

Law No.13 of 2012 on Issuing the Law on Qatar Central Bank and the Regulation of Financial Institutions 13 / 2012

Number of Articles: 234

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We, Hamad bin Khalifa Al-Thani, Emir of the State of Qatar,

Having perused the Constitution:

Decree-Law No. 1 of 1966 concerning the supervision and control of insurance companies and agents, as amended;

Law No. 13 of 2000 concerning the regulation of non-Qatari capital investment in the economic activities, as amended;

The Commercial Companies Law promulgated by Law No. 5 of 2002, as amended;

Law No. 18 of 2002 concerning the public debt and Islamic securities, as amended;

Law No. 30 of 2004 regulating the auditing profession;

The QFC Law No. 7 of 2005, as amended;

Issuance Articles

Article 1 - إصدار

The provisions of the Law on Qatar Central Bank and the regulation of financial institutions, annexed hereto, shall enter into force.

Article 2 - إصدار

Save as otherwise provided for in a special provision in the law annexed hereto, the substantive provisions relating to each of them in the legislation governing them shall apply to the financial institutions, businesses and services set forth herein.

Article 3 - إصدار

All those concerned with the provisions of the law annexed hereto shall regulate their status in accordance with its provisions within six (6) months from the date of its entry into force. The Governor of Qatar Central Bank may extend this deadline for a similar period/s.

Article 4 - إصدار

The Governor of Qatar Central Bank shall issue the bylaws, resolutions, regulations, instructions and circulars necessary to implement the provisions of the law annexed hereto. Until then, the current bylaws, resolutions, regulations, instructions and circulars in force shall continue but only where they do not contradict the provisions of the law annexed hereto.

Article 5 - إصدار

Decree-Laws No. 1 of 1966 and No. 33 of 2006, referred to, shall be abrogated, as well as any provision contrary to the provisions of the law annexed hereto.

Article 6 - إصدار

All competent authorities, each in their respective jurisdiction, shall enforce this resolution from the date of its publication in the *Official Gazette*.

Part I: Definitions

Article 1

In applying the provisions of this law, the following words and phrases shall have the meanings assigned thereto, unless the context otherwise requires:

- "The Ministry" means the Ministry of Economy and Finance.
- "The Minister" means the Minister of Economy and Finance.
- "The Bank" means Qatar Central Bank (QCB).
- "The Board" means the Board of Directors of the Bank.
- "The Governor" means the Governor of the Bank.
- "The Competent Authority" means the competent administrative unit in the bank, and which shall be determined by the decision of the Governor.
- "The Committee" means the Dispute Resolution Committee established under Article 190 of this Law.
- "The Bureau" means Qatar Credit Bureau.
- "Financial institution" means any bank or insurance or reinsurance company or investment company or financier or exchange or a representative office or outdoor unit and other financial institutions as determined and regulated by a decision of the Bank, and which shall be licensed in accordance with the provisions of this Law to practice all or some of the activities of banking, insurance and reinsurance, investment and finance, exchange and other financial businesses, services and activities as determined by the Bank.
- "Islamic financial institutions" means banks or insurance, reinsurance and investment companies and financiers and other financial institutions to be determined and organized by a decision of the Bank, and licensed in accordance with the provisions of this Law to practice all or some of the activities of banking, insurance and reinsurance, investment and finance, and other business services and financial activities determined by the Bank in accordance with the provisions of Islamic Sharia.
- "Bank" means any juristic person licensed in accordance with the provisions of this Law to conduct all or some of the activities of banking, investment and development in the State.
- "Islamic banks" means banks licensed in accordance with the provisions of this Law to conduct all or some of the activities of banking, investment and development in accordance with the provisions of Islamic *Sharia*.
- "Specialized banks" means banks licensed in accordance with the provisions of this Law to conduct all or some of the activities of banking, investment and development in specific economic sectors.
- "Investment Company" means any company licensed in accordance with the provisions of this Law to conduct all or some of the activities of investment without receiving deposits.
- "Finance company" means any company licensed in accordance with the provisions of this Law to conduct financial funding and granting of credit and lending various consumer loans or any specialised financing business determined by the Bank.
- "Exchange firm" means any company licensed in accordance with the provisions of this Law to exchange money without receiving deposits.
- "Foreign unit" means any investment company or a branch of a foreign investment company, and any bank or branch of a Qatari or foreign bank licensed in accordance with the provisions of this Law to conduct some or all of the banking or investment business in the State without receiving deposits.
- "Representative offices" means offices whose activity is limited to the representation of foreign banks and investment companies in the State without receiving deposits or conducting banking or investment or exchange business.
- "Advisory institutions" means institutions licensed by the Bank to provide consulting services in securities or any other investment or financial instruments.
- "Insurance or Reinsurance Company" means any joint stock company licensed under the provisions of this Law to conduct operations of insurance or reinsurance or solidarity (*Takaful*) or re-solidarity.
- "Money" means banknotes, monetary coins, electronic or digital money and other monetary instruments issued by a decision of the Bank.
- "Financial services" means services offered by financial institutions, including Islamic financial institutions, as determined and its provision regulated by a decision of the Bank.
- "Deposits" means money deposited with or without interest or a return, repayable to the depositor on demand or by an agreed deadline or on other agreed conditions. This includes deposits that are consistent with the provisions of Islamic *Sharia*.
- "Credit Information" means the information pertaining to a person's creditworthiness and reputation as determined by the bylaws and resolutions issued by the Bank.
- "Banking business" means acceptance of deposits and other recoverable funds; granting of credit facilities; discounting, purchase and sale of securities; trade in monetary and property instruments, foreign exchange and precious metals; issuance of checks, credit cards and other payment instruments; issuance of guarantees and commitments; and any other activities determined by the Bank.
- "Investment Business" means investing for third parties, practicing brokerage and financial agency, arranging Initial Public Offerings, providing custody and security services, participating in the issuance of shares and other securities, managing portfolios and investment funds, trading in monetary instruments and cash money, foreign exchange and precious metals, advising on capital markets and acquisition-related services, purchase and sale of businesses, and any other businesses determined by the Bank.
- "Exchange business" means exchanging and trading in different currencies; trading in travelers' checks, precious metals and alloys; issuing and accepting transfers from licensed correspondents; and any other activities determined by the Bank.
- "Insurance" means a contract (policy) whereby the insurer undertakes to compensate the insured or the beneficiary in whose favour the insurance is concluded for loss or damage covered by the policy in return for payment of a specified amount of money (the premium) or any other consideration.
- "Reinsurance" means the transfer by an insurance company of part or all of the losses sustained by it to a reinsurance company according to the conditions agreed between them.
- "Insurance policy" means the contract between the insurer and the insured containing the terms, conditions, liabilities and rights of the parties.
- "Policy holder" means the legal holder of the insurance policy at a specific time. This shall include the beneficiary entitled under the insurance policy to a lump sum cash payment, regular salary or any financial indemnity for loss or damage covered by the policy.
- "Insurance assessor" means a person licensed by the Bank to conduct an inspection, evaluate damages, study the causes thereof, and determine the extent of policy coverage for such damages, as well as to present proposals on means of improving the protection against risks and the conservation of the assets under insurance.
- "Actuary" means any person licensed by the Bank to compile and analyze mathematical evaluations of the probability of the occurrence of risks and the bases, rates and value of claims and corresponding actuarial reserve and all the activities related to their computation and statistics in accordance with the generally accepted principles of financial security systems and resolutions issued by the Bank.
- "Insurance consultant" means any person licensed by the Bank to practice insurance consultancy business, in particular risk assessment and participation in the evaluation of assets and liabilities of the insurer and the insured, without having the right to conduct any activity of insurance or reinsurance or to participate therein.
- "Insurance broker" means any person licensed by the Bank to exercise, on behalf of the insured, the activities of brokering and insurance or re-insurance

with insurance or reinsurance companies, subject to the provisions of this Law.

"Representative of the insurance company" means any person acting on behalf of an insurance company in marketing its services and dealing with the insured.

"Person" means *mutatis mutandis* a natural or juristic person (*persona ficta*)

"Agent" means any natural or juristic person who acts, or has the power or authority to act, either expressly or impliedly on behalf of a financial institution.

Part 2: Bank Regulation and Relation with the Government

Chapter One: Bank Regulation

Article 2

Qatar Central Bank (hereinafter "the Bank") shall have juristic personality and an independent budget, and shall report directly to the Emir.

Article 3

The Bank's headquarters shall be in Doha and it may open branches at home and abroad and may also appoint agents and correspondents at home and abroad.

Article 4

The Bank shall enjoy financial and administrative independence and all the regulatory, control and supervisory powers necessary for the exercise of its functions and achievement of its objectives in accordance with the provisions of this Law. The Bank shall conduct its operations with third parties in accordance with business and banking and rules and customs.

Article 5

Within the framework of the general economic policy of the State, the Bank shall aim at assisting in the development and support of the national economy to achieve the following:

1. Maintaining the value of the currency and securing monetary stability.
2. Acting as a higher regulatory, control and supervisory body for all services, businesses, markets and financial activities in or through the State, in accordance with the best international standards and practices.
3. Founding a services, business, markets and financial activities sector that is based on the rules of the market and enjoys stability, transparency, competitiveness and good governance.
4. Enhancing public confidence in the State as a leading global hub for services, business, markets and financial activities.
5. Ensuring orderly development of the services, business, markets and financial activities sector in line with the objectives of both the economic and overall development of the State.

Article 6

In cooperation and coordination with the Ministry and relevant government agencies, the Bank shall seek to achieve the goals of the State's economic and development policy in accordance with the following objectives:

1. Stability of the Riyal exchange rate, and its convertibility to other currencies.

2. Stability of prices of goods and services.
3. Financial and banking stability.

Article 7

Being the higher competent body, the Bank shall, in the context of the vision of the national strategy and according to the best international standards and practices, develop and implement the State's monetary policy, exchange rate policies and policies relating to regulation, control and supervision of services, business and financial activities in the State. To that effect, the Bank shall in particular:

1. Issue money notes and the regulating transactions thereof.
2. Act as a government bank.
3. Act as a bank for banks and other financial institutions operating in the country.
4. Develop regulations and rules that help stabilise the financial and banking sector and increase its efficiency and scalability.
5. Develop controls, instructions and guidelines for corporate governance, transparency and good governance in all financial institutions under the control of the Bank.
6. Develop and apply principles, controls and standards for the monitoring and supervision of financial institutions.
7. Develop a system or setting up of a fund to protect and guarantee deposits, alone or with the participation of banks operating in the country.
8. Develop systems and procedures to ensure the protection of consumers of financial services and products, including regulation of financial instruments, products and derivatives, and dissemination of awareness about the risks involved.
9. Issue licences to financial institutions to practice financial services, business and activities, oversight and supervise the same in accordance with the provisions of this Law and its implementing resolutions.
10. Seek to facilitate and encourage innovation in the field of industry, business services and financial activities.
11. Implement the necessary procedures and measures to address the global, regional or local economic and financial crisis, in coordination with the Ministry.
12. Implement the appropriate procedures and measures to reduce crimes related to services, business and financial activities.
13. Manage and invest funds and reserves.
14. Establish, manage and develop banking and financial services systems and ancillary services.
15. Establish, manage and develop credit centres, corporations and companies that serve its goals.
16. Provide advice to the Council of Ministers in all matters relating to financial and economic affairs.
17. Notify the Council of Ministers of any factors that threaten the stability of the financial or banking system, and propose appropriate solutions in this regard.
18. Represent the State in the regional and international monetary and financial institutions.
19. Prepare research and studies and disseminate statistics related to its activity and work.
20. Perform any other tasks or functions assigned to it by the Emir.

Article 8

The Bank, being the supreme competent body, and in the context of the National Strategic Vision, and according to the best international standards and practices, undertakes to develop and follow-up the implementation of policies relating to the regulation, oversight and supervision of all financial services, business and financial activities that are practiced in or through the Qatar Financial Centre (hereinafter "the QFC"), and to develop and follow-up the implementation of policies concerning the regulation, oversight and supervision of all financial markets in the State.

Chapter Two: Bank Capital and Accounts

Article 9

1. The capital of the Bank shall be fifty billion (50,000,000,000) Riyals, fully State-owned, inalienable, non-hypothecated and not subject to risk of forfeiture. The capital may be increased by a Decree on the proposal of the Governor.
1. Where the bank accounts show a deficit in the capital, the State shall issue non-convertible debt securities to cover the deficit. Such securities shall have no redemption yield.

Article 10

The Bank's fiscal year shall start on the first day of January and end on the thirty - first day of December of each year. The bank shall, at the end of each fiscal year, prepare its budget and profit and loss account according to generally accepted accounting principles. The net profit shall be determined for

each fiscal year after the deduction of costs and expenses.

Article 11

1. The Bank shall have a general reserve account to which ten (10) percent of the net profits shall be transferred each year. The amounts necessary to recover the bonds issued in accordance with Article 9 (2) of this Law shall be deducted from the remaining balance.
1. The rest of the net profit shall, after the aforesaid deduction has been made, be transferred to support the riyal exchange rate account provided for in Article 76 of this Law.

Article 12

1. The Bank shall establish a special account called "Reserve Reappraisal Account" in which will be recorded, on the credit side, the profits arising from the changing value of the Bank's assets and liabilities of gold, precious metals, foreign currencies and special drawing rights against the riyal's exchange rate, and, on the debit side, the losses resulting from the revaluation of the Bank's assets and liabilities against the riyal.
1. The net credit balances of this account at the end of the fiscal year shall not be included in the Bank's profits. However, the net debits shall be covered by the Bank's profits, if any, or by government bonds without return. These bonds shall be consumed from the net profit of this account that might be achieved in the following years.

Article 13

The Bank shall, at the end of each fiscal year, prepare a financial report that includes the estimated budget revealing the profit and loss statements and related data and explanations.

Article 14

1. The Bank shall have a Controller-General appointed by a decision of the Board and who must be experienced in accounting and banking.
1. The Controller-General shall preside over the administrative unit concerned with the Bank's internal audit and shall be responsible to the Board for the performance of his work and submission of reports.

Article 15

1. The Audit Bureau shall audit the Bank's accounts and assets in accordance with the law. It shall, however, not intervene in or question the Bank's business operations or policies or contracts it may conclude.
1. Staff of the Audit Bureau charged with auditing the Bank's accounts shall be technically and professionally qualified to perform their duties properly and satisfactorily.

Article 16

1. The Bank may engage one or more auditors to audit the Bank's accounts. Such auditor shall be technically and professionally qualified to perform his duties properly and satisfactorily.

1. The auditor's work shall be limited to auditing the Bank's accounts and assets and he may in no way intervene in or question the Bank's business operations or policies.
2. The auditor shall be entitled, at any time, to access the Bank's books, records and documents and to request any data that he deems necessary to audit the Bank's assets and liabilities and to perform his duties properly. Where he is unable to exercise these rights, he shall report thereon to the Board.

Article 17

Within three (3) months from the end of the fiscal year the Bank shall submit to the Emir and the Council of Ministers the following:

1. An audited copy of the budget and the statement of profit and loss.
2. A report on the Bank's operations and activities during the fiscal year.

The Minister may request any information on the Bank's financial position..

Article 18

The Bank shall be exempt from all types of taxes and fees on its capital, properties, operations, profits and own companies.

Chapter Three: Management of the Bank

Subchapter 1: The Governor and the Deputy Governor

Article 19

The Governor shall have the rank of Minister and shall be responsible for implementing the Bank's policy and managing its affairs. The Governor shall be appointed by an Emiri Resolution for a renewable period of five years.

Article 20

1. The Bank shall have a Deputy Governor with the rank of Undersecretary to assist the Governor in managing the Bank's affairs, and he shall replace the Governor in his absence or where his office is vacant.
1. The Deputy Governor shall be appointed by a decree on the proposal of the Governor for a renewable period of five years.

Article 21

The Governor may, where appropriate, appoint one or more persons to assist the Deputy Governor and he shall define their functions.

Article 22

The Governor shall have all the powers and authority necessary for managing the Bank's administrative, financial and technical affairs and achieving its

Objectives, in particular the following:

1. Implementing and following-up of the adopted monetary policy.
2. Implementing and following-up the exchange rate policy.
3. Implementing and following-up the Bank's banking policies and policies relating to the regulation, control and supervision of services, business activities and financial markets.
4. Appointing the Bank's staff and determining their financial entitlements and termination of their service in accordance with the rules and regulations in force.
5. Appointing the Bank's foreign reporters.
6. Representing the State in conferences and meetings in all areas relevant to the Bank's work at the regional and international level.
7. Representing the Bank in its relations with government agencies and higher authorities in the State.
8. Implementing and following-up resolutions issued by the Board.
9. Proposing legislative instruments relating to the Bank and its terms of reference.
10. Performing any other duties or functions assigned by the Prince.

Article 23

1. The Governor shall exercise all the powers and authorities prescribed for a minister under the provisions of the QFC.
1. The Governor shall supervise the work of the Qatar Financial Markets Authority in accordance with the provisions of the law regulating it.

Article 24

The Governor may delegate the Deputy Governor or any of his assistants or staff in the exercise of certain powers and functions in accordance with the provisions of this Law and its implementing regulations and resolutions.

Article 25

The Governor shall represent the Bank before the judiciary and in its relations with others.

Article 26

The Governor shall be entitled to sign on behalf of the Bank and may authorise the Deputy Governor or any of his associates or members of the Board or other Bank staff to sign, individually or collectively, the Governor matters he defines.

Article 27

The Bank's seal on its papers shall be deemed valid only where accompanied by the signature of the Governor or a person authorised to sign.

Article 28

1. While occupying their posts, the Governor and his deputy shall devote themselves professionally to the Bank. They may not accept any other job or perform any other work, whether paid or unpaid.
1. As an exception thereto, the Governor and his deputy shall be permitted to attend Bank functions and conferences, the regional activities of international organizations, and the activities of the Board or committees formed or supervised by the State.

Subchapter 2: Board of Directors of the Bank

Article 29

1. The Bank's management shall be steered by a Board of Directors chaired by the Governor, the Deputy Governor as Vice-Chairperson, and not less than five members including a representative from both the Ministries of Economy and Finance and of Business and Trade nominated by their employers. Such nominees' rank shall not be below Undersecretary of the Ministry.
1. The Board shall be appointed and the competencies and remuneration of the Chairperson and his Deputy determined by an Emiri Resolution. The Deputy-Chairperson shall replace the Chairperson in his absence or where his office is vacant.
2. The Board shall appoint a Secretary and determine his functions and remuneration.

Article 30

Membership on the Board shall be for four (4) years, renewable for a similar period(s).
Where any Board member's position becomes vacant before the end of his term, a new member shall be appointed to complete the remainder of the term.

Article 31

A Board member shall fulfil the following conditions:

1. He shall be a Qatari national.
2. He shall have full legal capacity and political rights.
3. He shall be qualified and experienced in the field of services, business activities and financial markets.
4. He shall not have been convicted of a crime involving moral turpitude or dishonesty, unless he has been rehabilitated.
5. He shall not have been declared insolvent or refused to settle his debts.
6. He shall not occupy any position or function in any financial institution subject to the Bank's control and supervision or be an auditor of the Bank's accounts, except for financial institutions owned by the State.
7. He shall not be an owner or agent of an external audit office.

Article 32

A Board member shall declare any financial or personal interest that conflicts with his position on and duties to the Board, and he shall not participate in any Board discussion of or vote on such interest.

Article 33

The Board shall have all the powers and authority necessary to achieve the Bank's objectives, in particular the following:

1. Adopting monetary policy in coordination with the Minister.
2. Adopting monetary specifications and the procedures for issuing and withdrawing same from circulation.
3. Adopting policies relating to regulation, control and supervision of all services, business activities and financial markets in the State.
4. Adopting payment policies and settlement and clearing systems.
5. Adopting the investment and management policy of the Bank's funds.
6. Adopting policies related to credit facilities granted by the Bank to financial institutions.
7. Adopting discount rates, returns, commissions and fees charged by the Bank.
8. Developing conditions, regulations and procedures relating to the granting of licences to financial institutions to engage in services, business and financial activities subject to the provisions of this Law.
9. Setting rules and procedures for combating money laundering and terrorist financing in the field of business services and financial activities.

10. Issuing administrative, financial and technical regulations and the regulation of human resources management in the Bank.
11. Issuing the Bank's organizational structure.
12. Adopting the Bank's budget and approving its final accounts.
13. Exercising all other powers prescribed for the Bank or that fall within its competence and in accordance with the provisions of this Law.

The Board may delegate some of its powers provided for in this Law to the Governor.

Article 34

1. The Board shall meet at the invitation of the Chairperson at least once every three (3) months and whenever necessary, or at the request of two of its members. The meeting shall not be valid unless attended by a majority of the members, including the Chairperson or his Deputy.

1. Board resolutions shall be by majority vote of the members present. Where there is a deadlock, the Chairperson shall have a casting vote.

Article 35

The Board may invite to its meetings any competent and experienced specialists from the Bank's staff or others it deems appropriate to provide the Board with advice, information or clarifications. The invitees may participate in the discussion but without having the right to vote.

Article 36

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

Article 37

1. Board members or staff of the Bank may not accept any gift or benefit related to his work, either for himself or for any other person related to him by blood or business or financial or personal interest, as determined by the Board.
1. The Board shall issue resolutions regulating the borrowing by its members and staff of the Bank from financial institutions.
2. While occupying their posts, Bank staff members may not occupy any other job or perform other functions, either paid or unpaid, unless with the prior consent of the Board.

Article 38

Members of the Board, staff of the Bank, its auditors and agents shall not disclose any data or information relating to the Bank's affairs or the affairs of its financial institutions which they possess through the performance of their functions, except where prescribed by law or pursuant to an order or judgment. Such prohibition shall remain in effect after the end of service of the aforesaid persons

Article 39

The Bank may not pay to the members of the Board or its employees any wages, salaries, fees, allowances or bonuses calculated on the basis of the profit earned by the Bank.

Article 40

The Chairperson, Deputy Chairperson, Board members, officeholders, senior staff and other Bank employees shall not be held accountable for any civil liability arising from the performance or non-performance of their duties in good faith pursuant to the provisions of this Law and its implementing regulations and resolutions.

Article 41

Membership on the Board shall terminate at the end of the member's term or on his death or resignation without renewal. Such termination may also occur by Emiri Resolution in any of the following cases:

1. Where the member fails to fulfil any of the membership conditions set forth in this Law.
2. Where the member is unable to perform his duties for any reason.
3. Where the member is in serious breach of his duties.
4. Where the member fails to attend three (3) consecutive meetings without the consent of the Board or without an acceptable excuse.
5. Where the member loses his job in the body that he represents or that body decides to replace him.

Chapter Four: Bank Relationship with the Government

Article 42

The Bank shall be the bank, consultant and financial agent of the State and other ministries, government agencies, public bodies and institutions. The Council of Ministers may request the Bank to express an opinion on economic and development policies.

Article 43

The Ministry and the Bank shall develop a mechanism for coordination between fiscal and monetary policies. The Bank may coordinate with other government agencies in order to achieve its objectives.

Article 44

Without prejudice to the provisions of Law No. 18 of 2002 referred to, there shall be coordination between the Minister and the Governor, before the beginning of each fiscal year and whenever necessary, about the size of government loans from Qatari banks and the Ministry's plan for internal and external public debt.

Article 45

1. The Bank may accept deposits from the State, ministries, other government agencies, public bodies, institutions and companies owned or run by the State or to which the State contributes.
1. The Bank may maintain accounts, provide financial or banking services and pay amounts equal to those deposited under payment orders into these accounts, and may also pay returns on these accounts.

Article 46

In accordance with the conditions and arrangements agreed between the Governor and the Minister, the Bank may act as a financial agent to the State, ministries and other government bodies and public institutions in the issuance and management of public debt securities, in addition to the payment of value, revenue and commission thereof, or any other financial or banking services

Article 47

1. Ministries, other government agencies, public bodies and institutions, companies owned or operated by the State or to which the State contributes, and all financial institutions shall submit to the Bank, on the prescribed forms, the information and data necessary for the preparation of monetary and economic statistics, the balance of payments and rate levels.

1. The Bank may publish all or part of such information and data without prejudice to the confidentiality provided for in this Law.

Article 48

1. Ministries and other governmental bodies and agencies, public institutions and State-owned or -operated companies may under no circumstances borrow from the Bank.

1. As an exception thereto, the Bank may lend to the government, at the request of the Minister, an amount not exceeding five (5) percent of the average income of the State budget in the last three (3) years for a period not exceeding four months, and in accordance with the conditions and regulations determined by the Board.

Part 3: Currency, Monetary and Exchange Rate Policy

Chapter One: Currency

Article 49

The currency unit in the State shall be the Riyal, which shall be divided into one hundred (100) dirhams.

Article 50

The mintage of currency shall be the exclusive privilege of the State and shall be conducted only by the Bank. In doing so, the Bank may:

1. Take the necessary measures for printing banknotes and minting coins and determine and safeguard the designs of coins and bank notes and their templates.
2. Issue and re-issue currency and recover and withdraw it from circulation.
3. Replace the cash from the Bank's head office or any of its branches through banks, agencies and offices established or determined by the Bank.

Article 51

The currency issued by the Bank shall be a tool for paying any amount in the State, provided that this amount shall not exceed the nominal value of the currency.

Article 52

The Bank shall determine the categories, forms and designs of banknotes and coins, which shall be approved by the Emir. Banknotes shall bear the signature of the Minister and the Governor.

Article 53

1. No person may issue banknotes, coins or any papers or instruments payable to the holder on demand that have the appearance of currency or can be construed as currency.
1. Any person who finds fake banknotes or coins shall deliver them to the Bank as soon as he discovers that they are fake.

Article 54

1. The Bank may withdraw any banknotes or coins from circulation against the refund of their nominal value and subject to any conditions it determines. The decision to withdraw shall be published in the *Official Gazette* and shall be announced in other forms of publishing and media as specified by the Bank.
1. Banknotes and coins shall, after their withdrawal, be replaced not less than ninety (90) days in normal conditions and fifteen (15) days in extraordinary circumstances.

Article 55

Banknotes and coins withdrawn from circulation shall be legally invalid after the lapse of the periods for the replacement stated in the preceding article. However, the holder shall be entitled to receive their nominal value from the Bank for a period not exceeding ten (10) years from the date of the withdrawal decision. Where this period has elapsed, the value shall be transferred to the Bank's general reserve.

Article 56

1. No person may distort, tear, damage or cause any defect to coins and banknotes in any way, and the Bank shall issue the necessary resolutions to regulate the process of replacing distorted, torn, damaged or defective coins and banknotes.

Chapter Two: Currency Cover and Investment Operations

Article 57

The Bank shall at all times keep a foreign reserve balance of assets to meet and cover the cash in circulation and the Bank's operations, including gold, precious metals, public debt instruments and other monetary and financial tools and foreign exchange tools. Such reserve shall be in convertible currencies and with instruments and banknotes tradable in global and local markets. The Bank shall invest this reserve in accordance with the policy adopted by the Board.

Article 58

The balance of foreign assets that is negotiable and in convertible currencies shall not be less than one hundred (100) percent of the value of the currency in circulation.

Chapter Three: Monetary Policy

Article 59

The Bank shall be responsible for the development and implementation of monetary policy. The Bank shall announce this policy and any change therein, and shall also announce, whenever necessary, an analytical statement on developments in such policy and the results of any changes.

Article 60

The Bank shall operate in the open market by buying and selling unrestrictedly, whether by immediate or forward selling, or under agreements of repurchase of convertible public debt securities issued by the government, or securities issued by the Bank, and other securities, including Islamic securities. The Bank may use any other tools for the implementation of its monetary policy.

Article 61

The Bank may ask deposit-taking financial institutions to keep reserves with it at specific ratios and limits and sizes equal to the size, type and maturity of their deposits. The ratios of reserve shall be equal for all deposit-taking financial institutions and for each type of deposit or the total deposits.

Article 62

Required reserves shall, in accordance with the preceding article, be kept in the form of cash balances of the financial institutions at the Bank. Such reserves shall be calculated in the manner specified by the Bank.

Article 63

The Bank may determine reserve ratios suitable for the activity of Islamic and specialized banks and other financial institutions that are subject to the control and supervision of the Bank in a manner commensurate with their nature.

Article 64

According to this Law or its implementing resolutions, no reserves shall be subject to mortgage or seizure or any commitment to guarantee them.

Article 65

Where financial institutions that are subject to the Bank's oversight and supervision fail to retain the required reserves at the specified limits and ratios, the Bank may impose financial penalties not exceeding five times the interest rate or the advertised yield for each day that such failure continues.

Article 66

The Bank shall open accounts for financial institutions that are subject to its oversight and supervision and accept deposits from them in accordance with the conditions it determines.

Article 67

The Bank may, in line with the conditions and regulations it prescribes, discount the following securities presented by financial institutions:

1. Certificates of deposit, treasury bills and bonds specified in riyals and other currencies.
2. Negotiable public debt securities issued in riyals and other currencies which must be part of the issuance guaranteed by government or securities issued by the Bank.
3. Any securities or financial instruments or other cash determined by the Bank.

Article 68

The Bank may, in accordance with the conditions and regulations it determines, buy or sell, or accept the mortgage by any of its financial institutions of, the following assets:

1. Certificates of deposit in riyals or any other currency.
2. Public debt securities and negotiable bonds in any currency.
3. Tradable assets including precious metals.
4. Any other assets approved by the Bank.

Article 69

1. The Bank may, in exceptional circumstances and for the guarantees that it determines, grant loans, or finance, or assume the obligations of a financial institution not exceeding fifty (50) percent of the Bank's capital and reserves, or one hundred (100) percent of the capital of the financial institution and its reserves, where the Bank considers that such action is necessary to support the financial institution's liquidity.
1. The Bank may also extend the maturity of these loans or finance or obligations according to an acceptable plan outlining the measures and procedures that the financial institution must take to meet the requirements specified by the Bank.

Article 70

The Bank shall control returns and interest rates and the conditions for granting loans and accepting deposits in the various financial institutions. The interest rate or yield determined by the Bank shall apply to performing or rescheduled credit facilities, unless otherwise agreed between the lending financial institutions and their customers at another price.

Article 71

1. The Bank shall organise and develop payment, settlement, clearance, oversight, supervision and management systems, and shall maintain them according to the current best systems and international standards and practices in order to ensure safe and secure payments.
1. The Bank shall regulate the process of involvement of financial institutions, markets and companies in the aforesaid systems and leverage the services provided through them.
2. No person may manage any system of payments that does not comply with the conditions, standards and requirements set by the Bank.

Article 72

The Bank shall set rules, regulations, procedures, policies and instructions for financial business and e-banking and other e-business that fall within its competence or achieve its objectives.

Article 73

The Bank shall issue resolutions, regulations and instructions concerning the organization and functioning of payment and settlement systems, including digital cash, according to the best international standards and practices.

Chapter Five: Exchange Rate

Article 74

1. The riyal exchange rate in the foreign exchange market shall be determined by a decree in coordination with the Minister and the Governor.
1. The Bank shall announce any change or adjustment in the riyal exchange rate.

Article 75

1. The Bank shall manage and regulate the riyal exchange rate by margin or other systems against one or more currencies or special drawing rights or any other arrangements.
The Bank shall take such measures that assist in maintaining the external value of the riyal in accordance with the preceding paragraph. The Bank shall not comply with these measures in the event of fluctuations in the foreign exchange markets

Article 76

The Bank shall establish a special bank account to support the riyal exchange rate, and shall invest this account in accordance with its investment policy.

Part 4: Regulation of Financial Institutions

Chapter One: Licensing to Engage in Financial Services and Business Activities

Article 77

No financial services or business activities stipulated in this Law and its implementing resolutions shall be delivered or conducted without a licence from the Bank.

Article 78

No person shall, before obtaining a licence from the Bank, be permitted to display on any document or correspondence or advertising or other media the name or logo of a bank, or financing or investment company, or exchange, or insurance or reinsurance company, or solidarity or re-solidarity, or credit card or credit information company, or inquiry or credit rating company, or financial advisory service, or investment fund, or an Islamic financial institution, or any other financial institution or service as determined by the Bank.

Article 79

Without prejudice to the provisions of the Commercial Companies Law and Law No. 13 of 2000 referred to, the Bank shall, in accordance with the conditions and regulations set by it, license the practice of financial services and business activities stipulated in this Law and its implementing resolutions for the following financial institutions:

1. Banks that take the form of joint-stock companies and offer their shares for IPO.
2. Investment and finance companies that take the form of joint-stock companies.
3. Insurance and reinsurance companies and joint-liability companies and other companies engaged in insurance that take the form of joint-stock companies and offer their shares for IPO.
4. Exchange companies.
5. Financial consulting and investment firms.
6. External units and representation offices.
7. Any other financial institutions as determined by the Board.

The Bank may grant a licence to any type of business other than a joint-stock company, subject to the approval of the Council of Ministers.

Article 80

An application for a licence to deliver financial services or conduct business activities provided for in this Law and its implementing resolutions shall be submitted by the applicant or his legal representative to the competent department, together with all supporting documents and information.

Article 81

1. The competent authority shall examine the licence application and its annexes to verify that it satisfies the conditions that must be met, and may order any amendments it deems necessary for the application to be eligible for consideration.
1. The applicant may, prior to the competent authority's decision, withdraw or amend the application in accordance with the rules and procedures established by the Bank.

Article 82

1. The Governor shall issue his decision to grant a licence within sixty days from the date on which the application meets all the conditions set forth in this Law and its implementing regulations and resolutions, based on the requirements of the public interest and the needs of the national economy.

Article 83

1. Where the Governor rejects the application, he shall notify the applicant of the reasons for such decision by serving a notice at the applicant's place of residence or work or by any means that ensures such notification.
 1. The applicant may appeal such decision to the Board within fifteen (15) days from the date of notification.
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Article 84

The Board shall determine the issuance procedures, renewal fees and expiration periods of licences for each type of financial institution.

Article 85

The competent authority shall publish its decision to grant the licence in the *Official Gazette* and in two daily newspapers, one in Arabic and the other in English.
The licensee shall permanently display a certified copy of his licence in a conspicuous place at the headquarters of his activity in the State.

Article 86

A register called "Register of Licenses of Financial Institutions" shall be established in each competent authority for the registration of applications for licences and all data and information related thereto.

Article 87

The Bank may issue licences for foreign financial institutions to open branches in the State according to the conditions and regulations established by a decision of the Board.

Article 88

1. A financial institution shall commence delivery of its licensed financial services and businesses activities within six (6) months from the date of issuance of the licence. The Bank may extend this period for another similar period.
 1. Where this period lapses without commencement of such delivery, the licence shall be considered as not having been issued.
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Article 89

The Bank may modify the terms of the licence at the request of a financial institution, in any of the following cases:

1. Adding financial services or businesses activities to those already licensed.

2. Modifying or cancelling one or more of the conditions specified in the licence.
3. Cancelling any of the licensed services or activities.

The Bank may not modify the terms of the licence unless the financial institution's ability to fulfil the obligations imposed on it under the amended terms of the licence is confirmed.

Article 90

By a decision of the Governor, a licence may be cancelled or suspended for a specified period, as the case may be, in any of the following cases:

1. Where the licence has been obtained based on false information or misleading documents.
2. Where the financial institution failed to fulfil a condition of the licence terms.
3. Where the financial institution is in a breach of any of the provisions of this Law or its implementing resolutions or instructions, or the relevant legislation in force.
4. Where the financial institution is in a breach of any of the conditions specified in the licence.
5. Where the financial institution has stopped practising the licensed financial services or business activities.
6. Where the financial institution provided the Bank with misleading or inaccurate information that causes damage to a third party.
7. Where the financial institution threatens the interests of depositors, investors or customers because of the way the institution manages its affairs.
8. Where the financial institution is unable to meet its obligations or requirements of solvency, in accordance with the provisions of this Law and its implementing resolutions.
9. Where the paid-up capital falls below the minimum level required by law, or where the institution fails to maintain funds to be allocated in accordance with the provisions of this Law and its implementing resolutions.
10. Where the financial institution declines to provide its books and documents for review or audit or examination by the auditors, or refuses to provide data and statements which are to be submitted in accordance with the provisions of this Law and its implementing resolutions.
11. Where the work of a foreign branch of the financial institution in the country is terminated.
12. Where the licence of a licensed financial institution is revoked in the State in which its headquarters is located.
13. Where any of the reasons set forth in the Commercial Companies Law, referred to above, apply to the financial institution.

Article 91

1. Before issuing its decision to cancel or suspend a licence in accordance with the provisions of the preceding article, the Bank shall notify the financial institution at its headquarters or by other means of the reasons for and the effective date of the cancellation or suspension of the licence.
1. The Bank may, in exceptional cases, issue a decision to cancel or suspend the licence without notification to the financial institution.
2. In all cases, the financial institution may appeal against the decision according to the regulations, procedures and deadlines set forth in Article 83 of this Law.

Article 92

1. The competent authority shall publish the decision to cancel or suspend the licence in the *Official Gazette* and in two daily newspapers, one in Arabic and the other in English, as well as on the Bank's official web site.
1. The competent authority shall, however, have the discretion to publish the decision by other means.

Article 93

Without prejudice to the provisions of insurance provided for in other Laws, insurance operations shall include the following types:

First: Insurance of persons and the process of acquiring property, including:

1. Life insurance of all kinds.
2. Personal accident insurance, including insurance against damage caused by accidents, professional threats, work accidents, theft and dishonesty, and insurance against civil liability for individuals.
3. Insurance against long-term medical treatment.
4. Insurance on debt collection.

Second: Property insurance and liabilities, including:

1. Insurance against fire and consequent damage.
2. Insurance against threats to road, sea and air transport.
3. Insurance on ships, aircraft or their operations, including insurance against threats arising from construction, manufacture, use, repair or anchorage, and damage to third parties.
4. Insurance of goods and chattel of any kind, and insurance on freight.
5. Motor vehicle insurance.
6. Engineering insurance.
7. Insurance on industrial and construction projects.
8. Insurance on oil and gas operations, and their derivatives and related industries.

The Bank may issue a decision adding other types of insurance.

Article 94

Insurance and reinsurance companies shall include the following:

1. Joint-stock companies licensed to conduct insurance and reinsurance operations in the State.
2. Branches of foreign insurance and reinsurance companies operating in the State, with headquarters abroad.
3. Representative offices of foreign insurance and reinsurance companies.

The entities stated in subparagraphs (2) and (3) shall meet the requirements of the licensing regulations and procedures established by a decision of the Board.

Article 95

Funds or property located within the State or the responsibilities arising therefrom may not be insured from abroad. Mediation in the insurance of such funds or property or responsibilities may only apply to the company subject to the provisions of this Law.

Article 96

1. Companies licensed to provide insurance in the form of a risk pool shall appoint a special technical body and accountant for such purposes and shall prepare and publish the annual budget for such purposes in addition to their general budget.
1. The accountant or any member of the technical staff may not be an employee or manager or member of the Board of Directors at the company, and their appointment must be approved by the Bank.

Article 97

1. Companies licensed to provide insurance in the form of a risk pool shall distinguish between policies of the same type, whether in terms of insurance rates or the accumulative monetary values earned on the policy in each year, or the amount of profits distributed to policyholders, or other requirements and provisions.

1. Exception shall be given to insurance policies that differentiate as a result of the uncertainties of life or to insurance policies on the pooling of risk, with large amounts enjoying discounts in accordance with the rate schedules approved by the Bank.
2. The company may, with the Bank's approval, issue discounted policies at the prescribed rates on good cause shown.

Article 98

1. Companies licensed to provide insurance in the form of a risk pool may not deduct, directly or indirectly, any part of the money corresponding to the obligations arising from insurance policies, or distribute it as profit to shareholders or policyholders, or lend it to the company's employees, or use it to pay any debt that is not part of its obligations under the issued insurance policies.
1. Distribution of profits shall be limited to the amount of surplus determined by the actuary's report.

Article 99

Where insurance and reinsurance companies consider transferring their documents and the rights and obligations arising therefrom to one or more companies for all or some of their operations carried on within the State, or consider suspending their operations permanently, either in full or in part, in one or more types of insurance and wish to release all or some of their funds, they shall obtain prior approval of the Bank according to the conditions and regulations and procedures established by a decision of the Board.

Article 100

1. Where an insurance or reinsurance company is declared bankrupt or is liquidated, policyholders shall have a lien on all funds and assets of the company after the debts of the public treasury, legal fees and other amounts owing by the company have been settled.
1. The rights of policyholders on life insurance, personal accident insurance, accidental death insurance, bodily injury and risk pooling shall take priority over the rights of holders of other documents.

Article 101

1. Actuaries, consultants, insurance brokers or assessors, whether natural or juristic persons, shall not commence their tasks in accordance with the provisions of this Law and orders issued in the implementation thereof unless their names are recorded in the register designated for this purpose at the competent authority.
1. The conditions to be fulfilled by such persons in the register, as well as the terms of cancellation and renewal thereof, shall be issued by a decision of the Board.

Article 102

Insurers and reinsurers may not seek the assistance of insurance assessors unless they are experts recorded in the register referred to in the previous Article. The Governor may, in cases that require special expertise, grant exemption from this requirement.

Article 103

Insurance and reinsurance companies shall obtain the consent of the Bank on the models and insurance policies that they wish to issue, as well as on each amendment thereto. The Bank may discuss the content of such policies and may reject any material therein not consistent with the public interest.

Chapter Three: Islamic Financial Institutions

Article 104

Islamic financial institutions shall aim at achieving the following:

1. Making a profit through the provision of services, business and financial activities free of all forms of interest.
2. Working on the development of methods and tools to attract funds and savings and directing them towards participation in productive investment methods and means that are not inconsistent with the provisions of Islamic Sharia.
3. Providing financial services with the aim of reviving organised social solidarity on the basis of mutual benefit.
4. Acquiring, enhancing and transferring expertise in the field of transactions and Islamic financial services.

Article 105

Islamic financial institutions may accept deposits of various kinds, carry out financing and direct investment or funding, own or rent the fixed and movable assets necessary for the implementation of their investment projects, and carry out any other banking or financial services authorised by the Shari'a Supervisory Board in the Islamic financial institution, approved by its board of directors and endorsed by the Bank.

Article 106

1. Each Islamic financial institution shall form an independent body called the "Sharia Supervisory Board" (hereinafter "the Sharia board") to control the business of the institution and shall be composed of at least three (3) members appointed by the General Assembly of the institution based on the proposal of its board of directors. This board shall be made up of scholars and specialists in jurisprudence and Islamic law, services and business and financial activities.
1. The Sharia board shall be appointed for a renewable period of three (3) years. No member may be dismissed during his term of office unless by a decision of the General Assembly. The Board of Directors shall inform the Bank of the decision to appoint the Sharia board or to dismiss or amend its structure. The terms of membership and system of the Sharia board shall be determined by a Bank resolution.

Article 107

No member of the Sharia board shall perform any function in the Islamic financial institution or render services or be a contributor to it, nor may he or his relatives to the fourth degree have any personal interest in the Islamic financial institution.

Article 108

The Sharia board shall:

1. Verify that all activities of the Islamic financial institution comply with the provisions of Islamic Sharia.
 2. Issue binding opinions on the compatibility of the business transactions of the financial institution and its contracts with Islamic Sharia.
 3. Consider any matters assigned by the Board of Directors of the Islamic financial institution, or according to the instructions of the Bank.
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Article 109

The Bank may, in accordance with the rules and conditions determined by the Board, and in accordance with the provisions of Islamic Sharia, perform the following:

1. Open accounts with or for Islamic financial institutions in riyal or in foreign currencies.
2. Allow Islamic financial institutions to participate in the clearance and settlement system managed by the Bank.
3. Grant funding for a period not exceeding six (6) months to Islamic financial institutions in cases of extreme emergency that significantly affect the core of their financial position, in accordance with the rules and conditions determined by the Board. The funding may be extended for a period not exceeding six (6) months.
4. Buy and sell securities and others with Islamic financial institutions.
5. Issue notes and Islamic bonds in accordance with the conditions and regulations determined by the Board. Such notes and bonds shall be subject to buying and selling with Islamic and other financial institutions under the supervision and control of the Bank.

Article 110

The Board shall establish rules and special provisions that are to be followed in the control of Islamic financial institutions regarding their liquidity, solvency and regularity of work, and in particular:

1. The system of liquidity and its elements.
2. Capital adequacy levels.
3. Rules of calculating the allowance that should be available to face asset risks.
4. The maximum value of the operations related to a particular activity.
5. The maximum input of Islamic financial institution in the companies that it founds or contributes to their establishment or acquires shares therein, and the rules and conditions to be observed in this regard.
6. The maximum contribution of an Islamic financial institution in same project.
7. The maximum amount of commitment by one client to an Islamic financial institution, taking into account the granting of comparative advantage to the subsidiaries of the Islamic financial institution according to the regulations set by the Bank in this regard.
8. The amount of money to be invested in the domestic market and the maximum funds that can be invested abroad as a percentage of total investments.
9. Part of the funds deposited which an Islamic financial institution should deposit in cash in the Bank.

Article 111

The Bank shall determine the rules, terms and conditions required to convert a traditional financial institution to an Islamic financial institution according to the provisions of this Law and its implementing resolutions, whether this conversion is for the entire institution and all its branches or only for a part thereof including one or more branches of its subsidiaries.

Article 112

Islamic financial institutions shall be liquidated according to the standards and regulations set by the Bank and under its direct supervision, taking into account the provisions of the relevant legislation in force and in accordance with the provisions of Islamic Sharia.

Article 113

Unless otherwise provided for in this particular chapter, Islamic financial institutions shall be subject to the provisions of this Law and its executive orders, and in accordance with the provisions of Islamic Sharia.

Part 5: Control and Supervision of Financial Institutions

Article 114

The Bank shall regulate and supervise all financial institutions licensed to grant services and perform business and financial activities, in accordance with the provisions of this Law and its executive orders.

Article 115

A committee shall be established in the Bank called the "Committee for Financial Stability and Risk Control" (hereinafter "the Committee") chaired by the Governor, the Deputy-Governor as vice-Chairperson and a membership of:

1. Chief Executive Officer of the Qatar Financial Markets.
2. Executive General Manager of the QFC.
3. Managers of the relevant departments of the Bank.
4. Specialists in the field of business, services, activities and financial markets, selected by the Board.

The nomination of members of the Committee and its work system shall be by a decision of the Board.

Article 116

The functions of the Committee shall include the following:

1. Studying real or potential risks to all services, business activities, financial markets and the development of solutions and proposals in this regard.
2. Coordinating between the regulatory and supervisory authorities in the State, and seeking to promote cooperation and exchange of information among them, including helping to create a homogeneous and cooperative regulatory and supervisory environment.
3. Proposing policies concerning regulation, control and supervision, including licensing, combating money laundering and other policies related to services, business activities and financial markets.

The Committee shall submit its recommendations and proposals in this regard to the Board for approval and shall follow up of their implementation.

Article 117

Each financial institution subject to the control and supervision of the Bank shall ensure that its own rules and regulations are in accordance with its statute and the Bank's instructions, including the following:

1. Administrative and organizational structure.
2. Functions and powers of the board of directors and senior staff.
3. Policies and procedures of business and financial services pertaining to the activity of the licensee.
4. Accounting policies.
5. Policies of identifying and managing risks, and banking, finance and investment regulations.
6. Audit and internal controls policies.
7. Any other policies or procedures required by the Bank.

The Bank may request the necessary amendments to the statute of any financial institution subject to its supervision and oversight, in coordination with the Ministry of Business and Trade.

Article 118

1. No financial institution or subsidiary thereof under the control and supervision of the Bank may open a branch office or headquarters, or close any

branch office or headquarters, or change their legal form or location or the location of its head office or its branches or offices within State, without the Bank's approval.

1. No financial institution or subsidiary thereof subject to the control and supervision of the Bank may open or close a branch office or headquarters outside the State without the Bank's approval.

Article 119

1. A financial institution or any of its affiliates may not cease to provide, in whole or in part, all or some of the licensed financial services without written approval from the Bank and subject to any conditions the Bank deems necessary.
1. The financial institution shall announce such cessation in two local daily newspapers, one in Arabic and the other in English, not less than thirty (30) days in advance, provided that the announcement contains data and information specified by the Bank.

Article 120

All financial institutions under the control and supervision of the Bank shall abide by the following:

1. Retaining at all times the amount and form of paid-up capital and the reserves determined by the Bank.
2. Not increasing or decreasing the paid-up capital or the capital allocated to work in the State, or using the reserve balance without the prior consent of the Bank.
3. Retaining a reserve balance to which at least ten (10) percent of the annual net profit is transferred until the reserve percentage reaches one hundred (100) percent of the amount of paid-up or allocated capital.
4. The Bank shall determine the nature and form of the level of capital adequacy and its timing.

Without prejudice to the provisions of Article 125 of this Law, the Bank may exempt branches of foreign financial institutions and external units from aforesaid retention of capital.

Article 121

1. The Bank shall issue regulations and instructions regarding financial supervisory fees and banking risks and shall determine the ceilings of dealing with banks and countries and foreign currency and any matters relating to the internal and external processes of the financial institutions under its control and supervision.

The Bank's purpose herein shall be the organization of its work, risks and control thereof, the operation of its monetary, credit and investment policy, the achievement of safe financial conditions, and the maintenance of the rights of depositors, shareholders and investors

Article 122

1. No financial institution under the control and supervision of the Bank and registered as a joint-stock company that offers IPO shall own any of its shares, either directly or indirectly, unless as a result of the settlement of debts. In all cases such shares must be disposed of in accordance with the method and during the period specified by the Bank.

1. As an exception hereto, a financial institution may purchase a percentage of its shares according to the rules and procedures established by a decision of the Board.
2. No financial institution shall give loans or credit facilities to secure its shares.

Article 123

1. The Board shall determine the terms and conditions of the credit facilities to be granted to the members of the boards of directors of the financial institutions that are subject to the supervision of the Bank and listed on the stock market. Such regulations and conditions shall apply to those members connected by work partnership or kinship to the second degree, and to other relevant parties.
1. Preferential benefits or facilities may not be granted to a member of a board of directors to secure shares in the financial institution of whose board of directors he is a member.

Article 124

The Board shall determine the ownership ratios and terms of natural and juristic persons of the shares of financial institutions under the control and supervision of the Bank, and such ratios may not be exceeded, directly or indirectly, and each financial institution must provide the Bank with all the information and data related thereto.

Article 125

1. The Bank may ask the branches of foreign financial institutions to provide guarantees and collaterals whose nature and conditions it will determine to ensure the adequacy of capital and liquidity and to cover any losses to which these branches in the State may be exposed.
1. In the event a foreign branch of a financial institution stops payment or when liquidated, or its head office stops payment or if liquidated, the creditors of the branch located in Qatar shall have privilege against the other creditors.

Article 126

1. The Bank may inspect financial institutions and their subsidiaries and affiliates within and outside the State to ensure the safety of their financial position and the extent of compliance with the provisions of this Law and the applicable regulations, resolutions, instructions and customs.
1. Every financial institution shall provide the Bank's inspectors with all information they require on the dates that they decide, and shall enable grant them access to all books, accounts and documents they require.
2. The confidentiality of information shall not apply to the Bank's inspectors.

Article 127

Where it appears to the Bank that a financial institution is in breach of the provisions of this Law or its implementing resolutions or that its liquidity or solvency is at risk in a way that undermines the rights of depositors and investors or other creditors or customers, the Bank may:

1. Prevent the financial institution from conducting certain operations or placing restrictions on the business that it operates.
2. Issue guidance to the financial institution on any corrective action to be taken.

3. Take over the management of the financial institution for a specified period that may be extended.
4. Appoint an interim board of directors and chief executive at the financial institution's expense.
5. Suspend or terminate any member of the board of directors or senior staff.

Article 128

1. The Bank may reject the appointment or nomination of any person to the board of directors of a financial institution or the continuation of his membership, and may reject the appointment or renewal of the term of any of the senior staff or authorised persons.
1. The Bank shall issue instructions that define the terms of appointment, powers, function and remunerations of the senior officials of the financial institution.
2. The Bank shall decide on the conditions to be met by those who are nominated for membership of the board of directors of the financial institution. The Bank may oblige the financial institution to appoint to the board one or more persons who are not shareholders.
3. The Bank may also be entitled to sue on behalf of the shareholders of the financial institution any member of its board of directors who fails to meet his credit obligations after being warned.
4. The Bank may issue instructions that regulate the work of the financial institution's governing council.

Article 129

1. Members of the board of directors and senior staff shall be personally and jointly responsible for loss or damage caused intentionally or negligently to the financial institution or to others, or who conceal relevant information related to the financial institution's activities, or who present false or misleading information about it, either to shareholders or to the Bank.
1. The Bank may sue on behalf of the shareholders of the financial institution those persons that caused the loss or damage.

Article 130

The board of directors, senior staff and auditors of the financial institution shall notify the Bank immediately of any occurrence that threatens or affects the reputation of the financial institution or its financial position or that violates the Bank's instructions or the law.

Article 131

1. Each financial institution shall have one or more external auditors, the number and appointment of which shall be approved by the Bank. Where no auditor is appointed, or he was appointed contrary to the instructions of the Bank, the Bank shall appoint the auditor and sets his fees. The Bank may appoint additional auditors at the expense of the financial institution where it deems it appropriate.
1. The financial institution may not grant credit facilities to its auditors.
The Bank may issue the necessary instructions to determine the appointment and functions of the external auditor.

Article 132

1. The external auditor shall provide the financial institution's general assembly with a detailed report that includes all amounts received by the members of the board of directors and a statement of their obligations to the financial institution and the nature and extent of the regularity of their repayment of debts.
1. The Bank may request the external auditor to provide it with copies of all reports on the financial institution's audited results, or to conduct any special auditing determined by the Bank. The Bank shall be entitled to discuss the reports with the external auditors without reference to the financial institution.

Article 133

1. The financial institution shall provide its budget and profit and loss account and the calculation of profit distribution, certified by the auditor, to the Bank for approval before being submitted to the financial institution's general assembly.
1. The financial institution shall notify the Bank to send its representative to attend meetings of the general assembly as an observer.

Article 134

1. The financial institution shall comply with the Bank's instructions regarding the publication in one of the daily newspapers of the auditors' report, the budget, statement of income, changes in shareholders' equity, cash flows and the distribution of profits and losses. All such materials shall be certified by the auditor.
1. The Bank may compel the financial institution to set additional reserves and allocations before distribution of dividends to shareholders.
2. The Bank may place restrictions on the distribution of annual profits in cases of non-compliance or failure to meet the requirements of capital adequacy or solvency, or any other risks estimated by the Bank.

Article 135

The financial institution shall, at the time and manner specified by the Bank, provide the Bank with statements that it considers necessary to enable it Bank perform its work.

Article 136

Financial institutions shall comply with the working hours specified by the Bank for dealing with the public. The Bank may, in exceptional circumstances, suspend a financial institution from engaging in business for a period it deems appropriate.

Article 137

1. Each financial institution shall retain all records and documents relating to its business in an appropriate manner and place within the State. The Bank may determine the duration for keeping such documents.
1. The types of records and information that should be kept by the financial institution and the rules, conditions and regulations necessary for its

registration shall be specified by a decision of the Bank.

Article 138

The fiscal year of each financial institution shall start on the first day of January and end on the thirty-first day of December each year, except in cases specified by the Bank.

Article 139

No financial institution shall own, unite or merge with, or contribute or transfer its obligations to another company or financial institution without the prior consent of the Bank and in accordance with the conditions and regulations to be determined by the decision of the Board.

Part 6: Protection of the Clients of Financial Institutions

Chapter One: Protection of Customers in General

Article 140

Without prejudice to the provisions of Law No. 8 of 2008 referred to, a financial institution shall provide its customers with information about it, including its name, address, details of its commercial registration, codes or rules of conduct governing its operation, the financial services it offers, and any other information the Bank deems important for the protection of such customers.

Article 141

A customer shall be guaranteed access to financial services of a high quality and to transparent, fair and equal treatment.

Article 142

1. Financial institutions shall not offer, provide, promote or advertise any financial service that is misleading or incorrect.
1. Any advertisement shall be clear, unambiguous and in plain language that is neither misleading nor deceptive, and shall include the essential data, merits, characteristics and prices of the financial service advertised as well as the terms and conditions relating to accessing such services and educating consumers about the risks of the financial product or service offered.

Article 143

1. Financial institutions shall allocate a separate form for each contract relating to a financial service or product offered to the public. Such form shall include all data and information on the service offered, in particular the date of contract, duration, type of service and financial nature, characteristics, specifications, prices, terms and conditions of access and conditions for amendment and termination.

1. The contract provisions shall not refer to texts or documents not seen by the customer before signing the contract.
2. The contract form shall be subject to review by the Bank, which shall determine the instructions, data and provisions to be included in the contract form for each type of financial service or product.

Article 144

As the supreme authority on supervision and control of services, business and financial activities in the State, the Bank shall set the rules and regulations necessary to protect customers of financial institutions according to international best practices. In particular, the Bank may:

1. Supervise and control the provision of financial services to the public, develop them and improve their delivery.
2. Lay the foundations and control standards necessary to protect customers from fraud, exploitation and discrimination and to ensure the quality of financial services.
3. Receive and consider customer complaints, take appropriate action, or refer them to the competent authorities.
4. Develop and organize appropriate mechanisms for settling disputes between financial institutions and their customers, including conciliation, mediation and arbitration.
5. Take appropriate action to deal with uncompetitive practices harmful to the interests of customers.
6. Take appropriate action against financial institutions subject to the supervision and control of the Bank to ensure their commitment and compliance with the provisions of this law and its implementing regulations, resolutions and instructions and all relevant legislation in force.

Chapter Two: Banking Confidentiality

Article 145

All client accounts, deposits, trusts and safety deposits in banks and all transactions related to them, shall be confidential, and may not be accessed or disclosed and nor may any information or data about it be given to any person either directly or indirectly, except by written permission from the client, his heirs or legatees, or based on an enforceable court ruling in a current legal dispute.

Article 146

The chairpersons and members of the boards of directors of banks, their directors, advisers, supervisors, agents, correspondents, experts and all other employees shall be prohibited from giving, revealing or disclosing any information, data, records or documents regarding their clients, their accounts, deposits, trusts, assets or safety deposit boxes, or any transactions or affairs related to them, except in cases authorized under the provisions of this Law and in accordance with the conditions and controls laid down by the Bank.

The prohibition referred to in the preceding paragraph shall apply in relation to all persons and entities and shall remain in place until after the termination of the relationship between the client and the Bank, or between any of the persons referred to in the preceding paragraph and the Bank for any reason.

Article 147

The following cases shall be excluded from the provisions of the confidentiality requirements set forth in the preceding two articles:

- 1 - Specified reporting of information under the provisions of the Anti-Money Laundering and Terrorist Financing law referred to.
- 2 - Disclosure of information or data required by the work of the employees of the Bank to carry out the functions entrusted to them, or which the Bank considers necessary for the performance of its functions in accordance with its guidelines.
- 3 - Disclosure by banks at the request of the competent judicial authority all or some of the information or data relating to clients, their affairs and transactions, in order to provide judicial evidence in a current dispute between the Bank and the client in relation to those transactions.
- 4 - Issuance of a certificate or statement of the reason for the rejection of a cheque at the request of the person entitled.
- 5 - In the case of declaring the Bankruptcy of the client under a final judicial ruling.
- 6 - Statistical information relating to the accounts if they are published in a collective or periodic form, or general information related to the accounts, whether such publication is in whole or part, provided that does not lead to the disclosure of the identity of the client or anything related to his financial or banking affairs.

Article 148

The auditor shall be prohibited from disclosing any data or information that he may have obtained by virtue of the functions entrusted to him by law, and is related to any credit, banking or other information of any of the clients of any of the Banks, and from contributing directly or indirectly to the disclosure of the identity of the client or anything related to his financial or banking affairs, in circumstances other than those imposed or permitted by law. The prohibition referred to in the preceding paragraph shall remain in force even though the relationship between the client and the Bank or between the auditor and the Bank has terminated for any reason.

Article 149

Seizure of funds and assets protected under this chapter shall not be carried out except in cases where the confidentiality stipulated in Articles (146), (147) of this Law is removed.

Article 150

The provisions for the protection of banking confidentiality, set forth in this Chapter, shall apply to all clients of financial institutions subject to the provisions of this Law.

Chapter Three: Protection of Credit Information

Article 151

Any person shall be prohibited from providing credit information services prior to obtaining a license for that purpose from the Bank. The Board shall lay down the conditions and controls that must be fulfilled in companies that wish to provide credit information services. It shall also lay down the mechanisms of supervision and control over the function of these companies.

Article 152

The Bank shall lay down the rules governing the exchange of information and data between the Bank and financial institutions, and amongst them, and that which is related to its clients' indebtedness and credit facilities given to them, to guarantee the preservation of its confidentiality, and ensure the availability of necessary information and data for the sound granting of credit. It shall also lay down the bylaw for procedures to be followed by banks in relation to the protection of the confidentiality and privacy of information and data related to clients and their transactions. Financial institutions must deliver to each of its clients a copy of the same when submitting a request to conduct the transaction.

Article 153

Financial institutions must protect, record, archive, observe, collect, process and properly categorize credit information in an appropriate and easily

referable manner through the development of a plan for the retrieval of credit information in emergencies, and a plan for the continuous application of the same.

Financial institutions must also process or use client data and credit information within the scope of its purpose for which it has been allocated, and in a manner that is not contrary to the provisions of this Law and the bylaws and decisions issued in implementation thereof.

Article 154

The Bank may request from the financial institutions subject to its control to provide it with periodic data about its activities or any other credit information about any of its clients. The Bank may carry out an inspection of financial institutions to verify that information.

Article 155

Financial institutions must take all the technical and vocational measures necessary to protect their electronic systems and networks to ensure the protection of credit information from loss or damage, taking into account the technical and technological standards in place, including the adoption of regulations to save backup copies, according to international best practices.

Article 156

Financial institutions should limit the validity of access to credit information about their clients to employees assigned to it by law by virtue of their functions, and prevent those not concerned therewith from access to such data or information or disclosure, modification or use thereof, in any form whatsoever, or tampering therewith.

Article 157

A credit information centre, subordinate to the Governor, shall be established in the Bank, by a resolution issued by the Board, which shall be responsible for the following:

- 1 - Creation of a central credit database to provide credit information necessary to help make sound credit decisions and the development of proper economic and financial policies.
- 2 - Contribution to the awareness and deepening of a credit culture, thereby helping to reduce credit risk.
- 3 - Any other tasks entrusted to it by the Governor.

The Centre's membership shall be open to all financial institutions and information providers in the country. The Governor shall lay down the bylaws and regulations for the function of the Centre.

Article 158

The credit information centre shall collect credit and analyze credit information about clients of its participating members and information providers which shall be exchanged with them to help them to make sound credit decisions.

Members may obtain through the Centre the credit report on any client according to the procedures and bylaws of the Centre

Article 159

The Centre shall be managed by a chief executive, whose appointment and specification of his terms of reference, shall be by means of a resolution issued by the Governor.

Part 7: Merger, Interim Administration and Liquidation

Chapter One: Merger of Financial Institutions

Article 160

Taking into account the provisions of the Commercial Companies Law referred to, the merger of any financial institution with another financial institution may only occur after obtaining prior approval from the Bank, and in accordance with the conditions and controls specified by it.

Article 161

The merger of financial institutions by the union of two or more financial institutions, in accordance to the provisions of this law, shall take place in one of the following two ways:

1 - Amalgamation. The agreement shall be between two or more financial institutions to merge into a single financial entity that has an independent legal personality, and to which all the rights and obligations of the merged institutions devolve.

2 - Acquisition. This shall be where one financial institution, called the acquiring institution, acquires one or more financial institutions, whilst its legal personality remains intact and the legal personality of the merged institution or institutions cease to exist.

The merger of the financial institution in or with any other financial institution may not take place except by a decision of the Extraordinary General Assembly of the financial institutions concerned.

Article 162

The institutions wishing to merge must enter into an initial contract. The merging financial institution must do the following before the signing of the initial contract:

1 - Prepare an economic feasibility study of the reasons for the merger, its objectives, conditions, and the most significant consequences thereof, under the supervision and audit of the Bank, with an indication of the impact of the merger on the shareholders, clients and staff of the financial institutions to be merged.

2 - Prepare a comprehensive study on the restructuring of the financial and administrative structure of the financial institution or institutions involved in the merger transaction, and the proposed solutions to the potential problems that may arise as a result of the merger transaction such as surplus employment, disruption of liquidity and financial centers.

3 - Specify and value assets and liabilities to be transferred from the financial institution or institutions merged to the acquiring institution or the institution resulting from the merger.

Article 163

The application for the merger shall be submitted to the relevant Bank department, accompanied by the following documents:

1 - The initial contract for the merger.

2 - The audited balance sheet and the auditor's report for the previous year for each financial institution.

3 - The Memorandum of Association, Articles of Association and supplementary bylaws of each financial institution.

4 - Information on the organizational and functional structures of each of the financial institutions concerned, and the rights and privileges of its employees after the termination of service.

5 - A report on the financial status of each financial institution concerned, signed by the Chairman of its Board of Directors, in his own capacity, as at the end of the month preceding the date of application for the merger.

6 - Minutes of the Extraordinary General Assembly of the institutions concerned relevant to the resolution for the merger.

Article 164

The Governor shall issue a resolution either to reject the merger or initially approve it within (60) sixty days following the submission of the application for merger, provided that the resolution for initial approval shall include the conditions, guarantees, grace periods and procedures required to be completed in order to issue the final resolution for approval of the merger.

The resolution to reject referred to may be appealed in accordance with the procedures and deadlines set forth in Article 83 of this Law.

Article 165

The Governor shall issue, within (60) sixty days of completion of the conditions, guarantees and grace periods referred to in the previous article, his final resolution with relation to the merger. The expiry of the period referred to without any final resolution from the Governor shall be deemed to be an implicit rejection of the merger.

The resolution to reject referred to may be appealed in accordance with the procedures and deadlines set forth in Article 83 of this Law.

Article 166

A higher committee and joint technical committees from the financial institutions to be merged shall be formed under the direct supervision and control of the Bank, pursuant to a resolution of its Board of Directors, provided that the Bank is represented in each such committee.

The Higher Committee shall oversee the operations of valuation, inspection, audit and review of the assets of the merged financial institutions.

A resolution of the Board shall be issued to specify the rest of the terms of reference of the Higher Committee and the technical committees and their system of operation.

Article 167

Without prejudice to the provisions relating to confidentiality set forth in this Law, chairpersons of the boards of directors of the financial institutions wishing to merge, or their representatives, may exchange data and information relating to the business of their financial institutions and its clients, in order to complete the study for the merger, amalgamation or purchase.

For the exchange of data and information referred to in the preceding paragraph, the following is required:

- 1 - Obtaining the prior approval of the Governor.
- 2 - That the data and information exchanged are necessary to complete the study for the merger, and is only to the extent necessary for that purpose.
- 3 - That the data and information remain restricted to the financial institutions party to the merger.

Article 168

The merging financial institution or the institution resulting from the merger shall legally and officially replace the financial institution or institutions merged. This will apply with respect to all rights and obligations towards third parties, and in all actions, including lawsuits and court proceedings, as soon as the Governor's final resolution for the approval of the merger is issued.

The merging financial institution or the institution resulting from the merger shall have a legal personality that is independent and separate from the legal personality of the merged financial institutions.

Article 169

In the event of a final resolution to merge being issued, such resolution shall be deemed binding on all shareholders and the right of the affected party shall

be limited to a claim of compensation.

Article 170

The merging financial institution or the institution resulting from the merger must publish in the Official Gazette, and at least in two local daily newspapers one published in Arabic and the other in English, within one month from the date of issuance of the final resolution to approve the merger, a summary of the resolutions of the Extraordinary General Assemblies relevant to the resolution for the merger, as well as the final resolution to approve the merger.

Article 171

The merging financial institution or the institution resulting from the merger may, within six months following the merger, and when necessary, terminate the contracts of some of its employees or employees of the merged institution, taking into account the following:

- 1 - Obtaining prior approval from the Bank.
- 2 - That it takes the decision to terminate employment contracts for once and simultaneously.
- 3 - That it explicitly mentions in the termination of service decisions that they were taken on the occasion of the merger.

The employees whose contracts have been terminated shall have the right to the following:

- 1 - To take advantage of all the rights and benefits guaranteed to them by the relevant legislation in force as well as contracts with them or for their benefit.
- 2 - To take advantage exceptionally, of additional compensation equivalent to what the employee is entitled to as compensation for termination of service, provided that such compensation is not less than 6 months' salary and not more than the total of the salaries earned during the previous three years.

The compensation referred to shall be exempt from any taxes or fees

Article 172

In the event the result of the merger is not in conformance with the relevant decisions of the Bank, the Bank may grant the merging financial institution or the institution resulting from the merger, the grace period it shall fix to regulate its state of affairs.

Article 173

The Bank may, when necessary or due to a sudden failure of the merging financial institution or the institution resulting from the merger, approve the granting of necessary loans on concessional terms to be agreed upon with the Bank.

The Bank may, in the event that any financial institution experiences financial difficulties that have a material impact on its financial position, issue a resolution that it be merged with another financial institution, with the approval of the financial institution that is to be merged with. The Bank shall replace the Board of directors of the merged institutions in all stages and procedures of the merger set forth in this law and the resolutions issued for implementation thereof.

Article 174

The Bank may exempt the merging financial institution or the institution resulting from the merger from income tax, in the year following the year in which the final resolution to approve the merger was issued, provided an agreement is reached between the Governor and the Minister on the terms and scope of the exemption referred to.

All transactions required by the merger, including the issuance of new shares, shall also be exempt from all registration, documentation and notarization fees that may be due to the various relevant authorities.

Article 175

Taking into account the provisions of the Commercial Companies Law referred to, any financial institution, with the prior consent of the Bank, and in accordance with the conditions and controls prescribed by it, may acquire any other financial institution.

The acquisition effected pursuant to the provisions of the preceding paragraph shall be deemed to be a merger for the purposes of benefiting from the exemptions and privileges of a merger set forth in this law.

Chapter Two: Interim administration and Liquidation

Article 176

The Bank may, by means of a resolution, place the financial institution under interim administration, if it becomes threatened with insolvency financially, or upon its request.

The financial institution shall be deemed to be threatened with insolvency in any of the following cases:

1 - If it stops paying its financial obligations as they become due.

2 - If it loses half of shareholders' equity rights or does not maintain the capital adequacy ratio set by the Bank, unless there is a plan to cover the required amount of the deficit within the period specified by the Bank.

3 - If the financial institution in the host country is exposed to the risk of bankruptcy or insolvency, at the discretion of the Bank.

Article 177

The resolution issued by the Bank to place a financial institution under the interim administration of the Bank shall be for good reason and for a specified period.

The financial institution concerned shall be notified of the resolution by delivery of the notification at its head office, or in any manner that will make it aware of the resolution. Notification shall also be sent to the authority responsible for the commercial register at the Ministry of Business and Trade and the Qatar Financial Markets Authority. The resolution shall be published in the Official Gazette, and on the official website of the Bank on the international information network.

The resolution to place the financial institution under interim administration referred to may be appealed, in accordance with the procedures and deadlines set forth in Article 83 of this Law.

Article 178

The Bank may assume the burden of interim administration directly or appoint an external administrator for that purpose. A resolution of the Board shall be issued with respect to the specific terms and conditions, rights and obligations that shall be necessary for the external administrator to work under.

Article 179

The Bank shall replace the management of the financial institution that it resolves to place under interim administration in all administrative powers. The powers of the Board of Directors and the General Assembly shall be immediately frozen until the end of the specified period in the resolution to place the institution under interim administration.

Article 180

The Bank, in its capacity as interim administrator of the financial institution may do the following:

- 1 - Take control of its property and the rights of its shareholders. It shall be entitled to exercise all powers of shareholders, board members and other owners, and to implement procedures for debt collection and the amounts owed to the institution, and to safeguard its property and assets and maintain them.
- 2 - Take steps that in its opinion will achieve the best financial conditions to protect the funds and the rights of depositors, investors and clients, and in particular the following:
 - a - Report on placing the financial institution under liquidation.
 - b - Support the financial institution and convert it to an acceptable financial position.
 - c - Offer the property, assets, interests and returns of the financial institution for sale.
 - d - Sell or merge the financial institution with any other financial institution.
 - e - Pay and fulfill the debts of the financial institution, according to a deliberate rescue plan.
 - f - Work towards reaching solutions and settlements in financial and other matters.

Article 181

The powers of officials and employees of the financial institution under interim administration shall be suspended until such time they are commissioned by the Bank to exercise these powers. The bank may commission them to exercise specific functions in the financial institution.

Article 182

The Bank shall have management authority and control over the assets, branches, books and records of the financial institution that is subject to any resolution issued under the provisions of Article 176 of this law.

No seizure of funds or creation of any rights of a lien on the assets and funds of the financial institution that has been placed under interim administration shall be allowed.

The Bank may dispose of the assets and property mortgaged with the financial institution under interim administration in accordance with the terms of the respective mortgage contracts.

Article 183

The Bank may take assistance from competent bodies to carry out any action in accordance with the provisions of articles (176), (180) of this Law.

Article 184

The Bank shall be responsible for protecting and insuring the assets, books and records of the financial institution under interim administration as well as all the assets, books and records of subsidiaries of this financial institution.

The Bank may coordinate with foreign regulatory and supervisory bodies with respect to branches or subsidiaries of the financial institution outside the country.

Article 185

The Governor may, at the end of the term of the interim administration, revoke the license of the financial institution or implement any of the procedures set forth in Article (180) of this Law.

In the event of cancellation of the license of the financial institution in accordance with the provisions of the preceding paragraph, the Bank shall lay down a plan for the liquidation of the assets and liabilities and implement or oversee the implementation of such plan.

Article 186

The Governor may, when revoking the license of any financial institution that accepts deposits or when placing it under interim administration, prevent the withdrawal of deposits of all kinds, or set out the conditions, controls and limits that it deems appropriate for such withdrawal.

Article 187

The Bank shall determine the net value of the property of the financial institution whose license was revoked in accordance with the provisions of Article (185) of this Law. The Bank shall decide with respect to all demands during the period determined by the Governor.

The Bank may exclude any portion of the claim, demand, guarantee, preference, concession or priority that is not established by methods prescribed by law.

The Bank may carry out whatever settlements and discharges it deems appropriate

Article 188

All property and rights arising from the interim management of the Bank of the financial institution shall be registered and stored in a special account with the Bank.

Article 189

With the exception of insured deposits, the relative order for the fulfillment of claims, returns and interests upon liquidation of the deposit-taking financial institution that has been placed under interim administration under the provisions of Article (176) of this Law shall be as follows:

- 1 - Fees of the administrator or liquidator
- 2 - Dues of employees of the financial institution with the exception of those found to be involved in any conduct or action that has affected the rights of shareholders, depositors and other clients.
- 3 - Deposit balances of all kinds inside and outside the country, provided that compulsory liquidation is not carried out on the branches of the financial institution outside the state, or that does not conflict with the laws of liquidation in the host country.
- 4 - Deposits of financial institutions inside and outside the country.
- 5 - Other credit balances. The Bank shall set the instructions and procedures for the liquidation of other commitments on and outside the balance sheet.
- 6 - Support loans.
- 7 - Rights of the State related to taxes, duties and rights of the Bank.
- 8 - Shareholders' rights.

Outstanding balances from funds received by the financial institution to employ them for the account of others shall be paid directly without being subject to the order referred to in the preceding paragraph after deducting the commissions due.

Article 190

One or more committees called "Disputes Resolution Committee" shall be established at the Bank. Each such committee shall be chaired by a Chief Justice of the Court of Appeal and its membership shall comprise two judges of the Court of Appeal selected by the Supreme Judicial Council, and two experienced individuals nominated by the Council.

A resolution of the Cabinet shall be passed to nominate the chairman and members of the committee, its system of operation and the procedures to be followed before it.

The committee shall have a secretariat from the employees of the Bank. A resolution by the Governor shall be issued with respect to their appointment and to determine their functions and remuneration.

Article 191

The term of membership of the committee shall be three years renewable for one or more similar periods. If the position of any member of the committee becomes vacant before the end of his term, another member shall be appointed to complete the remaining term.

Article 192

The committee shall do the following:

- 1 - Decide with respect to the appeals submitted to it, from the resolutions issued by the Bank, in the cases provided for in this Law and the resolutions issued in implementation thereof.
- 2 - Decide with respect to the appeals submitted to it, from the penal resolutions issued by the Bank, according to the provisions of this Law and the resolutions issued in implementation thereof.
- 3 - Decide with respect to the appeals submitted to it, from the resolutions issued by the Bank related to the status of failing financial institutions under the interim administration of the Bank.
- 4 - Amicably settle disputes between financial institutions, at the request of the parties to the dispute.

Article 193

No member of the Committee shall be a member of the Board, and no member shall hold any office or employment with the Bank, nor any financial institution subject to its control and supervision.

The chairman or any member of the committee shall not have any economic, financial or other ties with the parties to the conflict.

Article 194

The committee members shall be independent in the performance of their duties, and no person may interfere in the work of the committee or in the decisions taken by it.

Article 195

The Committee shall meet at the invitation of the chairman at its offices in the Bank. The meetings shall only be valid if attended by the chairman and two of its members. The sessions shall be private. Resolutions of the committee shall be by a majority vote of the members present, and in the case of an equality of votes the chairman of the committee shall have a casting or second vote.

Article 196

The Committee may, in order to carry out its function, take all measures which will enable it to do this, and in particular the following:

- 1 - Hear from witnesses deemed appropriate after their discharge of the legal oath.
- 2 - Accept any information by oral testimony, written statements, or documents for consideration.
- 3 - Appoint any expert deemed necessary to carry out the work it assigns to such expert.
- 4 - Charge any person to appear before it at any session to present any evidence, records, documents or information he may have related to the matter of the dispute.
- 5 - Adopt the acceptable amicable settlement by both parties.
- 6 - Instruct the non-publication or dissemination of any information disclosed by the Committee.
- 7 - Instruct the prevention or suspension of publication of any dispute during its appearance before the committee.
- 8 - Exercise any powers and issue any orders it deems necessary for consideration of the dispute or to carry out its terms of reference.

Article 197

Evidence in disputes submitted to the Committee may be by provided by all means of evidence, including electronic data from a computer, phone recordings, text messages, telex and fax correspondence, and other electronic media.

Article 198

The Committee when deciding in a dispute may adopt the following:

- 1 - Not to accept any grievance in which the person has no direct existing interest sanctioned by law. The committee may in such instance decide to impose a fine on the appellant of an amount not exceeding (100,000) one hundred thousand riyals.
- 2 - Suspend the resolution being appealed and any other actions related to it until a decision regarding the appeal is made.
- 3 - Require the appellant to provide a financial guarantee determined by the Committee until a decision regarding the appeal is made.
- 4 - Oblige one of the parties to the appeal to pay a specific amount in lieu of all or part of the costs of the appeal, including that incurred by any party to the appeal. These costs may be recovered from the one who loses the appeal as a debt payable to the party who paid these costs.
- 5 - Determine the action that must be taken by the Bank in relation to the matter of the appeal or refer the matter to the Bank together with an explanation of the appropriate actions to implement its resolution.

Article 199

The resolutions of the Committee must be substantiated.

The resolution issued by the Committee shall be final. Those affected may challenge the resolution before the competent department of the Court of Appeal.

Article 200

Membership in the Committee shall terminate by expiry of the term of office expires without renewal, death or resignation. It can also terminated by a resolution of the Cabinet in any of the following cases:

- 1 - If the member becomes unable to perform the functions of membership for any reason.
- 2 - If the member fails significantly in his duties.
- 3 - If the member is absent from three consecutive meetings of the Committee without an acceptable excuse.

Part 9: Sanctions and Financial Penalties

Chapter One: Sanctions

Article 201

Without prejudice to the financial penalties imposed by the Bank under the provisions of this law and the bylaws, regulations and resolutions issued in implementation thereof, or any more severe sanction provided for by any other law, the sanctions provided for in this Chapter for offences described therein, shall be applied.

Article 202

Any person who issues currency in violation of the provisions of this law shall be punished by imprisonment for a term not exceeding ten years and a fine not exceeding (10,000,000) ten million riyals.

Article 203

Any person who conducts the business of accepting deposits without a license from the Bank shall be punished by imprisonment for a term not exceeding five years and a fine not exceeding (5,000,000) five million riyals

Article 204

Any chairman, manager, board member, auditor, expert, liquidator or any person mandated to manage a financial institution shall be punished by imprisonment for a term not exceeding three years and a fine of not less than (200,000) two hundred thousand riyals and not exceeding (10,000,000) ten million riyals, or by either of them if he/she commits any of the following acts:

- 1 - Includes or deliberately allows the inclusion of incorrect information or the mention of incorrect facts in the balance sheet, profit and loss account, financial solvency account or data submitted to the Bank, resulting in the financial position of the financial institution becoming different to the reality.
- 2 - Declines to inform the Board, despite being aware thereof, that the position of the financial institution does not allow it to fulfil its obligations.

Article 205

Any person who commits one of the following acts, shall be punished by imprisonment for a term not exceeding three years and a fine of not more than

five million (5,000,000) riyals, or by either of them:

1 - Abstains from trading or accepting cash issued under the provisions of this law;

2 - Deals in securities and coins for which a resolution was issued that it be withdrawn from circulation;

3 - Engages in the services or business stipulated in this law and the resolutions issued in implementation thereof, without obtaining a license from the Bank; or

4 - Violates the prohibition stipulated in Article 78 of this Law;

In all cases a decision of closure of the violating institution shall be passed.

Article 206

- Any chairman, manager, board member, auditor, expert, liquidator or any person mandated to manage a financial institution who breaches his/her obligations related to the capital, formation and maintenance of reserves, or solvency requirements, in accordance with the provisions of this law and the resolutions issued in implementation thereof; and

2 - Any person who engages in the activity of credit information without obtaining a license from the Bank shall be punished by imprisonment for a term not exceeding three years and a fine not exceeding five hundred thousand (500,000) riyals, or by either of them.

Article 207

Any person who violates the prohibition related to banking confidentiality contained in Articles 38, 145, 146 and 148 of this law shall be punished by imprisonment for a term not exceeding three years and a fine not exceeding one hundred thousand (100,000) riyals, or by either of them.

Article 208

Any person, who commits any of the following acts, shall be punished by imprisonment for a term not exceeding one year and a fine of not more than one hundred thousand riyals (100,000), or by either of them.

1 - Offers, provides, promotes or advertises any misleading or incorrect financial service,

2 - Does not include the data and information set forth in this law or the resolutions issued in implementation thereof in the forms for contracts of financial services,

3 - Collects, uses or stores the information on clients of financial institutions, for purposes other than those related to the services they provide,

Article 209

Any person who distorts cash by cutting, tearing, effacing, punching, writing, printing, drawing, stamping, pasting or adding to it shall be punished by imprisonment for a period not exceeding six months and a fine of not more than (50,000) fifty thousand riyals, or by either of them.

Article 210

Any person who:

1 - Deals with an expert, consultant or broker with the knowledge that he is not registered in the specific records stipulated in this law and the resolutions issued in implementation thereof;

2 - Represents an unlicensed financial institution

3 - Provides information that he knows to be incorrect in order to obtain a license for any services, activities or business stipulated in this law or resolutions issued in implementation thereof;

4 - Declines to allow or deliberately obstructs law enforcement officers from performing the duties assigned to them under the provisions of this law;
5 - Withholds from the Bank or the person appointed by it, any data, information, records or documents related to the activities of the financial institution requested by it, or provides any of them information or data that is false, misleading or contrary to the truth;
6 - Declines or delays the submission of periodic reports, reports of financial solvency, data, books and documents required under the provisions of this law and the resolutions issued in implementation thereof;
shall be punished by a fine of not more than (500,000) five hundred thousand riyals.

Article 211

Any person who engages in or practices the profession of an actuarial expert, insurance consultant, inspection expert and damage valuator, or acts as an intermediary in a contract of insurance or reinsurance, and was not registered in the specific records stipulated in this law and the resolutions issued in implementation thereof shall be punished by a fine of not more than (100,000) one hundred thousand riyals.

Article 212

The sanction shall be doubled in case of repetition of the offence. In the application of the provisions of this law any person who commits an offence similar to the offence for which he was previously punished with one of the sanctions for violation of its provisions prior to the lapse of five years from the end of the implementation of the sanction imposed or the waiver thereof shall be deemed to be a repeat offender.

Article 213

The person in charge of the actual management of the offending legal entity shall be punished with the same sanction provided for in this law if it is proven that he was aware of the violation or his breach of duties imposed by management had contributed to the occurrence of the offence.

The legal entity shall be jointly liable for the fulfilment of any fines and compensation imposed if the violation was committed by one of its employees, in its name or on its behalf.

Article 214

The Governor or his designee may reconcile with respect to the offences stipulated in this law, prior to institution of the criminal case or during its review and before a final decision is taken therein, against payment of half the maximum fine prescribed for each offence.

Following the compounding, the criminal case and the implications arising there from shall cease. The office of the Attorney General shall order the suspension of the execution of the sanction if the compounding occurs during such execution.

Article 215

Employees of the Bank for whom a resolution of the Attorney General in agreement with the Governor is issued that they be granted the position of law enforcement officers may establish the violations and offences that occur in violation of the provisions of this law.

Chapter 2: Financial Penalties

Article 216

The Bank may impose a financial penalty of not more than (10,000,000) ten million riyals for each violation, committed by the financial institution, of the provisions of this Law or the bylaws, resolutions or instructions issued in implementation thereof.

It may also impose a financial penalty of not more than (100,000) one hundred thousand riyals per day for each ongoing violation, committed by the financial institution, of the provisions of this Law or the bylaws, resolutions or instructions issued in implementation thereof.

The Bank shall determine the appropriate financial penalty in accordance with the gravity and enormity of the offence, according to the circumstances of each individual case, and after notice and warning to the financial institution in violation to remove the causes of the violation within a specified period.

Article 217

The Bank may impose a financial penalty of not more than (2,000,000) of two million riyals on any financial institution that refuses to provide the Bank or its inspectors with information or data they require, or refuses to allow them access to books, records and documents, or provides them with misleading information.

Article 218

Without prejudice to the sanctions and financial penalties provided for in this Chapter, the Bank may impose the financial penalties specified by the bylaws and resolutions that regulate financial institutions, services, business and activities subject to control and supervision of the Bank, in accordance with the controls, conditions and limits set by the Board.

Part 10: General Provisions

Article 219

Without prejudice to the established constitutional and legal procedures, the Bank may:

1 - Enter into bilateral or collective agreements with respect to monetary, regulatory or supervisory policies, exchange rate policies, and application of unified exchange rates or to reach a common currency.

2 - Conclude agreements or memoranda of understanding with foreign central banks, foreign regulatory and supervisory authorities, and international institutions, relevant to the function of the Bank and the achievement of its objectives, including the areas of exchange of information, experience and training, and other areas subject to this being reciprocal.

Article 220

Financial institutions may establish among themselves a union that works in coordination with the Bank and under its supervision, with a view to promote and highlight the role of the State as a global pioneer in the field of financial services, business and activities, take care of the interests of union members, and improve the financial services and business offered by the financial institutions concerned.

The Bank alone shall approve the establishment of the union and confirm its Articles of Association in accordance with the conditions, procedures and controls established by a resolution of the Board.

A resolution of the Governor for the establishment of the union and its Articles of Association shall be issued and published in the Official Gazette. The Union shall acquire legal personality from the date of such publication. The Bank shall have a representative at the union and the committees there from who shall attend meetings of the committees without having the right to vote. The union shall be registered in a special register with the Bank after discharge of fee specified by a resolution of the Governor.

Article 221

The Bank may provide services in accordance with its purposes and achievement of its objectives including the management of the funds. These services shall be based on the prevailing prices of similar services in the market, and may not result in any liability to a third party without its consent.

The Bank may collect the fees, expenses and costs of or related to the operations and transactions authorized under the provisions of this law.

Article 222

The Bank may, alone or in combination with any other party, set up companies that serve its objectives in accordance with the provisions of the Commercial Companies Law referred to.

It may also establish, set up or participate in the creation or formation of institutions, organs or committees that it deems to be consistent with its objectives and that will enable it to carry out its duties and functions contained in this law.

Article 223

The Bank only, and no other party, shall be responsible for the definition of the terms contained in this law, as well as the terms used in all financial business, services and activities under its control and supervision in accordance with the provisions of this law and the resolutions issued in implementation thereof.

Article 224

The debts of the Bank shall have the same preference as debts of the government against the funds of its debtors and the collection of its debts shall take place in the same manner and by the same means laid down for the collection of the debts and funds of the government.

Article 225

With the exception of the reserve held by financial institutions at the Bank in accordance with the provisions of Article 120 of this law, the Bank shall have a preferential right in satisfying all its claims and entitlements from any cash balances or assets that represent guarantees for the claims and entitlements of the Bank when such claims or entitlements become due and payable.

The Bank may exercise its right to retain the existing cash balances it has at the prices it deems appropriate, and collect what is due to it from the proceeds of the sale after deduction of costs and expenses related to the sale.

Article 226

With the exception of the reserve held by financial institutions at the Bank in accordance with the provisions of Article 120 of this law, the Bank shall have a preferential right in satisfying all its claims and entitlements from any cash balances or assets that represent guarantees for the claims and entitlements of the Bank when such claims or entitlements become due and payable.

The Bank may exercise its right to retain the existing cash balances it has at the prices it deems appropriate, and collect what is due to it from the

proceeds of the sale after deduction of costs and expenses related to the sale.

Article 227

The Bank shall not be questioned regarding any losses or obligations that fall upon the shoulders of the financial institutions in which the members of the Board or employees of the Bank are representatives.

Article 228

The violation by financial institutions of the provisions of this law and the resolutions and instructions issued in implementation thereof shall not prevent the claim against third parties for the fulfilment of its rights.

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