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FINANCIAL CENTRE  
REGULATORY AUTHORITY

# **The QFC's Regulatory Regime for Insurance - An Overview Presentation to MultaQa Qatar**

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# Qatar Financial Centre Regulatory Authority: Overview

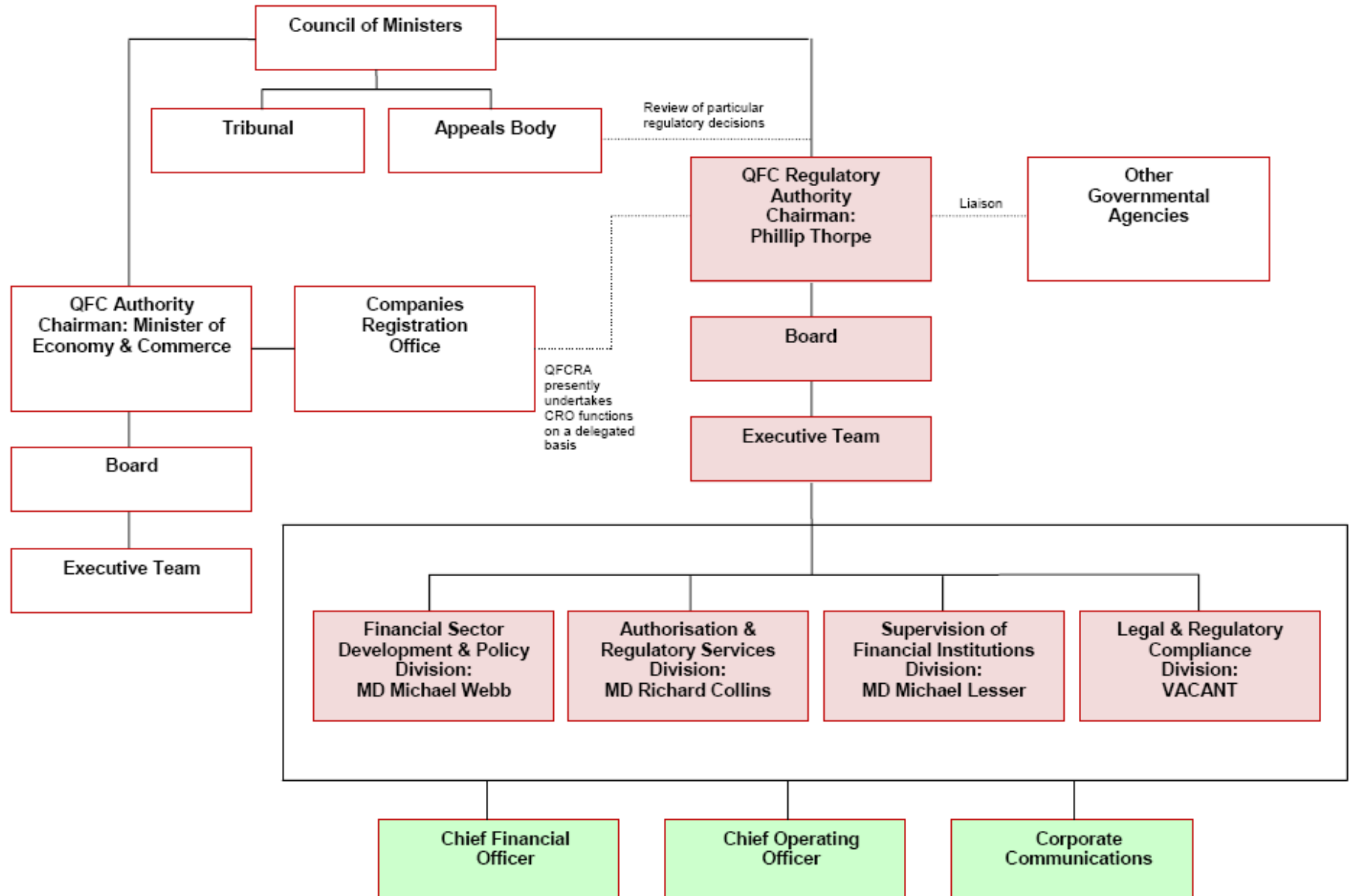
## QFCRA Governance

- Est. by Article 8 of QFC Law as the independent regulatory body of the Qatar Financial Centre (QFC)
- Reports directly to Council of Ministers
- International board with strong regulatory backgrounds from US, UK, France and Hong Kong
- Regulatory regime based on international standards & best practice

## Regulatory Functions and Approach

- Authorises and regulates firms that conduct financial services in or from the QFC
- An integrated regulator with a broad range of rule-making , supervisory and enforcement powers
- Applies a principles and risk based approach to regulation

# Structure of the QFC and the QFCRA



# QFC Civil and Commercial Court

- **Lord Woolf** (formerly the Lord Chief Justice of England and Wales) was appointed as President of the QFC Civil and Commercial Court in March 2006.
- Other Judges of the Court are:
  - **Sir Philip Otton** (formerly a judge of the Court of Appeal, UK)
  - **Miss Barbara Dohman QC** (leading financial services barrister, UK)
  - **Justice Aziz. M. Ahmadi** (formerly the Chief Justice of India)
  - **Justice Ronald Sackville** (Chairman of the Judicial Conference of Australia)
  - **Lord Cullen** (Lord Justice General of the Court of Session, Scotland)
  - **Sir Peter Gibson** (Member of the Privy Council, UK)

# QFC Regulatory Tribunal

- **The Honourable Sir William Blair** (Judge of the High Court of England and Wales, formerly part-time Chairman of the UK Financial Services and Markets Tribunal) was appointed as Chairman of the QFC Regulatory Tribunal by the Council of Ministers in March 2006.
- **Michael Thomas QC** (leading commercial barrister, and former Attorney-General for Hong Kong).
- **Francois Gianviti** (formerly General Counsel to the IMF).

# Our approach to insurance regulation

The QFCRA operates a risk-based approach to regulation and supervision:

- principles based regulation with a judicious use of rules where necessary
- maintaining close relationships with each firm and its senior management;
- focuses on achieving the QFCRA objectives by making effective use of the supervisory tools available to it;
- maintaining a continuous cycle of risk management which enables the QFCRA to regularly undertake the risk assessment and classification of firms using a standardised methodology; and
- co-operating with other regulators with a view to branches or parts of a group being effectively supervised.

# Key areas of QFCRA insurance regulation

- The QFCRA regime for insurers and insurance intermediaries covers the areas one would expect to see in a regime meeting international standards, including:
  - prudential requirements for both insurers and insurance intermediaries;
  - conduct of business requirements, with a stronger emphasis on protecting retail customers;
  - requirements regarding controlled functions and internal systems and controls; and
  - requirements relating to the protection of insurance and client monies.
- Currently the supervision of the insurance industry outside the QFC lies with the Ministry of Economy & Commerce. The (non-QFC) Qatar Insurance Law (1966) provides for high level regulations with limited detail. The extent of regulation is very limited. The Insurance Law also does not provide for the incorporation of intermediaries or for the conduct of life insurance business.

# Coverage of QFCRA Insurance Regime

## Categories

- General insurance
- Long term Insurance
- Re-insurance
- Takaful

## Participants

- Insurers/Re-insurers
- Brokers/Advisers

## Coverage

- Business Customers
- Retails customers

# From QFCRA to FRA – the establishment of a single integrated regulator for the Qatar financial markets

- In 2007 the Government announced its intention to create a single unified financial regulator for the State of Qatar.
- In terms of that announcement , the regulatory and supervisory activities currently undertaken by the Qatar Central Bank, Qatar Financial Markets Authority (regulating the Doha Securities Market) , and QFCRA will be undertaken by a single international standard regulatory authority – the Financial Regulatory Authority (FRA).
- The QFC regime will continue in force for QFC firms, with the FRA acting in place of the QFCRA
- The FRA will also develop a single high international standard regulatory regime for all insurance business, with a transitional regime applicable to local firms.
- Substantial preparatory work done on project – now awaiting further Government decisions



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