment for a period of not exceeding two years and a fine of not less than Fifty Thousand (50,000) Riyals and not more than Ten Million (10.000.000) Riyals, or by either penalty:

1. Disclosed confidential information obtained through his work or dealings, pursuant to the provisions of this Law;
2. Dealt in the financial markets based on undisclosed information obtained through his work;
3. Spread rumors regarding the positions of any company, in order to influence the levels of its share prices;
4. Intentionally provided data or information, or issued statements, which were known to be incorrect with the intention of influencing the decisions of dealers in the financial markets;
5. Conducted fraudulent operations, for the purpose of monopoly and the exploitation of trust;
6. Conducted agreements or operations with the intention of manipulating the prices of securities, in order to make a profit at the expense of its dealers;
7. Violated the provisions of Articles 22, 23 and 24 of this Law.

Chapter Five

General Provisions

Article 38 (Amended By Decree 14/2007)

All assets and liabilities of Qatar Securities Market shall be passed 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 (Amended By Decree 14/2007)

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

Article 40 Cancelled (Repealed By Law 10/2009)

Article 41 (Amended By Law 10/2009)

The Arbitration and Disciplinary Committees provided in Law No. 14 of 1995 mentioned above shall continue to consider the arbitrations, violations and complaints submitted thereto in accordance with the applied procedures and rules until the issuance of special by-laws, ad hoc committees by the Authority and their start of work

Article 42 (Amended By Law 10/2009) (Amended By Decree 14/2007)

The Authority personnel, authorized by a resolution issued by the public prosecutor under an agreement with the Minister, shall serve as Judicial Officers authorized to investigate all violations provided for in this law and the bylaws, regulations and decisions implementing thereof.

Article 43 (Amended By Law 10/2009)

The organizational structure of the Authority, departments and respective responsibilities thereof, shall be determined by a resolution issued by the Council of Ministers based on the proposal of the Minister. The Board may issue a resolution to modify, cancel, or merge divisions within the departments of the Authority.

Article 43 - BIS (Added By: Decree 14 / 2007)

The Authority may, by virtue of resolutions or regulations issued thereby, establish or approve the creation of one or more Funds to cover the risks, and determine 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 (Amended By Decree 14/2007)

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 by-laws, regulations and resolutions shall continue to be applied in such a manner that does not contradict with the provisions hereof.

Article 45 (Amended By Decree 14/2007)

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 competent authorities, each within its respective jurisdictions, shall implement this law which shall be published in the *Official Gazette*.

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