



**Regulations
TO exchange houses
TILL MAY 2011**

Qatar Central Bank

www.qcb.gov.qa

FIFTH EDITION

PREFACE

Qatar Central Bank (QCB) is pleased to issue Fifth Edition of "Instructions to Exchange Houses to- May 2011", for purpose of facilitating those working exchange houses and banking sector to be aware of all effective instructs. This edition is distinguished from previous one issued on July2006, by issuance of new QCB law No.33 (2006) dated 12/9/2006. The following instructions are an integrated part of the previous edition (Fourth Edition) including the amendments, additions and deletions in pursuance with articles of the new QCB law in addition to all the circulars issued to exchange houses effective up to May 2011.

These instructions are classified into fourteen chapters which include definitions of words and Terminologies, Licensing, Registration, Businesses of Exchange Houses, method of Managing Exchange Houses and its Executive Body, External Auditor, Currency , Counterfeiting and Golden Ingots , instructions to combat money laundering and terrorism financing, relation with the bank, directions for financial stability, financial statements, final accounts and directions of government authorities, official duty times, holidays and fests in addition to tables, forms and filling up instructions.

In addition, there are other recently issued instructions for statistical requirements. These instructions are not included in these instructions as they are provisionally implemented.

REGULATIONS TO EXCHANGE HOUSES

QCB issues the instructions book on an annual basis, once in each two years or three years, with all the amendments made up to issuance date. These instructions are available on QCB's website: www.qcb.gov.qa.

QCB would like to take this opportunity to express thanks and gratitude to His Highness the Emir of the State of Qatar Sheikh Hamad Bin Khalifa Al-Thani, His Highness Heir Apparent Sheikh Tamim Bin Hamad Al-Thani, and His Highness the Prime Minister Sheikh Hamad Bin Jassem Al-Thani, for their sustainable support to QCB.

Abdullah Bin Saud Al-Thani

Signed

The Governor

REGULATIONS TO EXCHANGE HOUSES

CONTENTS

		PAGE
Chapter One	Definitions	5-7
Chapter Two	Licensing and Registration	8-15
Chapter Three	Businesses of Exchange Houses.....	16-23
Chapter Four	Unclaimed Amounts	24-28
Chapter Five	Method of Managing Exchange Houses and Executive Body	29-50
Chapter Six	External auditor	51-54
Chapter Seven	Currency , counterfeiting and golden ingots	55-60
Chapter Eight	Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT).....	61-132
Chapter Nine	Relation with bank and instructions for financial stability	133-140
Chapter Ten	Financial statements, final accounts, supervision ratios and accounting registration	141-145
Chapter Eleven	Directions to governmental bodies	146-157
Chapter Twelve	Official duty, holidays and fests	158-160
Chapter Thirteen	Other instructions	161-164
Chapter Fourteen	Tables, Forms and Filling Up Instructions.....	165-274

CHAPTER 1

DEFINITIONS

(6 - 7)

CHAPTER ONE

DEFINITIONS

QCB	:	Qatar Central Bank
The board	:	QCB Board of directors
Governor	:	Governor of QCB
Fiscal year	:	Gregorian Year
Financial services institutions	:	Investment or Financing or Exchange Corporations in the State, or any other Financial Services Companies or Institutions stated by the law or by a decision from QCB.
Exchange houses	:	Any company or establishment licensed for practicing money exchange activities except receiving of deposits
Financial institute	:	Any bank or financial service institute or foreign unit.
Exchanging activities	:	Exchanging and trading in different currencies and traveller's cheques, and ingots of precious metals and issuance and acceptance of remittances from licensed correspondents
Banking activities	:	Accepting deposits and other redeemable funds, granting credit facilities, discounting, purchasing and selling negotiable instruments, trading in cash and monetary instruments, foreign exchange and precious metals, issuing cheques and other payment instruments, issuing bonds and liabilities, and any other activity permitted by

REGULATIONS TO EXCHANGE HOUSES

QCB.

REGULATIONS TO EXCHANGE HOUSES

- The Bank** : Any company permitted to practice all or any banking or investment works in the state.
- Foreign Units** : Bank or foreign exchange houses working outside Qatar which undertakes administration of exchange house in Qatar.
- The Money** : Banknotes and coins and digital money and all money instruments decided by QCB
- Investment Businesses** : Investment on behalf of third parties, providing financial mediation and financial agency services, arranging public subscription, offering custodian services, participation in issuing shares and other securities, offering consultancy on capital markets and services of integration, purchasing and selling entities and institutions, managing investment trusts and funds and trading in cash and monetary instruments, precious metal and foreign exchange, and any other activity permitted by QCB.

CHAPTER TWO

LICENSING AND REGISTRATION

		PAGE
First	Licensing	9-12
Second	Registration and Fees	13-14
	1- Register and Details of Exchange Houses	13
	2- Fees	13-14
Third	Capital and Reserves	15
	1- Capital	15
	2- Legal Reserve	15

CHAPTER TWO

LICENSING AND REGISTRATION

FIRST: LICENSING :

- 1- *Except the financial institutions Licensed by QCB before the application of QCB Law No.33 (2006), an application for licensing the establishment of exchange house shall be submitted in accordance to the specimen and subject to the conditions stated by the instructions of QCB. QCB shall decide on the application without mentioning the reasons and shall notify the applicant with the decision in writing.
- 2- ** When submit application to QCB for getting license for exchange houses and braches; it's resolute that forms prescribed in annex "1" page 168, according to requirements specified in the form. License to practice activities of exchange houses mentioned in the QCB's law shall be given according to article (1) and article (53, clause 2).
- 3- ***Applicant for the license shall have a sufficient capital and an acceptable financial status according to the instructions of QCB.
- 4- Pursuant to article 52 of QCB Law No.33 (2006), No person shall use the term or logo of an exchange house in the documents, correspondences, advertisements or any other means before obtaining the license from QCB. Also practicing of works and activities provided for in this Law is prohibited
- 5- **** It's not allowed to license to off shore branches to work in state of Qatar, unless licensed by competent authorities in the state and all covenants of foreign administration of exchange houses shall be subject to approval of QCB and instructions thereof.

* Article (55) of QCB Law.

** Circular No. 15/2007 dated 12/9/2007

*** Article 56 of QCB Law

REGULATIONS TO EXCHANGE HOUSES

**** Article 57 of QCB Law.

- 6- * Exchange houses shall start practicing their activities within six months from the date of the license. QCB may extend this period to another similar period. If the second period lapses before starting the licensed works or activities, the license shall be deemed invalid
- 7- ** No exchange house or any subordinate company shall, open a branch, or close any existing branch, or change its legal status, or its main location inside the State, without obtaining the approval of QCB. No exchange house or any subordinate company shall open a branch or a bureau outside the State without obtaining the approval of QCB. QCB should be informed before closing any branch outside the State.
- 8- *** Every exchange house which desires to cease carrying on business in the State should notify QCB in advance and the period of notification should not be less than six months. QCB may approve reduction of the notification period if it is satisfied that the rights and interests of clients are secured.
QCB shall ascertain that the exchange house willing to cease business has fulfilled all its obligations towards the clients within the period of notification. Such ascertainment shall be according to the rules and procedure prescribed by QCB in this respect.
- 9- Standards to open additional branches of exchange houses ****
In pursuance to article 63 of decree law No. 33 (2006) regarding QCB, it's obligatory to implement following procedures to open additional branches of exchange houses in the state.
 - a) The company shall have realized operational profits for three years continuously.
 - b) No any financial fines or violations to directions of QCB for years prior to date of submission of application for additional branch.
 - c) No any violations to instructions of financial information unit Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT)

* Article (57) of QCB Law

** Article (63) of QCB Law

REGULATIONS TO EXCHANGE HOUSES

*** Article (63) of QCB Law

***** Circular No.: 12/2007 dated 8/7/2007

- d) Issue bank guarantee worth of Qrs. 500,000 (Five Hundred Thousand Riyals) for each new branch.
 - e) QCB furnish to QCB at beginning of each year, plan of expansion plans provided that such plans shall be approved by board of directors or owners. Any application to open branches having not mentioned in expansion plan during the year, shall be discarded.
 - f) The company accounts shall be audited by chartered auditor at each six months.
 - g) Need of proposed site for additional branches to exchange houses.
- 10- * No exchange houses shall own, merge, consolidate with, contribute or transfer its obligations to any other company without pre - approval of QCB.
- 11- **The Board shall, subject to the provisions of this Law, set the proportions and conditions of ownership of natural and legal persons of the shares of the exchange house. These proportions shall not be exceeded, directly or indirectly. Every exchange house is bound to provide QCB with all relative information.

12- CANCELATION OF LICENSES

- ** The Board may issue a resolution revoking the license in the following circumstances:
- a) Violation of the provisions of this Law or the decisions and instructions enforcing it.
 - b) Non-fulfillment of the conditions stated in the licence.
 - c) Providing QCB with incorrect or misleading information.
 - d) Endangering and threatening the interests of clients by the way the exchange house manages its affairs, at the discretion of QCB.
 - e) Issuance of a decision of liquidation or winding up of the exchange house.
 - f) End of work of the branch of the foreign financial institution in the State.
-

* Article 69 of QCB Law

REGULATIONS TO EXCHANGE HOUSES

** Article 68 of QCB Law

*** Article 58 of QCB Law.

- g) Revocation of the license of the branch of the financial institution in the state of origin.

No works or activities shall be practiced from the date of revocation of the license

- QCB shall publish the decision of revocation of the license in the official Gazette and in at least two daily newspapers

REGULATIONS TO EXCHANGE HOUSES

* Article 59 of QCB Law.

REGULATIONS TO EXCHANGE HOUSES

SECOND : REGISTRATION AND FEES

1 - REGISTRATION OF EXCHANGE HOUSES

All exchange houses shall furnish before end of November of each year, the main data for registration according to specimen described in annex No.2 page(170) for annual renewal of license to practice activities of exchange houses attaching the following documents.

- a) Latest extract of commercial register of exchange house, stipulating on capital, name of owner\ partners and their share ratios.
- b) Specimen of signatures accredited for public administration by foreign banks and exchange houses having tied by management contract agreements
- c) Copy of memorandum of association of the exchange house and its articles of association.
- d) Statement on powers given by foreign bank or foreign exchange house (foreign unit) to the manager and operation manager appointed by them in managing and running exchange businesses in Qatar.
- e) A copy of supervisory power law governing on business structure of the exchange houses should be kept in the exchange house and provide it whenever requested.
- f) Bank guarantee to QCB worth 25% of capital of Exchange house.
- g) Authorization letter o deduct annual registration fees.
- h) Copy of registration No. for auditor.

The exchange shall provide to the exchanges all amendments in above mentioned data.

2-FEES

2/1 Collect annual fees from exchange houses within first week of January of each year as follows :-

REGULATIONS TO EXCHANGE HOUSES

*Circular No.20/2010 dated 28/11/2010

- a) Annual fees shall be paid by cheque in favor of QCB or authorization to deduct it.
- b) The cheque shall be sent in name of the central bank to director of the credit bureau and banking affairs, issue to bank by registered mail or correspondent of the exchange house and QCB shall notify on receipt.
- c) The license shall be renewed per annum after fulfilling of all requirements of QCB.

2/2 RENEWAL OF FEES AND ITS TYPES

Fees required by QCB for issuance of licenses and approvals shall be as follows:-

	QR
<u>Forms of Exchange houses</u>	
Application for licensing to exchange house	15000
Application for licensing to branch of exchange house	5000
Application for extending license for exchange house	7500
Application for extending license of branch.	2500
<u>Annual fees for Exchange houses</u>	
Fees for annual registration of exchange houses with QCB	10000
Fees for annual registration of exchange house branch	5000
<u>Other fees of exchange houses</u>	
Fees to provide certificate of license for exchange houses *	110000
Fees of starting activity of main office of exchange house **	11000
Fees to start activity of branch **	4400

*Fees of giving license certificate is taken once only

** Fees for starting activity is taken once only

REGULATIONS TO EXCHANGE HOUSES

* Circular No.23/2007 dated 31/12/2007

THIRD: CAPITAL AND RESERVES

1- CAPITAL

Pursuant to provisions of article (64) of QCB Law No. 33 (2006) and amendments regarding the maintaining, at all times, sum and form of the paid capital and the reserves specified by QCB, required to abide by followings.

- a) The obligatory paid capital given to start activity of the exchange house shall not be less than 50 million Riyals (Circular No.15/2007).
- b) Not to increase or decrease the paid capital or the capital designated for the work in the State of Qatar, or use the reserve balance without the approval of QCB.
- c) QCB shall prescribe the nature, form and level of adequacy of the capital and time for its increase.

Subject to the provisions of Article (e (70) of this Law, QCB may exempt foreign banks branches or foreign financial institutions and foreign units from the condition of maintaining the aforesaid capital.

2- LEGAL RESERVE**

Pursuant to paragraph 3 article 64 of QCB No.33 (2006) , all exchange houses shall maintain a reserve balance to which 10% of the annual profit shall be transferred till the reserve reaches 100% of the paid or designated capital

It's not allowed to use of legal reserve without prior approval of QCB.

REGULATIONS TO EXCHANGE HOUSES

* Circular No.15/2007 dated 12/9/2007

** circular No. 13/2007 dated 11/7/2007.

CHAPTER THREE
ACTIVITIES OF EXCHANGE HOUSES

(17-23)

	Pages
First : Permitted and prohibited activities.....	17-18
Second : Drafts, cheques and details of clients	19-23
1 Drafts	19-22
1/1 Drafts Withdrawn To Licensed exchangers.....	
1/2 Financial Exchanges, Purchase Of Currencies And Details Of Customers.	
3/1 Coverage of outgoing remittances.....	
1/4 register of remittances	
	21-22
1- Cheques and Traveller's cheques	22-23
2/1 Travellers' cheques	22
2/2- Post dated cheques.....	22
2/3 Cheques sent for collection and cashing of remittances	22-23

REGULATIONS TO EXCHANGE HOUSES

CHAPTER THREE ACTIVITIES OF EXCHANGE HOUSES

Firstly : Permitted and prohibited activities of the exchange houses

- 1- Exchanging activities in pursuance to article (1) of QCB Law No.33 (2006) are as mentioned in chapter one

“Exchanging and trading in different currencies and traveller’s heques, and ingots of precious metals and issuance and acceptance of remittances from licensed correspondents”

- 2- Exchanges are prohibited to practice followings :-

- a) Banking activities including receiving of deposits, opening of accounts, providing loans, opening credits and issuance of bonds.
- b) Activities of financing companies and investment companies including loans and marketing of investment reserves and funds to banks and financial institutes.
- c) Marketing of shares, debentures, saving certificates of all types and other non cash-bank notes
- d) Representing banks and financial institutes in all transactions.

- 3- Practicing exchange activities outside the main office or branches.

Recently some exchange houses are founded practicing the licensed activities inside places of labor concentration places which is explicit violation to terms and conditions of license and practicing of activity.

So to refrain from this illicit act, it’s required not to practice any of licensed activities outside the main office of the exchange house or its branch. The QCB may impose fine if found any violation to these instructions according to provisions of QCB decree law No.33 (2006) and the instructions thereto

* Circular 18/2010 dated 9/11/2010 effective from the date

REGULATIONS TO EXCHANGE HOUSES

4- Representing Foreign Financial Institutes*

Some exchange houses are found practicing activity of representing foreign financial institutes keeping in QCBs application forms for opening accounts for clients in these banks, publishing notices on walls of the shop and working as mediator between bank and clients to arrange withdrawal, depositing and renewal of accounts as well as different correspondences. This is violation to article (1) of QCE' law No. 33(2006) which specifies activities of exchange houses in clause 1 (Page No.17)

All violating exchange houses shall stop practicing of such activities.

5- Keep Trusts for Others

Exchange houses are prohibited to keep any personal belongings of partners or their workers or others inside the iron safes available in the shop.

Circular No.3/2007 dated 17/3/2008

REGULATIONS TO EXCHANGE HOUSES

SECOND : REMITTANCES, CHEQUES AND DETAILS OF CUSTOMERS

1- Remittances :-

1/1 Remittances withdrawn from licensed exchangers

Accepting and issuing of drafts by exchange houses shall be with authorized banks and exchange companies only and assure on compliance to instructions of Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Page (61)

1/2 Financial remittances and details of customers

1/2/1- * All exchange houses must ask ID or Passport from all customers desiring to money remittance to other country or purchase and sales of currencies.

These data should be entered to programs arranged for centralized reporting system of QCB used at this moment, bear in mind that QCB may take necessary actions against any exchange house violating these instructions.

1/2/2 Instructions on details of customers purchasing currencies and making financial remittances***

With reference to circular No.9/2009 and circular No.10/2009, sent to all exchange houses working in state of Qatar, it's required to make necessary procedures of customers need remittance of money outside the countries or sell currencies as follows.

- a) Assure availability of ID or passport containing ID No.(of copy of any) of all customers, before any processes of purchasing currencies or financial remittances. It's allowed to ask assistance from any lady employee working in the exchange to assure identity of veiled ladies.
- b) Assure availability of ID or passport containing ID No.(of copy of any) of transacting person if the customer is not dealing directly with ID or Passport containing ID No.(or copy of any) of the person making transaction deals.

* Circular No.. 9/2009 dated 8/10/2009 (Ref No.: NM\355/1682/2009) Effective from date

** Circular No.10/2010 dated 14/4/2010

REGULATIONS TO EXCHANGE HOUSES

- c) As to customers not having ID being visitors or not completed procedures to get ID, they shall furnish passport or its copy, and it's allowed to take photo copy or scanned copy thereof.
- d) The customers obtained ID issued from same exchange houses shall use these cards provided that the exchange house should have entered details of ID , passport ,photo copies and contact details of the customer in the electronic data base (not hard copies) integrated with exchange reporting system which should be available on request from official authorities of the state.
- e) Enter all details of ID or passports or IDs issued by exchange houses into the details of the transactions in the system used to send directly to data bases of QCB, through arranged networks. It's not allowed to postpone this process to end of the day or to next day.
- f) For transactions equivalent or more than 4,000 Riyals, it's required to take photo copy or scanned copy of IDs or passports for customers having no IDs issued from same exchange house, keeping and indexing same in a manner easy to check.
- g) It's not allowed to divide transactions exceeding than 4,000 Riyals to multiple transactions each less than 4,000 Riyals.
- h) When the dealer represent any commercial company or governmental authority or sports club or humanitarian association, it's necessary to make available of ID of the company and it's necessary to ask copy of CR or commercial license and details of consignor entering these details with transaction details.
- i) It's necessary to enter bank details, account numbers for local remittances through exchange houses in exchange reporting system.
- j) These instructions are effective from 14/4/2010 and revoke previous instructions in this regard. Bear in mind that QCB shall impose fines according to provisions of QCB's law, on exchange houses violating these instructions.

REGULATIONS TO EXCHANGE HOUSES

1/2/3, ID of citizens of GCC.*

For GCC citizens, all exchanges working in State of Qatar should ask customers desiring to remit money to other country or purchase and sell currencies, to take copy of passport or just original ID copy issued from their countries, also take into consideration of directions of clause 1/2/2 above.

1/3 coverage of outgoing remittances

- a) The exchange houses shall keep always coverage with correspondents inside and outside or main centers against remittances drawn from these correspondents. This coverage may be either cash balance in exchange house's accounts with correspondents or credit limits given to exchange houses.

In case of any violation, QCB shall impose the proper penalty by virtue of article No. (105) of QCB Law No. (33) of the year 2006..

- b) Total balances due to exchange houses from one exchanger outside Qatar whether coverage of remittances and cheques issued by the exchange or other balances, should not exceed than 40% of capital or reserves of exchanges houses at any time.
- c) It's not permissible to issue any remittance by fax or accept any remittances came through fax unless each remittance put up with cryptography through test key of Swift or any other safe remittance systems.

Circular No.11/2011 dated 9/3/2011

REGULATIONS TO EXCHANGE HOUSES

d) It's obligatory to demonstrate name of correspondent whether bank or exchange house which undertake the remittance through receipt given to the customer.

4/1 Transfer Register

- a) Required to provide register for all remittances of all types which have name of applicant for remittance, address, name of beneficiary, draft No. date, amount of foreign currency , equivalent riyal In case of any violation, QCB shall impose the proper penalty by virtue of article No. (105) of QCB Law No. (33) of the year 2006..
- b) All exchange house shall not issue any new drafts instead of previous drafts even stopped cashing at the behest of customer or settle amount of these drafts in cash to owners; before assuring non-payment thereof and the correspondent bank or (correspondent exchange house) have been stopped payment of these drafts.

2- Travelers Cheques and other cheques

2/1: Travelers Cheques : -

Required to take precautionous procedures at time of dealing with holders of travelers cheque to avoid crimes of cheating and contact with public security when find out any of such cheques.

2/2 : Post dated cheques

Should not accept any post dated cheques.

2/3: Cheques sent for collection and remittance

REGULATIONS TO EXCHANGE HOUSES

- a) Don't allow for any exchange houses to reimburse amount of any drafts or cheques given by customers withdrawn on their personal accounts with banks or financial institutes or licensed exchangers outside, to collect through correspondents outside without getting written confirmation from correspondents confirming collection of cheque amounts and adding these amounts to his account with them.
- b) Exchange hoses cannot suspend value of any cheques given for collection or sent to collect or bounced cheques in cash account of the treasury until collection of amount in the cheque sent for collection and settlement of amounts by owners of bounced cheques. QCB makes out to adhere with following instructions in this regard.
 - 1- Record value of cheques sent for collection as regular record in register of exchange houses until completion of collection processes.
 - 2- Suspend value of any bounced cheques in separate account in general ledger until full settlement of value.

CHAPTER FOUR
UNCLAIMED AMOUNTS
(25-28)

	PAGE
a- General Instructions	25
b- How to deal with unclaimed amounts	25-27
1- Stopped cheques and remittances	25-26
2- Unpaid Shareholders' dividends	26-27
3- Other amounts not remitted to Owner.....	27
c- General Rules	27-28

CHAPTER FOUR
Unclaimed Amounts

* All banks and financial institutions operating in the State of Qatar have to work in accordance with the following, relating to each area:

a) General Instructions

- 1) The authority responsible to receive unclaimed amounts, is the Estate and Minor Affairs Department in Ministry of Endowments and Islamic Affairs instead of Shariaa courts.
- 2) The unclaimed balances transferred to the account of the "General Authority for Minors Affairs" shall be attached with list of names of accounts' holders and all documents of identity and all other available information relating to them.
- 3) The balances in these accounts shall be transferred after making adjustment between the account and any debit accounts or any possible commitments of their owners to QCB, to account no. (207020) at Qatar Islamic Bank under the name of the "General Authority for Minors Affairs".
- 4) The list of names of unclaimed balance owners and those transferred to the account previously mentioned, shall be sent to QCB, along with the balance due from each of them and his personal number.

b- How to Deal with the Unclaimed Amounts

Unclaimed Banking Cheques and Transfers

1/1- Definitions

"Banking cheques which were drawn on banks outside Qatar and were not claimed during a Gregorian year, or the amounts of QCBing transfers that are issued and rendered to the bank or the exchange house or were not discounted during a period of one Gregorian year".

1/2 The Required Procedures:

All exchange houses must undertake the following procedures regarding the stopped banking cheques and remittances:

REGULATIONS TO EXCHANGE HOUSES

Circular No.22/2011 Dated 4/7/2011

- 1/2/1 Render the value of the unclaimed cheques/ transfers to the issuing customer whether by posting in his account or by contacting and notifying him, after taking the necessary banking measures that prove that such amounts were not disbursed and cannot be deducted in future from the bank/ the exchange house accounts at the correspondents abroad.
- 1/2/2 In case of having no account for the customer who issued the old outstanding cheques/ transfers, and if there is impossibility to reach or contact him, the amounts of those old outstanding cheques and transfers would be posted to the (unclaimed balances), after lapse of five Gregorian years from the issuance date, and would be subject to direct supervision of an authorized director.
- 1/2/3 If another five years passed on the amounts of old outstanding cheques and transfers, that are posted in the "unclaimed balances" account referred to in paragraph No. (2/2/1) above, the exchange house would publish an announcement in two local newspapers, one in English, giving the amounts', owners names, and offering them one month for inquiring after which the bank/ exchange would transfer those amounts to the "General Authority for Minors Affairs" enclosing with list of their owners' names, and all other available information and their personal identification papers at the exchange house.

1- Unpaid Shareholders' dividends

2/1 Definitions

"The shares earnings that were decided to be allocated to shareholders by the banks and financial institutions, stated in these instructions, and were disbursed but not received by their owners ".

REGULATIONS TO EXCHANGE HOUSES

2/2 Required procedures:

Concerned exchange houses must adopt the following procedures regarding the unpaid shareholders' profits:

2/2/1 Contacting shareholders who have shares earnings, in case the exchange house knows them, in order to encourage them to receive their profits.

2/2/2 After lapse of 5 years from announcing the shareholders profits and that are not received by their owners, the bank or the financial institution shall publish an announcement in two local newspapers, one in English, giving the owners names of the unpaid earnings without mentioning the amounts.

2/2/3 After another 5 years, in addition to those mentioned above in paragraph No. (2/2/2), the bank would announce again in the newspapers as mentioned above, then the unpaid shareholders profits would be transferred, after one month from the date of announcement, to the "General Authority for Minors Affairs" enclosing a list of the owners names and all available information about them.

3- Other amounts not remitted to Owners

3\1 Definitions

Any amounts or other accruals from exchange houses stated in this instructions, with the exception of the aforementioned in the clauses from (1) to (4) and not paid to the owners because they could not be reached within a period of ten Gregorian years.

3/2 The required procedures:

Announcing those amounts or accruals, through advertisements in two local newspapers, one of them in English, and after lapse of a month from the announcement date they would be referred to the "General

REGULATIONS TO EXCHANGE HOUSES

Authority for Minors Affairs" enclosing with list of the owners' names

and all available information or personal identification documents available with exchange houses.

C- General Rules

- Concerned exchange houses must maintain copies of documents and records concerning all the amounts and accruals referred to the "General Authority for Minors Affairs", according to items from (1) to (3), according to the legal period required for records keeping.
- Concerned exchange houses shall consider adding articles in the contracts, agreements signed by the customers. Also, they shall mention, the periods and procedures of freezing the amounts mentioned herein and converting them to the "General Authority for Minors Affairs".

CHAPTER FIVE

**MANAGEMENT STRUCTURE AND EXECUTIVE
BODY OF EXCHANGE HOUSES**
(32-50)

		PAGE
First	Management Structure	32-45
1)	Definitions	32
2)	Role and responsibilities of Board of directors	32-40
	2/1 Framing strategies, purposes and policies as well as developments.....	33
	2/2 Approval on organizational structure of exchange houses	33-35
	2/3 Forming of committees and entrusting powers and authorities	35-36
	2/4 Supervision on implementing and assessing performance and risks.....	36-38
	2/5 Appointment of internal audit bureau and	

REGULATIONS TO EXCHANGE HOUSES

	supervision	38-39
2/6	approval of external auditor	39
2/7	responsibility of board of directors towards partners and other parties	39-40
2/8	responsibility of Board towards QCB.....	40
3)	Role and responsibilities of executive body	40-41
3/1	Assist to coin strategies, purposes, policies and development	41
3/2	Assist to form organizational structure and develop.....	41
3/3	Implement processes and apply policies	41-42
3/4	Forward reports to board of directors	42-43
3/5	Prepare financial statements and final accounts	43
3/6	Develop skills and professional behavior....	43
3/7	Responsibility towards internal and external auditors	44
3/8	Responsibility towards QCB.....	44
4)	General Provisions	
Second	Executive body	45-50
1	Authorized signatories	45
2	Appointment of senior employees	45-46
3	Movements of senior employees and termination of their services	46

REGULATIONS TO EXCHANGE HOUSES

4	Appointment of accountant	46-47
5	Grant loans	47
6	Administration agreements	47-49
7	Participation in managing of other exchange houses.....	49
8	Iron safes	49
9	Signing contracts with foreign correspondents	50

CHAPTER FIVE
EXCHANGE HOUSE MANAGEMENT STRUCTURE
AND EXECUTIVE BODY

First : Management Structure

1- Definitions

In addition to definitions in the chapter on, following words shall have meanings given against each:

Board of Directors	:	Board of Directors of the exchange house
Administrative management	:	General Manager or first executive officer his assistants and followers at exchange house
Method of managing exchanges	:	Systematic framework specifying role and responsibilities of board of directors, executive management at exchange house, relations related between them and between shareholders and related parties and their relation with QCB.

2- Role and responsibilities of Board of Directors

The board of directors shall undertake following main tasks and responsibilities:

- 2/1 Framing strategies, purposes and policies as well as developments
- 2/2 adoption of organizational structure of exchange houses
- 2/3 Forming of committees and entrusting powers and authorities

REGULATIONS TO EXCHANGE HOUSES

- 2/4 Supervision on implementing and assessing performance and risks
- 2/5 Appointment of internal audit bureau and supervision

- 2/6 approval of external auditor
- 2/7 responsibility of board of directors towards partners and other parties
- 2/8 responsibility of Board towards QCB

2/1 Framing strategies, purposes and policies as well as developments

- a) The board of directors shall provide to executive body all clear and specific plan and strategies applied and assessed in order to realize purposes of the exchange houses, making reassessment and development of these strategies and policies from time to other in light of influences and variables affecting on local, regional and international levels provided that these should be within framework of license requirements, rules and instructions of QCB.

- b) Board of directors shall formulate strategies, plans and policies, using the studies, reports, data and consultancies provided by executive body in this regard.

- c) Main policies which the board of directors shall frame, work to assess and develop continuously are related to managing risks and followings matters.
 Investment- liquidity- market risks- risks of capital adequacy- risks of concentrations- risks of foreign exchanges- risks of interest rates- pricing- profitability- budgets- risks of operations and accountancy- legal risks- Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT)- insurance on assets, related parts and correlated interests- compliance with rules , regulations and supervisory instructions – internal and external auditing- performance assessment- disclosures to all concerned authorities- in addition to policies related to labor affairs regulating their appointment and costs, forming systems for incentives, developing skills, expanding their behavior and work ethics and other policies.

REGULATIONS TO EXCHANGE HOUSES

- d) The Board of directors shall practice their tasks jointly and independently adhering to subjectivity and neutrality and refrain from any effects on these like conglomerating, correlating and orientations with executive departments or others.

2/2 Adoption of organizational structure : -

Adoption of organizational structure of exchange houses is responsibility of board of directors which include on followings.

- a) Adoption of organizational structure of exchange houses as well as specifying tasks, powers, duties of members , relations, dependencies between different administrative levels among members of board of directors, first executive officer\ general manager, authorities and executive divisions besides audit bureau. For this purpose it's necessary to adhere with following rules and regulations.

- Seclusion between powers and authorities of Board of directors and commands and powers of executive body .
- Separation between tasks of signing transactions and contracts, implementing and between tasks of money movement and taks of registration, accountancy and risk management.
- Supervision and continuous binary controlling to implement transactions through persons having no relations to implement such transactions between departments and executive divisions.
- Autonomous management to assess risks which includes central unit for emergency management.
- Independence of internal auditing and its direct consequences to board of directors.

- b) The board of directors can use any experiences from inside or outside exchange house to prepare organizational structure in line with

REGULATIONS TO EXCHANGE HOUSES

purposes, nature and volume of works. The structure should be approved after that unanimously by board of directors.

- c) The board of directors shall appoint First CEO\ General Manager and other chief executive officers, assistants, experts and consultants, specify their salaries and their benefits and he shall be responsible to terminate services, or suspend them, or sign punishments provided that such actions shall be within frameworks and measures specified by the board, unanimously through members of the board adhering on subjectivity and neutrality. Moreover the board of directors shall possess explicit plan on succession of executive authorities.
- d) The board of directors shall assess, develop status of organizational structure, its persons, duties and responsibilities specified from time to time in pretext of supervision, controls on implementing and assessing performance and feedback of works in the light of contiguous changes.

2/3 Formation of committees, Entrust powers and authorities

- a) The board of directors shall practice supervisory tasks and powers to take decisions through forming committees by members participated or used by members of executive body . Each committee shall be entrusted by one or more tasks under responsibilities of Board of directors.

Main committees to be formed by board of directors include

- Committee of policies : Prepare tasks of study and prepare and develop strategies, goals, policies, systems, plans and budgets
- Executive committee\ : Practice powers given to him by board of committees directors to invest and spend funds rather than powers of executive body
- Auditing committee : Undertake supervision on internal and external auditing

REGULATIONS TO EXCHANGE HOUSES

- Risk assessment : Assess performance and risks.

- b) Each committees under board of directors shall have explicit work program specifying duties, responsibilities, powers, method of decision making and dates of meetings. Also it's necessary to record minutes of meeting regularly and thoroughly to become easier to check for purposes of checking and auditing.
- c) Events of meetings by committees of the board of directors shall be entered in first agenda of the board meeting following to meeting of committees whether for approval of committee decisions or notification thereof in pursuance to powers assigned to the committee.
- d) The board of directors shall grant powers of taking decisions and specifying powers of signing for exchange houses, movements of trusts step by step between administrative levels starting from the board itself to chief and members of board, sub-committees, to executive board. The board of directors shall narrow extent of individual powers and give attention thereto in cooperation and jointly.

2/4 Supervision on implementing and assessing performance and risks.

The board of directors shall practice essential role in supervision on implementing policies and realizing purposes of exchange house and assess through main tools and tasks mentioned below:-

- a) Assess executive works programs and procedures as well as internal monitoring.

The Board of directors shall assess work programs and procedures designed by executive body to implement processes and realize adequacy and competence as well as capacity to execute policies formulated by the board and secure components of internal auditing. Main programs include the followings.

REGULATIONS TO EXCHANGE HOUSES

- 1- Accountancy programs and procedures related to preparation of financial reports and statements.
- 2- Operational Programs and procedures and electronic system.
- 3- Daily works programs and procedures at executive departments like treasury, customer services and others.

- b) Internal Controlling procedures and methods and internal protection and inspection.

The board of directors shall ask executive body to develop work programs and procedures, internal auditing and dealing defaults and defects permanently in light of feedbacks of assessment and performance follow-ups from time to time.

- c) Checking of periodical reports

The board of directors shall check permanently on yearly basis through committees formed in periodical meetings of the board different types of reports forwarded directly from following sources

- 1- Executive body : Submit periodical reports on feedbacks of different activities and assess risks and financial statements.
- 2- Internal Auditing : reports on results of periodical audit and follow-ups with a copy to executive body which is submitted as commentary on results of auditing.
- 3- External auditing: reports on feedbacks of periodical auditing required by the board besides report on feedbacks of annual auditing with a copy to executive body as commentary on results of auditing.

REGULATIONS TO EXCHANGE HOUSES

The Board in coordination with executive body and audit bureaus shall assure on adequacy, comprehensiveness and credibility of different reports forwarded to the board and committees.

c) Assessment of Performance and dealing with divergences :-

The board studying aforementioned periodical reports, shall assess performance of executive body, extent of adherence with board's policies and its success to realize results and purposes planed herein. This includes disclosure of divergences, overrides, asses, analyze reasons, and question officials and issue necessary instructions to deal and avoid repetition.

d) Assess current and future risks.

Studying and analyzing aforementioned reports, the board shall workout to assess current risks, issue directions to executive body on methods of dealing and controlling also to realize on competence thereof. The board also observes future potential risks which may be faced by exchange house; through that reports connecting with data from other multifarious sources on local and international market, and shall work to cover and hedge by existing and future plans.

e) Adoption final accounts

The board of directors shall take during practicing of supervision role, the responsibility of adopting final accounts of exchange houses and assure on soundness and credibility of all financial statements and final accounts as well as transparency and competence of disclosures according to accounting and international disclosure standards in pursuance to instructions of QCB.

2/5 Appointment of internal audit bureau and supervision.

Board of directors is responsible of appointing internal audit bureau, persons of which shall have high qualifications and experiences in all work fields of

REGULATIONS TO EXCHANGE HOUSES

exchange houses. The board of directors shall supervise on these bureaus in following matters.

- a) Assure neutrality and independence of internal auditing, refrain from any influence from executive body . Its dependence in organizational structure shall be direct to the board of directors. The board of directors shall be responsible to specify salaries, incentives and end of service benefits for officials of internal auditing. He shall be liable of assessing their performance. He shall assure on competence of their qualifications, experiences and professional skills and shall work to develop them continuously.
- b) Assure on coverage of internal audit of all departments, divisions and branches of exchange houses and all activities and risks. It shall be periodical and continuous audit throughout the period in addition to auditing of financial statements and final accounts at end of the year.
- c) Assure that the internal auditing being in pursuance with comprehensive and professional auditing programs in line with latest international auditing evidences and standards providing all necessary techniques thereof. Also need to assess and develop these programs to make suitable with work development at exchange house.
- d) Required to forward internal audit reports directly to board of directors then transfer to executive body to reply and comments. The board shall issued instructions to solve remarks according to specific time schedules which should be followed for internal auditing.
- e) Assure that internal audit bureau shall keep auditing reports and documents regularly and thoroughly accessible to the board and ready to check by inspectors of QCB and external auditors.

2/6 External Auditors

- a) The board of directors shall be responsible of appointing external independent auditor from experts of high competence and ability, contracting with them, specifying fees after approval of general assembly, in compliance with requirements of QCB in this regard. The board shall coin rules and instructions, prepare the circumstances facilitate the auditor to get all required information, data and

REGULATIONS TO EXCHANGE HOUSES

documents required in auditing processes whether from executive body or the board itself to assure neutrality and independence to express any opinion and show auditing results.

- b) Required to submit reports of the external auditor to the board directly then forward to executive body for getting reply and comments thence the board shall issue instructions to deal to act with remarks on that reports.

2/7 : Responsibility of the board towards shareholders and other parties.

Board of directors is first responsible authority before shareholders and all dealers with the exchange house, on results of its businesses and performance unlike the legal responsibilities of the board, as a result of deviations and defaults. Core responsibilities of the board towards share holders and other parties are as follows.

- a) Responsibility on soundness and credibility of financial statements and final accounts of exchange houses as well as business results.
- b) Apply all articles of memorandum of association of the exchange house and especially for practicing the permitted activity and for suspension and replacement of board members during the tenure, appointment and selection of new board members, maximum level of shares, requirements of increase or decrease capital and distribution of profits or deal with losses as well as all articles of other company statutes within framework of QCB.
- c) Transparency , openness and objectivity of disclosures on all important matters having influence on performance of exchange houses and results of businesses and realizing of goals thereof in the present and future times minutely and timely.
- d) Disclosure on liabilities and deals of the related parties, common interests and all other disclosures required by local laws and international standards.

2/8 : Responsibility of the Board towards QCB

The board is first responsible before QCB on durability of fiscal status of exchange house and to keep rights of creditors. He is also first responsible on genuineness, credibility and transparency of financial information and data provided by exchange house to QCB as well as

REGULATIONS TO EXCHANGE HOUSES

adherence to all rules and regulations issued by QCB in addition to all rules issued by other official authorities in the country.

3- Role and responsibilities of executive body :-

The executive body undertakes to perform following tasks and responsibilities

- 3/1 Assist to coin and develop strategies, goals and policies.
- 3/2 Assist to frame and develop organizational structure.
- 3/3 To implement processes and apply policies
- 3/4 Submit reports to the board of directors.
- 3/5 Prepare financial statements and final accounts.
- 3/6 Develop professional skills and behavior
- 3/7 Responsibility towards internal and external auditors.
- 3/8 Responsibility towards QCB.

3/1 Assist to coin and develop strategies, goals and policies

The executive body shall provide to the board of directors all required information, opinions, progress reports, field experiences and practical know-how, reading of present and future risks, studies on market and external effects which seem necessary. The executive body shall explore transparency, subjectivity and professional integrity.

3/2 Assist to frame and develop organizational structure.

The executive body shall submit to the board of directors data, reports, recommendations, experiences on requirements of work regulation in this regard and implement policies of the board, operational requirements, internal auditing, means of protection, internal control, disturbances and impediments of implementing. The executive body shall adhere with subjectivity to cope with implementation process.

3/3: To Implement and apply processes policies

Executive body especially first executive officer\ General Manger is responsible before the board of directors to implement businesses of exchange house according to the policies and plans formulated by the board in pursuance with procedures and prescribed bylaws. In order to realize this goal, the executive body shall adhere with followings :

- a) **Form executive committees and grant powers**

REGULATIONS TO EXCHANGE HOUSES

First CEO\ General Manager shall use powers and authorities vested to him by the board, to form committees for implementing executive processes by CEOs according work requirements and allot some of

these powers to these committees as seem necessary for facilitating daily works.

b) Form executive procedures and directions:

The board of directors shall formulate group of programs, procedures and instructions to govern, control and assess all aspects of executive process intended to realize effective internal auditing, means of protection and internal control. The executive body shall submit these procedures and programs to the board of directors to get approval and they shall evaluate these procedures and programs continuously, develop and deal any defects in light of requirements and results of implementation. The board of directors shall issue instructions accordingly.

c) Follow up implementation and evaluate the performance:

This represents follow up on implementation of all executive departments and authorities through daily and periodical reports issued by operational system prepared by officials on executive authorities. These reports shall cover all activities and different risks of exchange house. The first CEO shall valuate follow-ups one by one through these reports:-

Evaluate risk management: - Evaluate performance, deal with deviations and review the processes thereof – evaluate assets-guidance on expenditure, and other matters. The executive body shall reassure on adequacy and soundness of information systems, accuracy and universality of executive reports, keeping of documents, records and writs, effectiveness of internal auditing, prevention and internal control in all working areas like duality of checking and auditing dial deals independently, separation between interconnected powers and tasks and between recording of deals and accounts, financial controlling- machinery of finding and correcting mistakes-

REGULATIONS TO EXCHANGE HOUSES

cryptographies, powers of fund movements- adequacy and genuineness of insuring assets of exchange houses- keeping and transferring cashes and other well-known processes.

3/4 : Submit reports to the board of directors:-

Executive body is responsible to submit different types of periodical reports to the board of directors and sub committees. These reports are classified into three significant types:-

- a) Periodical financial reports on business results of different activities of the exchange houses, assessment of assets, risks, actual and discretionary budgets according to requirements of board of directors and committees formed to meet requirements of supervision tasks also to practice powers in order to take decisions.
- b) Additional reports seem important to executive body to be submitted unto board of directors or its committees to know on any necessary data or information on performance and requirements of exchange houses or risks or ventures and important information about circumstances and external market influences.
- c) Reports on work progress: Include recommendations of executive body on assessment and development of executive procedures, policies and future requirements of exchange house like new techniques and services in light of results of performance evaluation and study of future risks and circumstances of competitive market. The executive body as mentioned before, to show subjectivity, transparency and professional integrity in the information, reports and recommends sending to the board of directors.

3/5 : Preparation of financial statements and final accounts

Executive body is responsible to prepare financial statements on exchange houses during the year and final accounts at end of the year with all supportive information and details as well as all required disclosures. First CEO\ General manager shall be responsible directly towards the board of directors on correctness and soundness of the financial statements and final accounts. The executive body shall be

REGULATIONS TO EXCHANGE HOUSES

responsible towards board of directors for results of works and develops.

3/6 : Develop professional skills and behavior

The executive body shall work out to :

- a) Develop skills of workers to cope with latest achievements and techniques by continuous training and conducting professional courses inside and outside exchange houses.
- b) Formulate appropriate treaty of work behavior imbibed from ethical and professional culture.

3/7 : Responsibility towards internal and external auditors

Executive body shall facilitate tasks of internal and external auditing and cooperate with auditors, providing them all required information, data and documents meeting to auditing requirements of auditing in order to assure precision and transparency as well as reply and comments on remarks and queries of auditing which are forwarded to them and reply to results of the auditing one by one correcting violations and solving defaults and defects and develop the performance.

3/8 : Responsibility towards QCB

Executive body is responsible on following affairs.

- a) Adherence to all rules and instructions of QCB.
- b) Evaluate risks, hedge them, develop performance, business results and work regulation.
- c) Prepare all periodical reports and financial statements required by QCB and provide them in due specific time without prejudice to the responsibilities thereto.

REGULATIONS TO EXCHANGE HOUSES

- d) Facilitate to perform tasks of QCB like field inspection to exchange houses, furnish the inspection team all required information and documents and cooperate with them to perform all inspection tasks.
- e) Transparency and credibility in all deals with QCB.

4- General rules

- a) All exchange houses shall check organizational structure, powers, obligations and responsibilities of board of directors and executive body in light of the above mentioned instructions in this chapter also make necessary amendments thereto. Inform QCB in writing on fulfillment of all instructions related to administration of the exchange house issued in this chapter on instructions.
- b) Should happen any emergency cases like vacating post of first CEO\ General manager, or any other significant administrative post or other emergency cases which lead the board of directors to surpass above mentioned directions in clause (2) and (3) of these instructions, it's necessary to inform QCB in writing immediately and take approval on such outdoing specifying the period as well.
- c) In case of violation by any exchange houses to these instructions, and repeated same, QCB shall apply punishments according to article 72 of QCB Law No.33 (2006)

Second: Executive Body

1- Authorized signatories

Required to furnish names of authorized signatories in administration and finance for exchange houses, to QCB in addition to forms of signature cards as recorded in the CR with ministry of businesses and trade- commercial registration department, in addition to signatures of exchange house owners and notify QCB on any changes to these details in future as per the form mentioned in the annex (2) , page (170).

2- Appointment of senior employees*

a- Pursuant to provisions of article (73) of decree law No.33 (2006) regarding Qatar central bank, the exchange houses working in state of Qatar, shall get No objection of QCB to appoint employees mentioned below.

- Chief Executive officer or General Manager , his assistants and proxies

REGULATIONS TO EXCHANGE HOUSES

- Any official or manager submit reports directly to CEO or General Manager.

Circular No.4/2009 Dated 11/3/2009

by filling personal questionnaire attached to the annex No.3, page (173) attaching documents and papers supporting educational qualifications and practical experiences obtained by the candidate specifying powers and authorities thereto with confirmation on approval of board of directors or main executive committees of the company on appointment with a condition that the employee shall be full time worker for enduring all tasks and resident in state of Qatar.

- b) It's not allowed to leave profession of CEO or General manager of the company vacant for period more than three months.

3- Transferring of senior employees and termination of the services*

Inform QCB, in case of shifting between employees in different departments of the exchange houses or branches immediately explaining name of the employee, date of shifting and name of previous and new position. As to termination of any employee; having obtained NO OBJECTION for appointment from QCB, required to inform QCB in writing before two weeks from date of termination explaining name of such employee and name of his position.

In case of any violation, QCB shall impose the proper penalty by virtue of article No. (105) of QCB Law No. (33) of the year 2006..

4- Appointment of Accountant

- a) It's observed that some exchange houses have no accountants working permanently as the existing accountants are working half time, and they keep account books of the exchange houses outside the exchange house, as well as irregular registration in some records of this field. This is violation to instructions of QCB. So all accountants working with the exchange houses shall be full time and under sponsorship of the exchange

REGULATIONS TO EXCHANGE HOUSES

house and they shall be equipped with good expertise and competence. In case of any violation by Any exchange , QCB shall impose the proper penalty by virtue of article No. (105) of QCB Law No. (33) of the year 2006.

b) Appoint accountant proficient in Arabic**.

It's found that most exchange houses are facing following problems.

- Send letters to QCB in very poor language missing real meanings.
- Repeated mistakes in filling of tables in spite of notification by QCB to all exchange houses.
- Not abiding by instructions of the as being in Arabic.
- Difficulty to understand and communicate with some employees of the exchange houses.

In pursuance of instructions of QCB to rely on Arabic in all correspondences, exchange houses shall appoint one account having good proficiency in Arabic to become link between exchange house and QCB. Required to provide to QCB (supervision and controlling department) name of employee, phone number within 3 months starting from 7/3/2011.

Violation of this provision shall attract fine prescribed in article **105** of QCB **33** (2006).

5- Granting Loans

- a) Not give loans from exchange houses to owner of the house or partners.
- b) No objection to exchange houses to give loans to the employees in guarantee of end of service benefits provided that the amount shall not exceed than three times of monthly salary of the borrower employee and payment term not to exceed than two years.

This instruction is effective from 11/2002.

REGULATIONS TO EXCHANGE HOUSES

*Circular No.10/2006 dated 6/9/2010

** Circular No.8/2011 dated 7/3/2011

6- Management agreement

6/1 On behest of desire of exchange houses to sign management contracts with some banks or foreign exchange houses, required to contain following bases at time of signing such agreements:-

- a) Full name of exchange house and managing bank, their addresses, date of validity of agreement and date of expiry.
- b) Specify number of persons delegated by QCBs and contracting exchange houses.
- c) The delegate persons of the foreign banks and foreign exchange houses shall be on high level of experience and competence participating to develop and enhance work level in exchange houses as well as managing exchange houses according to sound banking bases, instructions and QCB's law. Also it's required to train existing employees of the exchange house in Qatar by arranging necessary training courses.
- d) Partners at exchange house and bank shall agree earlier on the candidates of bank and foreign exchange house to undertake management after providing this (Bank or foreign exchange house) to the exchange house all details assisting to evaluate competence of these candidates.
- e) Partners shall participate to make technical and organizational decisions as well as financial affairs, employees affairs such as

REGULATIONS TO EXCHANGE HOUSES

appointment, promotion and other things, so that the personnel of management shall not have sole desertion to take such decisions.

- f) Representatives of banks and foreign exchange houses shall exert maximum efforts to realize profits provided that bank or the foreign exchange shall endure losses if proved that losses were due to fault or dishonest by their representatives performing management services.
 - g) Concerned banks and foreign exchange houses shall not disable payments of cheques and drafts issued by exchange houses outsider to pay immediately after submission.
 - h) Representatives of QCBs and foreign exchange houses shall submit report at each three months explaining workflow in the exchange house, its financial status to exchange owners to make them aware of all things.
 - i) These agreements shall be in Arabic and English and agreement writ in Arabic shall be prevalent in case of any differences.
 - j) Management agreement being as important legal document, regulates relation between exchange house and bank or foreign exchange house (the manager).
 - k) Any disputes arising between exchange house and bank or foreign exchange house (the manager) shall be solved according to Qatari laws and Qatar courts shall have full jurisdiction to decide any of decision.
 - l) Compliance with instructions of QCB.
- 2/6 *in pursuance with provisions of article 65 of QCE Law No.33(2006), in order to realize principle of transparency and non confrontation of interests, the exchange house shall not enter any management

REGULATIONS TO EXCHANGE HOUSES

agreement with any bank or financial institute or company having agreement with other exchange in state of Qatar.

7- Participation in management of other exchange house

No any exchange house is allowed to participate in management of other exchange house or represent their businesses without getting approval from QCB.

8- Iron Safes

Keys of all iron safes in custody of exchange house employees provided that these keys should be distributed between one original employee and one substitute having traits of honest and safety. Their names shall be recorded in regular register allotting one separate page of the record for each key and make full details of that holder, date of receiving and delivering of these keys. This record shall be available at request by inspectors of QCB.

Circular No. 10/2007 Dated 18/4/2007 and circular No.7/2007 Dated 11/4/2007 is cancelled

9- Signing contracts with correspondents outside the country

No exchange house is permitted to deal with any bank or exchange house outside the country without signing specific contracts stipulating responsibilities and liabilities of each party towards other especially limits of responsibilities and liabilities of exchange houses (consigners) towards remittances done by them to the countries putting

REGULATIONS TO EXCHANGE HOUSES

constraints to remittances of foreign currencies with them and the price of remittance shall be comprehensive and covering.

CHAPTER SIX
EXTERNAL AUDITOR
(52-54)

Chapter Six External Auditor

*Every exchange houses in state of Qatar shall adhere with following terms and conditions.

- 1- Appoint one or more external auditor, provided that they shall be competent and registered in register of licensed auditors according to article 4 of Law No. 30 (2004) regarding regulation of auditing profession and abide by this law and executive bylaws thereto (as well as any other regulations replaced thereto)
- 2- The nomination of auditors shall be pre-approved by QCB provided that he shall be appointed by owner of the exchange house or the partners also provide to QCB** the form No.(1) explained in annex No.4 page 175 filled accordingly.

If the exchange house fails to appoint an auditor, or appointed him in a way violating the instructions of QCB, QCB shall appoint one auditor or more and specify his remuneration . The exchange house has to give that remuneration.

In all circumstances, the exchange house shall bear the remunerations of the auditor

- 3- The auditor shall provide exchange house owners or partners with report on balance sheet and annual profit and losses account. Copy of this report shall be sent to QCB provided that this report shall contain opinion of the auditor whether the balance sheet and accounts of the exchange house are correct and in conformity with statement of reserves and information seem necessary for performing his mission also inform QCB on results of internal inspection of bank process through this report.

REGULATIONS TO EXCHANGE HOUSES

* Article 76 of QCB law No.33 (2006)

** Circular No.2/2010 dated 24/1/2010

- 4 QCB may directly order the auditor to provide QCB with copies of all the reports concerning his auditing of the exchange house, or carry over a special auditing specified by QCB. QCB shall have the right to cross-examine the external auditors on their reports without referring to the exchange house.
 - 5 Contract term of exchange house with auditor shall not exceed than five years and required to appoint new auditor after elapsing of this period and it's permissible to reappoint same auditor for another tenure to audit accounts of the exchange house after passing of two years from expiry of last appoint for the exchange house.
 - 6 Exchange house is not allowed to grant credit facilities to its auditor.
 - 7 Adherence with commercial companies law No.5 (2002) and amendments (Law No.16 (2006))
 - 8 Auditing and examining of records, registers and documents at the exchange house shall be done by authorized external auditor.
 - 9 Provide to QCB copy of authorized external auditor's report containing balance sheet, annual profits and losses account and annual report on general management containing results of inspection and auditing within three months from end of fiscal year.
 - 10 * Exchange houses shall send to QCB letter of auditor regarding his remarks on the accounts (Management Letter) before end of February of each year and his letter on results of internal audit within three months from end of fiscal year.
-
-

Circular No.6/2007 Dated 2/4/2007

REGULATIONS TO EXCHANGE HOUSES

In case of incompliance with specific dates it's considered as violation according to article 79 of QCB Law and he shall be subject to fines mentioned in article 105 of QCB Law.

CHAPTER SEVEN
CURRENCY, COUNTERFEITING AND GOLDEN INGOTS
(60-65)

	<u>PAGE</u>
1 The money , foreign currency and treasury	56-59
1/1 Counterfeiting of currency.....	56
1/2 Withdrawal of Banknotes in Denominations of QR 500 and 100 from Circulation.....	57
1/3 Money Counterfeiting detector	57-59
1/4 Receipts of selling and buying currencies	59
2 Insuring money and golden ingots	59-60
3 Precious metal ingots and currencies	60

CHAPTER SEVEN

CURRENCY, COUNTERFEITING AND GOLDEN INGOTS

1- The money , foreign currency and treasury

1/1 Counterfeiting Currency

- a) Exchange houses shall formulate precautionary procedures when deal with foreign paper currencies in followings.
 - Buying the currencies from trusted resources.
 - Providing a counterfeit currency detector.
 - Report instantly to criminal investigation department whenever finds out any counterfeited notes.
 - At the time of purchasing or importing foreign money , required to keep records of purchase or import a special file to facilitate QCB at time of inspection.
- b) * QCB has received counterfeit banknotes in the new denomination of QR 500, with different numbers in serial Number, offered in circulation in 2007. Accordingly, all exchange houses should take precautions of this counterfeit currency and notify QCB of any detection and persons dealing in it .
- c) **QCB has received a counterfeit banknote in the new denomination of QR 500, number (396558 A/3), offered in circulation in 2007. Accordingly, notify QCB of any detection and persons dealing in it, especially the packet starting with number (396000 A/3).

* Circular No.9/2010 Dated 30/3/2010

REGULATIONS TO EXCHANGE HOUSES

** Circular No.16/2009 Dated 19/11/2009

1/2 Withdrawal of Banknotes in Denominations of QR 500 and 100 from Circulation*

QCB has decided to withdraw the banknotes in old denominations of QR 500 and 100 (Fourth Issue) from circulation, starting from of Sunday 15 March 2009 to Sunday 15 June 2009. However, the bearer of the banknotes may ask QCB directly for repayment of the nominal value within ten years as of the effective date of the withdrawal decision. The new nominations of QR 500 and 100 (Fourth Issue, 26-9-2007), offered in circulation and carrying a wide security thread and a transparent window, shall remain in circulations besides the currently circulated denomination.

As QCB wishes to facilitate the repayment transactions for the public, all banks should be continuously receiving the withdrawn banknotes in old denominations of QR 500 and 100 starting from Sunday 15 March 2009 to the end of Sunday 15 June 2009. Then, banks should offer such banknotes to QCB to be exchanged with the new denominations of QR 500 and 100 mentioned above and not to re-offer them in circulation.

1/3 Money Counterfeiting detector

- a) All exchange houses shall adhere with followings
- 1- Possess money counting machines meet with technical specifications according to instructions of QCB.
 - 2- Training and qualifying their staff that directly deals in currency by conducting training courses on fraud
 - 3- Warning the cashiers to be attentive to the quality of the cash in circulation
 - 4- Offering facilities to the QCB representative to check the currency counting machines to make sure that they meet the required technical conditions and specifications and to check the soundness of foreign currencies
 - 5- keeping the machines "ON" continuously during official working hours

REGULATIONS TO EXCHANGE HOUSES

Circular No.: 3/2009 Dated 18/2/2009

b) Maintenance of Money counting machines *

During inspection visits by officials of Public debt, banking affairs and issuance, to check money counting machines of latest specifications in order to curtail flow of fake notes on that machines, it was found that there are some machines allowing to pass forfeited and non Qatari currencies through currency counting.

Accordingly, it's requested to notify concerned authorities of exchange houses to update and maintain that machines and train cashiers to use those machines safely helping them to detect fake note and curtail phenomenon of spreading it.

In case of any violation, QCB shall impose the proper penalty by virtue of article No. (105) of QCB Law No. (33) of the year 2006..

c) ** As some personal attempts by frivolous persons to counterfeit Qatari Riyal, all exchange houses are requested to take precautions and warning all cashiers working in cash counters to count money packets received from the customers twice through face and backside of paper note and possess latest machines with following specifications.

DD	Double Detection Standard
3D	- 'SSD' Detection i.e. checking height & width of different domination.
UV	- Ultra Violet Detection Sensor for fake notes
EMG	- Enhance magnetic link detection sensor for US Dollar
IR	- Infrared ink Detection sensor for Euro currency
MT	- Metallic Tread Sensor for Qatari Currency.

=====

* Letter Ref No.: DMC\306/2009 Dated 18/3/2009(to managers of exchange houses

REGULATIONS TO EXCHANGE HOUSES

** Letter Ref No.: DMC\845/2006 Dated 20/9/2006(circular to all exchange houses) this circular refers to two circulars No.2/99 and 3/2000 which are mentioned in annex 43&44 As both circulars 2/99 and 3/2000, provide these machines to all branches of exchange house and warn the employees sitting in cash counters not to switch off the counterfeit detector of the machine.

All exchange houses shall take precautions when deal with public and shall notify QCB if find out any fake notes with details of related person, his ID No. or copy of ID card to get positive approach to find out fake notes easily during replacement. This process is to safeguard Qatari currency from counterfeiting and curtail phenomenon of spreading such fake notes.

Moreover, official of the concerned departments shall conduct inspection rounds on all exchanges to assure on application of all advices and resolutions issued by QCB.

1/4 Receipts of sales and purchases of currencies

All exchange houses shall issued receipt to all purchase or sale transaction of currencies no matter whether demanded by the customer or note and in case of any violation; QCB shall impose the proper penalty by virtue of article No. (105) of QCB Law No. (33) of the year 2006.

2- INSURANCE On Money And Precious Metals

- All exchange houses shall insure on all types of monies mentioned below provided that value of insurance policy shall be in cope with volume of reserved monies, precious metals and procedures of financial deals by selling and purchasing of foreign currencies.

Required to insure on all of followings :-

- 1- Money and metals in main safe and cashiers
- 2- Money and metals on the ways
- 3- Fake notes and metals
- 4- Breach of trust.

REGULATIONS TO EXCHANGE HOUSES

5- Any other things.

- Required to deal with insurance companies registered locally in Qatar whenever make insurance procedures with the exchange houses.

3- Precious ingots and currencies

- QCB shall not allow to sell any golden ingots for any persons without providing receipts thereof.
- All exchange houses aspiring to import gold and foreign currencies mentioned in article 1 of QCB Law No. 33 (2006) to import the gold and currencies form trustworthy resources

CHAPTER EIGHT
Anti-Money Laundering (AML) and Combating
Financing of Terrorism (CFT)
(63-132)

	PAGE
First: AML and CFT Instructions	63-131
1 Legal basis of regulations	63
2 Objectives of regulations	63-64
3 Definitions.....	64-70
4 General provisions	70-
5 Key AML/CFT principles	70-71
6 General AML/CFT responsibilities	71-77
7 Board of Directors	78-79
8 Money Laundering Reporting Officer and Responsibility	80-85
9 Risk- Based approach	85-87
10 Customer risk.....	87-90
11 Product risk.....	90-99
12 Structural risks or risks of service providing channels	99-102
13 Jurisdiction Risk.....	102-105
14 Know your customer	105-110

REGULATIONS TO EXCHANGE HOUSES

15	Customer Identification Documentation	110-113
16	Enhanced CDD and on-going monitoring.....	113-115
17	Simplified Customer Due Diligence).....	115-116
18	Reporting.....	116-121
19	Tipping off.....	121-122
20	Screening and training requirements.....	122-125
21	Documents, Record Keeping.....	125-126
22	Internal and External Auditing.....	126
23	Sanctions	126-127
24	Approved Forms to be used.....	127
25	Regulations effective from.....	127
	Annexes	127-131
	Miscellaneous	127-130
	Topologies	130-131
	Instructions of International Authorities	131
	Second : FATF (The Financial Action Task Force).....	132
	Third: Financial Information Unit's Guidance and STR forms	132

Chapter Eight

AML and CFT Instructions*

First : Instructions

Having pursued decree law No.33 of 2006(QCB), and provisions of law No.4 (2010) on Combating Money Laundering and Terrorism Financing, Qatar Central Bank has decided to issue following regulations to financial institutions licensed by QCB in order to pave sound rules and practices in this field aimed the realization of purposes mentioned in clause (2) of these regulations.

All exchange houses are required to take necessary actions to implement procedures as appropriate to its nature of activity with effect from 15/6/2010.

1- Legal bases of these instructions

Having pursued decree law No. 33 of 2006 (Qatar Central Bank) and law No.4 (2010) Combating Money Laundering and Terrorism Financing, QCB decided to issue following regulations to financial institutions defined under article (1) QCB Law No. 33 (2006) in order that FIs make these regulations as integral part of their systems and procedures aimed at controlling, detecting , preventing and reporting of ML\FT activities .

These regulations are issued under the provisions of article (65) read with article 5(12) of Law 33 of 2006 and article 41 of Law 4 of 2010 of Anti Money Laundering and Combating Financing of Terrorism. Any contravention of the regulations shall attract the provisions of Law (4) of 2010.

2- Objectives of the Regulations.

- 1- To ensure that Financial institutes functioning in state of Qatar, comply with provisions of Law No.4 (2010) on combating Money Laundering and Terrorism Financing and provisions of these regulations.

REGULATIONS TO EXCHANGE HOUSES

- 2- All financial institutes are under statutory obligation of Law No.4 of 2010 in addition to specific requirements contained in these regulations.
- 3- To ensure implementation of policies, procedures, systems and controls for prevention, detection, control and reporting of money laundering and terrorism financing in accordance with FATF 40+9 recommendations on combating of Money Laundering and Terrorism Financing.
- 4- To protect the financial institutes operating in state of Qatar from being exploited as channels for passing illegal transactions arising from money laundering and terrorism financing and any other illicit activities.
- 5- To maintain, enhance and protect credibility , integrity and reputation of financial institutions of Qatar and keep them.

3- Definitions

Without prejudice to definitions in the law No.4 (2010) Combating Money Laundering and Terrorism Financing the following words and phrases shall have the meanings shown against each of them, unless the context indicates otherwise.

Beneficial Owner : Natural person(s) who ultimately owns or controls a customer and/or the person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate and effective control over a legal person or arrangement

Board of Directors : Board of directors of financial institution or

REGULATIONS TO EXCHANGE HOUSES

equivalent authorities

Business relationship : In relation to financial institutions, is a business or professional or commercial relationship between the financial institution and the customer other than temporary business relationship..

Correspondent Banking : Is Provision for banking services by the bank (correspondent bank) to other bank (Respondent Bank)

Customer : Any person deal with the financial institute

Customer Due Diligence : In relation to customers of financial institutes, measures taken by FI of a customer, verifying identity, establishing if customer is acting on behalf of another person, if the customer is legal person, establishing the beneficial owner, obtaining information on the purpose and intended nature of business relationship etc..

Financial Institute : As defined in article (1) QCB Act No.33 (2006) it means any bank or financial service institute or external unit and article (1) of Law No.4 (2010) it means any person or entity who conducts as a business one or more of the following activities or operations for or on behalf of a customer:

- 1- Accepting deposits and other repayable funds such as private banking services.
- 2- Lending.
- 3- Financial leasing.
- 4- Transferring money or things of value.
- 5- Issuing or managing means of payment, such as credit and debit cards, cheques, traveller'scheques, money orders,

REGULATIONS TO EXCHANGE HOUSES

banker's drafts and electronic money.

- 6- Financial guarantees and commitments.
- 7- Trading in money market instruments, such as cheques, bills, certificates of deposit and derivatives, foreign exchange, exchange instruments, interest rate, index instruments, transferable securities, and commodity futures trading.
- 8- Participating in securities issues and providing financial services related to securities issues.
- 9- Undertaking individual or collective portfolio management.
- 10- Safekeeping or administering cash or liquid Securities on behalf of other persons.
- 11- Investing, administering or managing funds or money on behalf of other persons.
- 12- Underwriting or placing life insurance and other investment-related insurance, whether as insurer or insurance contract intermediary.
- 13- Money or currency changing
- 14- Any other activity or operation prescribed by resolution issued by the Prime Minister upon the proposal of the Committee

Jurisdiction : Any kind of legal jurisdiction which may include the state, a foreign country(whether or not an independent sovereign jurisdiction) or a state, province or other territory of a foreign country, QFC

REGULATIONS TO EXCHANGE HOUSES

or any similar authority.

- Money Laundering** : Any of the following acts:
- 1) The conversion or transfer of funds, by any person who knows, should have known or suspects that such funds are the proceeds of crime, for the purpose of concealing or disguising the illicit origin of such funds or of assisting any person who is involved in the commission of the predicate offence to evade the legal consequences of his actions.
 - 2) The concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to funds by any person who knows, should have known or suspects that such funds are the proceeds of crime.
 - 3) The possession, acquisition, or use of funds by any person who knows, should have known or suspects that such funds are the proceeds of crime.

Non Profit Organization : Any legal entity or organization which collects, or disposes of funds for charitable, religious, cultural, organization: educational, social, or fraternal purposes, or to do any other kind of charitable activities.

Non Resident Customer : Natural or legal person resides outside state of Qatar and \ or resides in Qatar temporarily (for tourism or visit).

On going monitoring : In relation to customer, this terminology means checking of all transactions under business relation, customers' business and risk profile, sources of

REGULATIONS TO EXCHANGE HOUSES

income and wealth, when required, review of the records by the FIs to keep the records up-to-date and relevant.

Politically exposed Persons : Persons who are or have been entrusted with prominent public functions in a foreign country or territory, or any one of their family or one of their closely related partners.

The prominent public functions may in this regard include .

Heads of States, Heads of Governments, Ministers, Deputy or assistant Ministers, Senior Politicians or Significant Personalities of Political Parties, Legal Officers, Members of Central Banks, Ambassadors, Businessmen, High Profiled Officers in Armed Forces, CEOs of establishments owned by the state.

Shell Bank : A bank that has no physical presence in the country or territory in which it is incorporated and licensed and is not affiliated with a regulated financial services group that is subject to effective consolidated supervision.

“Physical presence” in a country or territory is a presence involving meaningful decision-making and effective management and not merely the presence of a local agent or low level staff.

Suspicious Transaction Report (STRs) : A report to be made by FIs to FIU on any suspicious transactions or any attempts under provisions of articles (14) and 18 of Law No.4 (2010).

Terrorist : Any natural person who commits any of the following acts:

- 1) commission or attempting to commit, terrorist acts, intentionally, by any means, either directly or indirectly,

REGULATIONS TO EXCHANGE HOUSES

- 2) Participation as an accomplice in terrorist acts.
- 3) Organizing terrorist acts, or directing others to commit such acts.
- 4) Contributing to the commission of terrorist acts with a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

Terrorist Act : 1- An act which constitutes an offence according to the following agreements: Convention for the Suppression of Unlawful Seizure of Aircraft (1970), Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971), Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (1973), International Convention against the Taking of hostages (1979), Convention on the Physical Protection of Nuclear Material (1980), Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1988) Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988), Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf (1988), and the International Convention for the Suppression of Terrorist Bombings (1997).

REGULATIONS TO EXCHANGE HOUSES

- 2- Any other act intended to cause death or serious bodily injury to civilians, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a Government or an international organization to do or to abstain from doing any act.

Terrorism Financing : An act committed by any person who, in any manner, directly or indirectly, and willingly, provides or collects funds, or attempts to do so, with the intention to use them or knowing that these funds will be used in whole or in part for the execution of a terrorist act, or by a terrorist or terrorist organization.

Terrorist Organization : Any group of terrorists that:

- 1- commits, or attempts to commit, terrorist acts, by any means, directly or indirectly, unlawfully and willfully.
- 2- acts as an accomplice in the execution of terrorist acts.
- 3- organises or directs others to commit terrorist acts.
- 4- contributes to the commission of terrorist acts with a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act.

REGULATIONS TO EXCHANGE HOUSES

Wire Transfers It means any transaction carried out on behalf of an originator (both natural persons and legal entities) through the FI by electronic means with a view to making an amount of money available to a beneficiary person at another FI. The originator and the beneficiary may be the same person.

4- General Provisions

4.1: General Application

These regulations are applicable to all financial institutions, viz., Banks, Investment and Finance Companies and Exchange Houses, external units licensed and supervised by Qatar Central Bank. FIs must adopt and apply the specific areas of this regulation as appropriately applicable to them.

5- Key AML\ CFT principles

5.1 Principle 1: Responsibility of board of FI

Board of directors of the financial institute should ensure that policies, procedures, systems and controls appropriately and adequately address the requirements of AML/CFT Law and these regulations.

5.2 Principle 2: Risk based Approach

The financial institute shall adopt risk based approach to requirements of these regulations.

5.3 –Principle 3 : Know your customer

The financial institute should recognize each of their customers commensurate with the description of their risks.

5.4 –Principle 4: Effective Reporting

Financial institute must take effective measures to assure completion of external and internal reports at any time in case of finding money laundering or terrorism financing or suspect.

5.5- Fifth Principle: High Standard Screening and Appropriate training.

REGULATIONS TO EXCHANGE HOUSES

An FI have adequate screening procedure to ensure high standards when appointing or employing officers and employees and also should have an appropriate on going AML\ CFT training program for its officers and employees.

5.6- Sixth Principle : Evidence of Compliance

The financial institute should be able to provide documentary evidence of its compliance with requirements of the AML/CFT Law and these regulations.

6- General AML and CFT Responsibilities

6.1. Develop AML/CFT Programme

- 1- Financial Institutions should develop programmes against money laundering and terrorist financing.
- 2- The type and extent of measures adopted by the FIs must be appropriate having regard to the risk of money laundering and terrorist financing, size, complexity and nature of the business of the FIs.
- 3- The programme should include at a minimum the following:
 - a) Developing, establishing and managing internal policies, procedures, systems and controls to prevent money laundering and financing of terrorism and to communicate the same to the employees of the FI.
 - b) Appropriate compliance management arrangements, e.g. to designate Money Laundering Reporting Officer (MLRO) at the management level.
 - c) The MLRO and other appropriate staff should have timely access to customer identification data and other customer due diligence information, transaction records and all other relevant information relating to AML/CFT.
 - d) Adequate screening procedures to ensure high standards when appointing or employing officers and employees, and employees kept informed of developments on money laundering / financing of terrorism techniques, methods and trends and a clear explanation of all aspects of ML/FT Law and regulation, obligations arising out of these, in particular relating to CDD and STRs.
 - e) Appropriate on-going training programme for its officers and employees

REGULATIONS TO EXCHANGE HOUSES

- f) An adequately resourced and independent audit function to test compliance with the AML/CFT policies, procedures and controls, including sample testing.
 - g) Appropriate on-going assessment and review of FIs policies, procedures, systems and controls.
4. The policies, procedures, systems and controls must cover the following at a minimum:
- a) Customer due diligence measures and on-going monitoring
 - b) Record making and retention
 - c) Detection of suspicious transactions
 - d) Internal and external reporting obligations
 - e) Internal communication of FIs policies, procedures, systems and controls to its officers and employees
 - f) Any other issues that may be required under the AML/CFT Law or regulations as may be appropriate and as applicable to FIs

6.2 Policies etc should be risk sensitive, appropriate and adequate to risks

The FIs AML/CFT policies, procedures, systems and controls must be risk-sensitive, appropriate and adequate having regard to the risk of money laundering and terrorist financing and to the size, complexity and nature of business.

6.3. Issues to be covered by the policy on AML/CFT

The FIs AML/CFT policies, procedures, systems and controls must cover at a minimum the following:

- 1- Provide for identification and scrutiny of complex or unusually large transactions; unusual patterns of transactions that have no apparent economic or visible lawful purpose; any other transactions that FIs consider by their nature to be related to money laundering or terrorist financing,

REGULATIONS TO EXCHANGE HOUSES

- 2- Require enhanced customer due diligence measures to prevent use of money laundering or terrorist financing of products and transactions that might favour anonymity
- 3- Provide appropriate measures to reduce the risks associated with establishing business relationship with politically exposed persons
- 4- Prior to any function or activity that may be outsourced by the FIs, assessment and documentation of the ML/FT risks associated with outsourced functions; monitoring of these risks on an on-going basis.
- 5- Require all officers and employees of the FIs to comply with the requirements of Law 4 of 2010 on AML/CFT and regulations relating to making of Suspicious Transactions Report.

6.4. Annual assessment and review of policies

The FIs must carry out regular assessments of the adequacy and effectiveness of its AML/CFT policies, procedures, systems and controls in preventing money laundering and terrorist financing at least annually.

6.5. Application and Compliance of AML/CFT requirements by officers, employees

1. The FIs should ensure that its officers, employees comply with the requirements of the AML/CFT Law and the regulations, policies, procedures, systems and controls. In the context of the applicability in another jurisdiction, it may be applied to the extent that local law of that jurisdiction's applicable laws and regulations permit.
2. Without limiting the applicability of above item at 6.5.1, the policies, procedures, systems and control should require the officers and employees to provide suspicious transactions reports for transactions in, from or to its jurisdiction to their Money Laundering Reporting Officer, and ensure to provide timely, unrestricted access by the FI's Board and Money Laundering Reporting Officer, and by the Qatar Central Bank and FIU, to the documents and information of the FI, that may relate directly or indirectly to transactions in, from or to its jurisdiction.

REGULATIONS TO EXCHANGE HOUSES

3. FIs may apply the requirements that impose higher and consistent standards in its AML/CFT policies, procedures, systems and controls in relations to customers whose transactions or operations extend over a number of jurisdictions.
4. If the law or regulation of another jurisdiction prevents the application of a provision or provisions of the Law 4 of 2010 and these regulations, the officers of FI in that jurisdiction must immediately inform the Money Laundering Reporting Officer in the Head Office.

6.6 Application and Compliance of AML/CFT requirements to overseas branches and subsidiaries of financial institutions

- 1) FIs should ensure that the officers and employees of branch (s) or subsidiaries, comply with the requirements of the AML/CFT Law and the regulations, policies, procedures, systems and controls. In the context of the applicability in another jurisdiction, it may be applied to the extent that local law of that jurisdiction's applicable laws and regulations permit.
- 2) Without limiting the applicability of above item at 6.6.1, the policies, procedures, systems and control should require the officers and employees of the branch (s) / Subsidiaries to provide suspicious transactions reports for transactions in, from or to its jurisdiction to their Money Laundering Reporting Officer, and ensure to provide timely, unrestricted access by the FI's Board and Money Laundering Reporting Officer, and by the Regulator and FIU, to the documents and information of the FI, that may relate directly or indirectly to transactions in, from or to its jurisdiction.
- 3) Branch (s) / subsidiaries of FIs may apply the requirements that impose higher and consistent standards in its AML/CFT policies, procedures, systems and controls in relations to customers whose transactions or operations extend over a number of jurisdictions.
4. If the law or regulation of another jurisdiction prevents the application of a provision or provisions of the Law 4 of 2010 and these regulations to the branch (s) / or subsidiaries, the officers of branch (s) /

REGULATIONS TO EXCHANGE HOUSES

Subsidiaries of the FI in that jurisdiction must immediately inform the Money Laundering Reporting Officer in the Head Office.

5. FIs must pay particular attention to procedures in branches, or subsidiaries in countries that do not or insufficiently apply FATF Recommendations & Special Recommendations.

6.7. Application and Compliance of AML/CFT requirements to outsourced activities.

1. The FIs when outsourcing any of its activities or functions should ensure the following:
 - a) The FI and its Board will be primarily responsible to ensure that the AML/CFT Law and regulations are complied
 - b) The FI should through a Service Agreement or any other means, ensure that when activities are outsourced to any company or firm that the company or firm's officers, employees or their agents, in any jurisdiction, comply with the requirements of AML/CFT Law and these regulations, the policies, procedures, systems and controls, as applicable to FIs. In the context of the applicability in another jurisdiction, it may be applied to the extent that local law of that jurisdiction's applicable laws and regulations permit.
 - c) The FIs AML/CFT policies, procedures, systems and controls should require the outsourcing company or firm, its officers and employees, in any jurisdiction, to provide suspicious transactions report to FI involving transactions from or to the outsourcing company or firm. The suspicious transactions report should be sent by the outsourced company or firm to the Money Laundering Reporting Officer of the financial institution outsourcing its activities.

REGULATIONS TO EXCHANGE HOUSES

- d) FI should ensure that the outsourcing company or firm should provide timely, unrestricted access to its documents and information that may be directly or indirectly related to transactions with the FI, to the Money Laundering Reporting Officer, QCB and FIU.
- e) In case the foreign jurisdiction prevents application of any of the provisions of the Law or regulations, the outsourcing company or firm should immediately inform the FI outsourcing its activities and the FI must immediately convey the same to QCB

7- The Board of Directors

7.1. Overall responsibility of Board

The Board of the FI will be responsible for the effectiveness of the policies, procedures, systems and controls in preventing money laundering and terrorist financing.

7.2. Particular responsibility of the Board

The Board of the FIs should ensure:

- 1- That the FI develops, establishes and maintains effective AML/CFT policies, procedures, systems and controls in accordance with the requirements of AML / CFT Law 4 of 2010 and these regulations,
- 2- That the FI have in place adequate screening procedures to ensure high standards when appointing or employing officers or employees,
- 3- That the FI identifies, designs, delivers and maintains an appropriate on-going AML/CFT training programme for its officers and employees.

REGULATIONS TO EXCHANGE HOUSES

- 4- That the FI has an adequately resourced and independent audit function to test compliance with the FI's AML/CFT policies, procedures, systems and control, including sample testing.
- 5- That regular and timely information is made available to the Board about the management of the FI's money laundering and terrorist financing risks,
- 6- That the FI's AML/CFT risk management policies and methodology are appropriately documented, including their application by the FIs,
- 7- That there is a Money Laundering Reporting Officer (Item 8 on MLRO) designated to attend to the issues of money laundering and terrorist financing, in terms of the provisions of Article 36 of Law 4 of 2010, who
 - a) has sufficient seniority, experience and authority,
 - b) has sufficient resources, appropriate staff and technology to carry out his responsibilities effectively, objectively and independently,
 - c) has timely, unrestricted access to all information of the FI which are relevant to AML and CFT, which may include customer identification documents, other documents, data and information, customer due diligence and on-going monitoring, all transaction records,
- 8- Ensure that appropriate back up to the Money Laundering Reporting Officer is available to be able to carry on the functions without interruption during the absence of Money Laundering Reporting Officer, including a Deputy Money Laundering Reporting Officer (Paragraph.9 and 11 item No. 8.4). The Board of FI must ensure that if

REGULATIONS TO EXCHANGE HOUSES

the position of Money Laundering Reporting Officer falls vacant, the FI should appoint a replacement after obtaining QCB approval.

- 9- ensure that the FIs have a AML/CFT compliance culture
- 10- ensure that appropriate measures are in place to account for the money laundering and terrorist financing risks and are taken into account in the day-to- day operations and also in relation to the development of new products, taking in new customers and with changes in the business profile of the FI.

The above particular responsibilities of Board of FI are only indicative and do not limit the Board from putting in place stringent measures to counter the money laundering and terrorist financing risks in the FI.

8. Money Laundering Reporting Officer [MLRO] and Deputy

*8.1. Appointment

- 1- The FI should appoint a Money Laundering Reporting Officer who will be designated to oversee the countering of money laundering and terrorist financing risks in the FI at all times, in terms of the provisions of Article 36 of Law 4 of 2010.
- 2- The position of MLRO may otherwise be combined with other functions in FI, such as that of the Compliance Officer, in cases where the size and geographical spread of the FI is limited, and therefore, the demands of the function are not likely to require a full time MLRO.
- 3- The position of MLRO should not be combined with those functions that would create potential conflicts of interest.

* Circular No.3/2011 dated 8/3/2011 that asking all exchange houses to provide names of candidates for post of AML Compliance Officer s and their assistants without delay to get NOC of QCB according to form of annex NO.10 within two weeks.

REGULATIONS TO EXCHANGE HOUSES

- 4- The position of Money Laundering Reporting Officer should not be outsourced.

- 5- The name and designation of the official designated to be MLRO and Deputy MLRO should be reported to the Anti-Money Laundering and Terrorist Financing Section, Supervision and Control Department, Qatar Central Bank.

- 6- FI should seek the approval of QCB for appointment, removal or resignation of the MLRO and Deputy MLRO.

8.2. Eligibility to be MLRO and Deputy

The Money Laundering Reporting Officer of FI who is designated to oversee ML/FT issues should be:

- 1) Employed at the management level

- 2) Must have sufficient seniority, experience and authority to carry out his responsibilities independently,

- 3) Should report directly to the Board of the FI,

- 4) Ordinarily be a resident in Qatar.

8.3. General Responsibilities of MLRO

The MLRO will be responsible for the following:

REGULATIONS TO EXCHANGE HOUSES

- 1) Oversight on the implementation of FI's AML/CFT policies, procedures, systems and controls, including the risk based approach to ML/FT risks,
- 2) Ensure that appropriate policies, procedures, systems and controls are developed, established and maintained across the FI to monitor day-to-day operations for compliance with AML/CFT law, regulations, policies, procedures, systems and controls and assess regularly [at a minimum Yearly],the Management Level Review the effectiveness of the same to prevent money laundering and terrorist financing,
- 3) MLRO should be the key and focal person in implementing the FI's AML/CFT strategies,
- 4) Free unconditional access to all information related to deals of customers in FIs to specify transactions analyze and control effectively.
- 5) Supporting and coordinating the Board's focus on managing the FI's money laundering and terrorist financing risks in individual business areas,
- 6) Ensure that the FI's wider responsibility for preventing money laundering and terrorist financing is addressed centrally,
- 7) Ensuring the AML/CFT monitoring and accountability within the FI.

8.4. Particular Responsibilities of MLRO & Deputy

The particular responsibilities of MLRO are:

- 1) Receiving, investigating and assessing the internal suspicious transaction reports of the FI

REGULATIONS TO EXCHANGE HOUSES

- 2) Making STRs to FIU,

- 3) Acting as focal or central point of contact between the FI, FIU, the Regulator(s), and State authorities in relation to AML and CFT issues,

- 4) Ensure prompt response to request for information by FIU, Regulator(s), and State authorities in relation to AML and CFT issues,

- 5) Receive and act on government, regulatory and international findings about AML/CFT issues,

- 6) Monitoring appropriateness and effectiveness of the FI's AML/CFT training programme,

- 7) Reporting to the Board of the FI on AML and CFT issues,

- 8) Exercising all other functions given to Money Laundering Reporting Officer under AML/CFT Law, regulations or on issues relating to AML/CFT.

- 9) Ensure to keep Deputy MLRO informed of the significant AML/CFT developments, (see Item 7.2.8 above)

- 10) The MLRO must execute his responsibilities honestly, reasonably and independently, particularly while receiving, investigating and assessing internal STRs and deciding whether to make a STR to FIU.

- 11) The Deputy MLRO of the FI will function and act as the MLRO during the absence of the MLRO and during the vacancy of MLRO and rules of responsibilities of MLRO applies to Deputy as MLRO.

REGULATIONS TO EXCHANGE HOUSES

8.5. Reporting by MLRO to the Board**8.5.1. Reports of MLRO**

- 1) The Board of the FI should on a regular basis decide what general reports should be given to it by the MLRO, periodicity of these reports that may be given to the Board, in order to discharge its responsibilities under the AML/CFT Law and these regulations.
- 2) At the minimum, an Annual Report by the MLRO should be given to the Board for each financial year to enable the Board to consider it within a specified time frame as given under Item 8.5.2.3. However, this will not limit the Practice all other tasks entrusted to ML/CF Compliance Officer according to ML/CF Law and these instructions or other matters related to ML/CF.

8.5.2. Annual Report of MLRO

- I. The Report should assess the adequacy and effectiveness of the FI's AML/CFT policies, procedures, systems and controls in preventing money laundering and financing of terrorism,
- II. The minimum requirements of the Annual Report that should be submitted to the Board of FI for each financial year should include the following details:
 - a) The numbers and types of internal STRs made to Money Laundering Reporting Officer,
 - b) The number of these STRs that have been passed on to the FIU and the number of STRs that have not been passed on to the FIU, and reasons thereof,

REGULATIONS TO EXCHANGE HOUSES

- c) The numbers and types of breaches by the FI of AML/CFT Law, regulations or the FI's policies, procedures, systems and controls,
- d) Areas where the FIs AML/CFT policies, procedures, systems and controls should be improved along with proposals for appropriate improvements,
- e) A summary of the AML/CFT training imparted to FI's officers and employees,
- f) Areas where the AML/CFT training programme should be improved and proposals for appropriate improvements,
- g) Number and types of customers of FIs who are categorized as high risk,
- h) A summary on the progress in implementing AML/CFT action plans, like consideration of the Annual Report by the Board, assessment and review of training, any other issues relating to AML/CFT,
- i) Outcome of any audit reviews that was mandated by the FI in relation to AML/CFT policies, procedures, systems and controls,
- j) Outcome of any review or assessment of risks, policies, procedures, systems and control.

8.5.3. Consideration of Annual Report of MLRO by the Board

- 1) The Board of the FI must consider the Annual Report made by the MLRO in a timely manner,

REGULATIONS TO EXCHANGE HOUSES

- 2) In case the Report had identified deficiencies in FI's compliance to AML/CFT Law, regulations, training programmes, the Board should prepare and/or approve and document an action plan to remedy the deficiencies in a timely manner.

- 3) The Report submitted by the MLRO should be dealt with by the Board as per Item 8.5.2.2 above not later than 4 months after the end of the financial year to which the Annual Report relates.

9. Risk Based Approach

9.1. Risk Based Approach – General

- 1) FIs should develop risk based approach to monitoring as appropriate to their business, their number of clients and types of transactions.

- 2) The monitoring systems should be configured to identify significant or abnormal transactions or patterns of activity. This system should include:
 - a) Limits on number, types or size of transactions undertaken outside the expected norms;

 - b) Limits for cash and non-cash transactions

- 3) FIs should assess the ML/TF risk arising from the:
 - a) Types of customers it currently has or likely to have,

 - b) Different types of products and services rendered by the FI

 - c) The technology currently used and the new technology that may be used for better service.

REGULATIONS TO EXCHANGE HOUSES

- 4- FI should assess the potential risks arising from the above items and decide on the strategies to mitigate these risks.

9.2. Assessment Methodology to mitigate ML/FT threats

- 1) FIs should adopt the threat assessment methodology to mitigate the risks of ML/TF that is suitable to the size, business profile and risk profile of the FI,
- 2) The FI should be able to demonstrate to QCB that its threat assessment methodology is capable of the following:
 - a) Assessing the risk profile of the business relationship with each customer,
 - b) Is designed to identify changes in the FIs ML & TF risks, risk posed by new products, new services introduced by the FI and in applying new technologies to FI's services.
 - c) From Item 9.2.2(b) above, the FI should be in position to demonstrate that its general practice of risk management of ML/FT risks matches its threat assessment methodology.

9.3. Risk profiling business relationship

- 1) While risk profiling a business relationship with a customer, FIs should consider the following 4 risk elements:
 - a. Customer Risk
 - b. Product Risk
 - c. Interface or Delivery Channel Risk
 - d. Jurisdiction or Geographical area Risk
- 2) FIs should also assess and identify any other risks that may be relevant to the specific types of business relationship, taking into account the size, complexity and nature of its business in relation to business of its customers.

REGULATIONS TO EXCHANGE HOUSES

- 3) FIs should take into account the 4 risk given under clauses (1) and (2) from Item 9.3 above in order to arrive at the risk profile of business relationship.

- 4) FIs should base the intensity of customer due diligence measures and ongoing monitoring taking into account the risk profile of the relationship

10. Customer Risks

10.1. Risk Assessment of customer risks

- 1) FI should assess and document the risks of money laundering, terrorist financing and other illicit activities posed by different types of customers,
- 2) The intensity of customer due diligence measures and on-going monitoring required for a particular type of customer should be proportionate to the perceived or potential level of risk posed by the relationship with the customer.

10.2. Policies and procedures to address customer risk

- 1- FIs should have policies, procedures, systems and controls to address specific risk of money laundering, terrorist financing or other illicit activities posed by different types of customers,
- 2- FIs should include in its policy and procedures, the methodology adopted to score the customers' profile and risks based on the source of income and wealth,
- 3- FIs should have enhanced customer due diligence and on-going monitoring if it suspects that a customer is an individual, a charity, non-profit organization that is associated with, or involved in, terrorist acts, terrorist financing or a terrorist organization or when an individual or entity is subject to sanctions or other international initiatives relating to AML/CFT issues.

REGULATIONS TO EXCHANGE HOUSES

- 4- Irrespective of the risk score of the customer, the FI should conduct enhanced due diligence measures and enhanced on-going monitoring to the customers listed at Item 10.2.3 above.
- 5- Any decision to enter into business relationship with non-profit organizations or customers requiring enhanced CDD measures should only be made after seeking the approval of the Board and only after completion of the enhanced CDD measures.

10.3. Measures for politically exposed persons (PEPs)

FIs should adopt the following measures to reduce the risks associated with establishing and maintaining business relationship with PEPs:

- 1) FIs should establish a PEP client acceptance policy, taking into account the reputational and other risks involved.
- 2) FI should have clear policies, procedures, systems and controls for establishing business relationships with PEPs,
- 3) FI should establish and maintain an appropriate risk management system to decide whether a potential or existing customer or the beneficial owner of a potential or existing customer is a PEP. Such measures would entail seeking relevant information from customers, reference to publicly available information, and having access to, referring to, commercial electronic databases of PEPs.
- 4) FIs decision to enter into business relationships with PEPs should be taken only after approval of the Board and after enhanced CDD measures have been conducted, and enhanced monitoring and customer due diligence measures should be adopted, wherein the FI should analyze complex financial structures like trusts, foundation or

REGULATIONS TO EXCHANGE HOUSES

international corporations, and development of a profile of anticipated customer activity which can be used in on-going monitoring.

- 5) In case an existing customer, or the beneficial owner of an existing customer, is subsequently found to be or has become a PEP, the relationship should be continued only with the approval of the Board,
- 6) FIs should establish a methodology and reasonable measures to establish the sources of wealth and funds of customers and beneficial owners identified as PEP,
- 7) PEPs should be subject to enhanced on-going monitoring.

10.4. **Risk Assessment Process for legal entities, legal arrangements & facilities, Trusts, Clubs and Societies.**

- 1) FIs risk assessment processes and methodology should include recognition of risks posed by legal entities, arrangements and facilities, which may include, companies, partnership, trusts, nominee shareholdings, power of attorney etc.
- 2) While assessing the risk posed by these legal entities, arrangements or facilities, FI should ensure that the risks posed by beneficial owners, officers, shareholders, trustees, settlers, beneficiaries, managers or any other entities relating to these are reflected in the risk profile of entity or arrangement or facility,
- 3) FIs while assessing the risks of trusts, should take into account the different ML/FT risks that are posed by trusts having different sizes and activities. This has to be evaluated in the light of the purpose of the trusts (like some trusts may be set up for limited purposes or may have a limited range of activities, while some of the trusts have extensive activities, including financial linkages in other jurisdictions).

REGULATIONS TO EXCHANGE HOUSES

- 4) FIs while assessing the risks of clubs and societies, should take into account the possibilities of ML/FT risks arising from such customer relationship and their different areas of activities.
- 5) The risk profile should also be able to capture the risks posed by such entities by reduction in transparency or through an increased ability to conceal the risks.

11-Product Risks

11.1 Assessment of Product risks

- 1) The FIs should assess and document the risks of money laundering, terrorist financing and other illicit activities posed by the products it offers or proposes to offer to its customers. Such products may be savings accounts, e-money products, payable through accounts, wire transfers etc.
- 2) The intensity of customer due diligence measures and on-going monitoring for each type of product should be commensurate with and proportional to the perceived and potential risk that may be posed by each type of product.

11.2 : Policies, procedures of product risks.

- 1- FIs should have policies, procedures, systems and controls to address specific risks of ML/FT and other illegal activities

REGULATIONS TO EXCHANGE HOUSES

arising from different types of products offered by FI or its proposes to offer to customers

- 2- FI should have methodology on the basis of which business relationship with customers will be scored based on different types of products it offer or proposes to offer.

11.3. Products with fictitious, false or no names

FIs should not permit any of its products to be used with fictitious, false or when no names or the customer is not identified.

11.4. Correspondent banking relationships

- 1- FIs (correspondent) prior to establishing correspondent banking relationship with a FI in a foreign jurisdiction (respondent), the correspondent FI should undertake to complete the following:
 - a) Gather all information on the respondent to understand the nature of its business (e.g. through a structured questionnaire),
 - b) Gather information about the respondent bank's ownership structure and management,
 - c) Gather information on major business activities of the respondent and its location (i.e for e.g. whether it is located in a FATF compliant jurisdiction) as well as the location of its parent, wherever applicable.
 - d) Purpose for which the account will be opened.

REGULATIONS TO EXCHANGE HOUSES

- e) Decide from publicly available information, the respondent's reputation and quality of its regulation and supervision,

 - f) Assess the respondent FI's AML/CFT policies, procedures, systems and controls and ensure if they are adequate and effective,

 - g) Obtain the approval of the Board to establish correspondent banking relationship,

 - h) The correspondent FI should ensure and be satisfied that:
 - 1) The respondent FI's customers who would have direct access to correspondent FI's accounts, are the customers whose CDD measures are undertaken and verified,

 - 2) On-going monitoring being conducted by the respondent FI and

 - 3) The respondent FI would be able to provide to correspondent FI documents, data or information on CDD or on-going monitoring, when requested by correspondent FI, within a reasonable time frame.
- 2- The Correspondent FI should also consider before establishing business relationship the following:
- a) whether the respondent FI has been subject to any investigation, or civil or criminal proceeding relating to ML/FT

 - b) the financial position of the respondent FI

REGULATIONS TO EXCHANGE HOUSES

- c) Whether the respondent FI is regulated and supervised, by a regulatory or governmental authority equivalent to the authority in home jurisdiction

 - d) Whether the jurisdiction in which the respondent FI is operating has an effective AML/CFT regime
- 3- In case the respondent FI is a subsidiary of another legal entity, the correspondent FI should seek information on the legal entity, its location and domicile, reputation, whether the legal entity is supervised, at least for AML/CFT purposes, by a regulatory body or governmental authority equivalent to the authority in the home jurisdiction, whether the jurisdiction in which the legal entity operates has effective AML/CFT regime, its ownership, control, management structure, including aspects like ownership, control or management by PEP.
 - 4- In case the respondent FI is operating in a high risk jurisdiction, the correspondent FI should conduct enhanced on-going monitoring on the transactions conducted under the relationship and review the relationship on an annual basis.
 - 5- Additional measures to be taken by the FIs, prior to opening a correspondent banking relationship, should include a signed agreement that outlines the respective responsibilities and obligations of each institution in relation to money laundering detection and monitoring responsibilities.

11.5. Shell Banks

- 1) FI should not establish or continue business relations with banks which have no physical presence or “mind and management” in the jurisdiction in which they are licensed and which is unaffiliated with a

REGULATIONS TO EXCHANGE HOUSES

regulated financial group subject to effective consolidated supervision (Shell banks'),

- 2) FIs should make a suspicious transaction report to the FIU in the event that FIs are approached by a shell bank or any institution that the FI has reason to suspect that it is a shell bank.

- 3) FIs should not enter into or continue business relationships with respondent FIs in foreign jurisdiction if they permit their accounts to be used by banks registered in jurisdictions where they are not physically present and are not

11.6: Payable-through Account

- 1- Whenever a correspondent relationship involves maintenance of “payable through accounts”, the FIs should ensure that (This specifically applies due to the fact that under the correspondent relationship, a customer of the respondent who is not a customer of the correspondent may have direct access to an account of respondent FI.)
 - A- The respondent FI has performed all normal CDD obligations on those of its customers who have direct access to the accounts of the correspondent FI,

 - B- Conducts on-going monitoring in relation to the customer

 - C- The respondent FI will be able to provide relevant customer identification information upon request to the correspondent FI.

REGULATIONS TO EXCHANGE HOUSES

- 2- When a correspondent FI asks for documents, data or information mentioned in paragraph (11.6.1) above, and the respondent fails to comply with the request, the correspondent FI must terminate the customer's access to the accounts of the correspondent FI (s)

11.7 : Power of attorney

In case the power of attorney authorizes the holder of the power of attorney to exercise control over the assets of the guarantor, the following should be ensured by the FIs:

- A Before becoming involved in or getting associated with any transaction involving the power of attorney, the FI must conduct CDD measures for the holder of the power of attorney and the grantor of the power of attorney
- B- The FI should consider the holder and grantor of the power of attorney to be their customer

11.8 Financial Bearer Negotiable Instruments:

- 1- FIs shall have sufficient policies, procedures, systems and controls of Due Diligence to combat money laundering and terrorism financing as regards to risks related to using of financial bearer negotiable instruments as applicable on FIs.
- 2- Whenever FI enter or involves in deals of transferring financial bearer negotiable instruments to registered form to deliver slips of financial bearer negotiable instruments for payment of profits or benefits or capital , the FIs should apply intensive CDD on bearer of instrument and or any real beneficiary. Bearer of instrument and any real beneficiary shall be considered as customers of Financial Institute.

11.9 : Wire Transfers

This item should be applied on wire transfers exceeding QR 4000 or equivalent in foreign currencies, whether sent or received by the FIs. This item shall not be applied under the following:

REGULATIONS TO EXCHANGE HOUSES

- a) When a transaction is carried out using a credit or debit card, when the card number accompanies all transfers flowing from the transactions and the card is not used as a payment system to effect money transfer,
- b) When a transfer is from one FI to another FI and the originator and recipient are both FIs action on their own behalf

11.9.1: Outgoing transfers

- 1) FIs should include all required originator information details with the accompanying electronic transfers of funds that FI's make on behalf of their customers.
- 2) The FI should apply due diligence measures in terms of information to be obtained from the originator (full originator information) of outgoing transfers, including:-
 - A. Name of originator
 - B. Account number(1) or reference number in the absence of an account
 - C. ID and passport number
 - D. Address
 - E. Information of the beneficiary (name, address, account number, if any) and
 - F. Purpose of the transfer
- 3- The FI should verify all the information in accordance with the procedures and measures stated herein, before making any transfer. In case of batch transfer, the issuing FI (as the case may be) should include the account number or reference number of originator (transfer applicant) in the absence of any account in his name, provided that:

(1)In the event where the originator of the transfer does not hold an account at the bank, the banks shall establish a system which gives the originator a distinctive reference number

REGULATIONS TO EXCHANGE HOUSES

- a) The FI maintains complete information about the originator as provided for in paragraph (11.9.1.2) above.
- b) The FI is capable of providing the receiving financial institution with required information within three working days from the date of receiving any application in this regard.
- c) The FI is capable of responding immediately to any order issued by the competent official authorities requesting access to this information.
- 4- The FI should ensure that no non-routine transfers are sent within any batch transfer in order that it might lead to increased ML/FT risks. It's not applicable to liabilities of any batch of these transfers done by FI on own account, like instant foreign exchange transactions.

11.9.2. Incoming Transfers

- 1- The FI should draw up effective systems to detect any missing information related to the originator (transfer applicant).
- 2- The FI should request the party originating the transfer to submit all missing information, and in the event where the originating party fails to do so, the FI should take appropriate actions based on the risk rating assessment, including the refusal of the transfer.
- 3- The FI should consider these circumstances when evaluating the extent of suspicion about the transaction under reference and refer the same to the Compliance Officer for consideration and judgment whether it is appropriate or not to report it to the FIU.

11.9.3 : Obligations of Intermediary FI

- 1- In the event where the FI performs its role as intermediary FI in the execution of the transfer, (i.e. it is not the issuing or receiving FI) the FI should keep all the information attached to the transfer.

REGULATIONS TO EXCHANGE HOUSES

- 2- If the FI fails to obtain the information attached to the transfer (for technical reasons), it should keep all the other information available, whether they are complete or not.

- 3- If the intermediary FI receives incomplete information about the originator, it should inform the receiving FI of the missing information upon performance of the transfer.

- 4- If technical controls put a stop to sent any information on originator of wire transaction with correlated local wire transaction, Intermediately receipting FI shall keep record involving all information received from originator FI for five years.

11.10 Non Profit Organization

The FI should not offer any financial services to non-profit organizations as charity, humanitarian, cooperative and vocational associations and societies, unless the following requirements are satisfied

- 1- Obtain all Customer Identification data such as the name of the association or society, legal form, address of head office and branches, types of activity, date of establishment, names and nationalities of representatives authorized to access the account, telephone numbers, purpose of business relationship, sources and uses of funds, approval of competent authority for opening the account at QCB, and any other information required by the competent authority (Ministry of Social Affairs).
- 2- Verify the presence and legal form of the society or the association through information contained in its official documents.

REGULATIONS TO EXCHANGE HOUSES

- 3- Obtain supporting documents indicating the presence of an authorization issued by the association or the society to the persons authorized to access the account, and necessarily identify the representative in accordance with the customer identification measures provided for herein.

12. Interface risks or risks of delivery channels

12.1 Assessment of Interface risks

- 1- FIs shall assess and document ML/TF risks and other illegal activities created by instruments and e-banking transactions and other electronic transactions through which starts, practice and continue business relation.
- 2 Required to make intensive CDD and ongoing monitoring in case of specific interface apposite to extent of apparent and potential risks arising from this interface.

12.2 : Policies and procedures for Interface Risks.

- 1- The FI should draw up policies, procedures, systems and controls to face risks of ML and FT or any other illegal activities created by different types of interfaces and technological development through which starts, practice and continue business relation.
- 2- Policies, procedures, systems and controls shall include measures purposed to :
 - a) Prevent mal-use of technological improvement in field of money laundering and terrorism financing.
 - b) Manage risks tying with incomplete work relation or transactions not face to face.

REGULATIONS TO EXCHANGE HOUSES

3 FI shall include in approaches of its procedures, the method of classifying customers if they relate with interface through which starts, practice and continue business relation.

12-3 Business relations not face to face and new technologies

1. Business relations or transactions non-face-to face are coming under any of following types.
 - a) Different types of relations or transactions concluded through internet or other developed technologies.
 - b) Services or transactions provided or practiced through internet and using of ATM ..etc.
 - c) Electronic point of sale transactions or using of valuable prepaid or rechargeable cards or related to account.
2. Policies, procedures, systems and controls related to these types of accounts shall include application for additional documents for specifying identity and taking additional measures to verify genuineness of submittals and develop autonomous communication..etc..
3. FIs shall have effective and specific CDD which facilitate implementing on customers indirect customers non-face-to face. Specifically the FI shall draw necessary measures to assure that the customer is the person claimed for and address provided by him is actual address. These measures include for example not limited the following:
 - a) Telephone communication with the applicant customer with residence No or work place number of working area verified without help.
 - b) Contact with employer to assure employment after getting approval of the customer.
 - c) To obtain details of salaries officially ...etc.

REGULATIONS TO EXCHANGE HOUSES

4. FI allowing to complete payment processes through e-services shall assure the monitoring on these transactions are same as to other services and it have risk based approach to assess ML/FT risks arising from these services.

5. FIs shall verify instructions issued by QCB from time to other in relation to risks of modern technologies and e-banking transactions and required to assure on compliance with instructions related to e-banking transactions issued by QCB.

12-4 Due diligence through Third Party

- 1- FI accept only from customers introduced to them by other FIs or intermediary subjected to CDD measures in line with procedures approved by FATF.
- 2- When FI assign any part of CDD process to other FI or intermediary, both are third party, or adopt them for this purpose, the concerned FI shall put up with final responsibility to meet CDD requirements according to provisions of articles 22 to 33 of Law No4 (2010) and provisions of these instructions; not third party.
- 3- In case a FI relies on third parties to perform some of the elements of the CDD process, the FI should immediately obtain the necessary information and documentation concerning the aspects of CDD process from the third party and take adequate steps to satisfy themselves that the identification data and other relevant documentations relating to CDD process are as per customer identification measures.
- 4- FIs should create a direct communication channel with the customer after seeking the documents, data and recommendations from the third party.

REGULATIONS TO EXCHANGE HOUSES

- 5- Whenever FI have branches or subsidiaries in foreign jurisdiction, it must consider from jurisdictions the third party whom it can rely to identify customer based on the available information whether these countries apply recommendations of FAFT 9+40 sufficiently.
- 6- Before adopting third party to identify customer, FI shall take written affirmation from the introducing party that all measures of CDD have been followed, identity is specified and verified thereby.
- 7- Being not satisfied in compliance of introducing third party with requirements of FAFT 9+40, FI shall take itself all CDD measures regarding business relation to identify customer. FI cannot accept any subsequent identification from such introducing party but it can consider possibility to stop adopting of above mentioned party for purposes of CDD.
- 8- FI shall provide details of third party (for example , company details, company structure, site, type of businesses ...etc.) on which FI relies for purpose of CDD.

13. Risks of Jurisdictions

13.1 : Assessment risks of jurisdictions.

1. FI FIs must assess and document risks of ML/FT and other illicit activities posed by different jurisdictions with which their customers are associated. Such association can be where the customer lives, or business incorporated or otherwise established in foreign jurisdiction.
2. The intensity of CDD measures and on-going monitoring required for customers in other jurisdiction must be proportionate to the perceived or potential risk from the jurisdiction

REGULATIONS TO EXCHANGE HOUSES

3. Jurisdictions requiring enhanced due diligence would be those as under.
 - A- Jurisdictions with ineffective AML/CFT regimes.
 - B- Jurisdiction with impaired international cooperation
 - B- Jurisdiction listed as non-cooperative by FATF
 - C- Jurisdiction subject to international sanctions, and
 - D- Jurisdiction with high propensity for corruption
4. FI must have policies, procedures, systems and controls to face ML/TF risks and other illegal activities from different jurisdictions followed by FI or their customers.
5. Policies of FI and its procedures shall include specific approach to classify risks associated with different jurisdictions.

13.2 Assure effectiveness of AML/CTF systems

- 1- FI should consider following 3 factors in order to assess effectiveness of AML/CFT regimes in other jurisdictions.
 - a) Legal framework
 - b) Imposing sanctions and supervision
 - c) International cooperation.
2. When considering the factors listed at item 13.2.1 above, FI should also consider the listed about and published by international organizations, governments and other authorities like FAFT and others.

13.3 Jurisdiction with impaired international cooperation

- 1- FI shall beware on customers or customers identified by third parties coming from different jurisdictions with impaired international cooperation.

REGULATIONS TO EXCHANGE HOUSES

- 2- Business relation from or to afore mentioned jurisdictions should be subjected by FI to intensive CDD measures and strict ongoing mentoring process.

13.4 - Jurisdiction listed as non-cooperative and under sanctions

FI should take intensive procedures of CDD and ongoing monitoring on transactions and business relation from jurisdictions classified by FAFT as non cooperative or under sanctions.

13.5 Jurisdiction with high propensity for corruption

- 1- FIs shall have approach to assess and document jurisdictions subjected to high propensity for corruption..
- 2- FI shall take intensive CDD procedures and ongoing monitoring with regards to customers belong to this jurisdiction.
- 3- While accepting PEPs from such jurisdictions as customers of FI under approval of FI board of directors, FI should take additional and appropriate measures to mitigate additional risks posed by PEPs from such jurisdiction.

14. Know your customer (KYC)

14.1 Know your customer Principle (KYC)

KYC Principle requires that every FI to know who its customers are, have necessary identification documents, data, information evidencing identification.

REGULATIONS TO EXCHANGE HOUSES

14.2 Customer Acceptance Policy (CAP)

- 1- The FIs should develop clear customer acceptance policies taking into consideration all factors related to the customers, their activities and accounts and any other indicators associated with customer risk. The policy should include detailed description of customer according to their respective degree of risk, the basis on which business relationships with the customers will be scored taking into account their sources of income and wealth or occasional customer seeking to carry out a one – off transaction.

- 2- This policy shall consider in-between other things, drawing internal effective systematic procedures to identify identity of customers and verify it and their sources of income and wealth.

- 3- These policies and procedures should be recorded in writing and take approval from FIs.

14.3 Basic Requirements of CDD Measures

- 1- FI must not establish any business relation with a customer, unless the customer, relevant parties to the business relationship, including any beneficial owner, have been identified and verified.

- 2- Should not establish anonymous accounts or deal with anonymous customers or establish accounts in fictitious names.

- 3- Whenever establish relationship, required to assess usual business of the customer regularly on basis of expected character of his activities. Any unexpected activity should be checked to specify whether found any suspicion related to ML and FT. In order to assess unexpected activities, FI shall obtain and maintain information on :
 - a) Nature of potential businesses.
 - b) Pattern of transactions.

REGULATIONS TO EXCHANGE HOUSES

- c) Purpose and reason for opening accounts.
 - d) Nature and level of the activity
 - e) Signatories on accounts and..etc..
- 4- Whenever FI has not obtained satisfactory evidence of identity before establishment of business relationship:
- a) FI should not establish business relationship or carry out transactions for or on behalf of such relationship.
 - b) Should consider making a STR to FIU.
- 5- FI should apply CDD measures when an occasional customer conducts transaction. The threshold limit for a single occasional transaction in a single operation or several linked operations for an amount exceeding QR 55,000 or equivalent in foreign currencies at the relevant time in accordance with provisions of article (23) Law No.4 (2010).
- 6- FI should apply CDD in case it has any doubt about the genuineness of the accuracy or adequacy of any customer identification data obtained earlier,
- 7- FI should apply CDD measures in case it suspects the customer of AML/CFT.
- 8- **Identification of beneficial owner**
- a) For all customers, FI should determine whether the customer is acting on behalf of another person. FI should take all steps to obtain sufficient identification data to verify identity of that other person.
 - b) For customers that are legal persons or legal arrangements , FI should take steps to :

REGULATIONS TO EXCHANGE HOUSES

- 1) Understand ownership and control structure the customer.
- 2) Specify the natural person(s) who ultimately own or controls the customer.

14.4: General Requirements on extent of CDD

- 1- FI should decide the extent of CDD measures for a customer on risk sensitive basis depending on customer risk, interface or delivery channel risk and jurisdiction risk, among other factors.
- 2- FI should be in a position to demonstrate QCB that the extent of CDD measures is appropriate and proportional to the risks of ML/TF.

14.5.General Requirements for Ongoing Monitoring

- 1) FI should conduct ongoing monitoring for each of their customers.
- 2) Financial institutions should pay special attention to all complex, unusual large transactions and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose. FIs shall verify background of these transactions and purposes and record results of such deals and keep these records according to requirements of record keeping specified in clause (21) of these instructions (record keeping)
- 3) FIs should have policies, procedures, systems and controls necessary for conducting ongoing controlling. Systems and controls should include:

REGULATIONS TO EXCHANGE HOUSES

- a) Flagging of transactions for further examination. Such examinations may be performed by a senior independent officer of the FI and appropriate follow-up action should be taken on the findings of such examination. In case of knowledge or suspicion of ML or TF raised by such examination, a report by the senior officer should be made to the Money Laundering Reporting Officer.

- b) The system for on-going monitoring should have the ability to review transaction on real time basis, i.e. as they take place.

- c) The on-going monitoring may be by reference to particular type of transaction or related to customer's risk profile; or by comparing the transactions of the particular customer or the risk profile of the Ongoing particular customer with that of his peers or similar customers or a combination of these approaches. FIs may not limit the approaches as given here. FIs may use stringent on-going monitoring processes.

4- Monitoring of one-off linked transactions:

- a) FI should have systems and controls which have ability to identify one-off transaction linked to same person.
- b) When FI knows, suspects or has reasonable grounds to know that a series of linked one-off transactions are for the purposes of ML/ TF, the FI should make a report to Money Laundering Reporting Officer.

14.6 FIs unable to complete CDD procedures for customer

When a FI is unable to complete the CDD procedure for customer, it must:

REGULATIONS TO EXCHANGE HOUSES

- a) immediately terminate any relationship with the customer and
- b) Consider whether it should make a suspicious transactions report to FIU.

14.7 Timing of customer due diligence

- 1- An FI should implement the customer due diligence measures outlined in Section 6 of Law 4 of 2010 and this regulation.
- 2- FI should undertake to implement the provisions of Article 23 of Law 4 of 2010 and also when:
 - a) Establishing business relationship with a new customer.
 - b) There is a change to the signatory or the beneficiary of an existing account or business relationship.
 - c) Significant transaction is made.
 - d) There are material change in the way the account with the FI is operated or material changes in the manner of conducting business relationship.
 - e) The documentation standards change substantially.
 - f) The FI has doubts about the veracity or adequacy of previously obtained customer due diligence information and documents.

REGULATIONS TO EXCHANGE HOUSES

- g) CDD must be conducted on an existing customer when items (b) to (f) above are encountered.
- h) Carrying out one-off or occasional transactions above QR 55,000 (fifty five thousand Qatari Riyals) or equivalent in foreign currencies at the relevant time.
- i) Carrying out wire-transfers above the prescribed threshold limit.
- j) There is a suspicion of money laundering or terrorist financing.

14.8 Circumstances when CDD may be completed at a later stage

Verification of identity for CDD purposes can be completed at a later stage as per the provisions of Article 25 of Law 4 of 2010, where:

- a) This is necessary in order not to interrupt the normal conduct of business.
- b) There is little risk of money laundering or terrorist financing and these risks are effectively managed.
- c) The CDD process under Article 25 of Law 4 of 2010 is completed as soon as practicable after contact is first established with the customer

15 Customer Identification Documentation**15.1 General requirements of Customer Identification Documentation**

- 1- FI should ensure that the customer identification documentation should relate to customer as a physical person and the nature of customer's economic activity.
- 2 FI should make and keep a record of all customer identification documentation that is obtained during the customer due diligence

REGULATIONS TO EXCHANGE HOUSES

measures and on-going monitoring of a customer's business relationship.

- 3 FI must make and keep record of how and when each of the steps of CDD measures for a customer was satisfactorily completed. This should be applied in relation to a customer irrespective of the nature and risk profile of the customer.
4. In order that the FI mitigate the risks associated with ML/TF by using the business relationship and commingle proceeds of criminal activity with legitimate economic activity in order to disguise the origin of these funds, FI must address them by:
 - a) Identifying sources of customer's income and wealth and establish that such sources are not from criminal activity, the FI will be in a position to establish risks arising from customer and jurisdiction.
 - b) Identify the purpose and intended nature of business relationship, by establishing that FI can monitor the transactions on a real time basis and ensure that they correspond to the transactions intended under the business relationship. When the assessment identifies variances between the actual transactions conducted under the business relationship and the stated purpose and intended nature, then the FI should ensure and satisfy itself that they are not intended for ML/FT purposes.
 - c) When an FI is not satisfied about the variation in the intended transactions, FI should consider making a STR to FIU.

15.2 Customer Identification Documentation

The FI should maintain the following documents as minimum requirements for the following types of customers :

1- Individuals

REGULATIONS TO EXCHANGE HOUSES

Customer identification data should include customer's full name, permanent address, telephone number, profession, work address and location, nationality, ID number for Qataris and residents (passport number for non-residents), date and place of birth, name and address of sponsor, purpose of business relationship, names and nationalities of representatives authorized to access the account.

2- Legal Entities

Customer identification data should include legal entity's name (company/institution), CR data, type of activity, date and place of establishment, capital, names and nationalities of authorized signatories, telephone numbers, address, purpose of business relationship, expected size of business, name and address of individual

institution's owner (in case of individual institution), names and addresses of joint partners in case of joint ventures, names and address of shareholders whose shares exceed 10% (ten percent) of the capital of joint stock companies.

3 - Holding Companies

In case of legal entities having multi-layered ownership and control structure, FI must obtain the ownership and control structure at each level and document the same, apart from the verification requirements applicable to legal entities.

4- Unincorporated partnership

When a legal entity is an unincorporated partnership or association, the identity of all partners/ directors must be obtained and verified.

5. Partnership

In case the entity is a partnership with formal partnership agreement, FI must obtain the mandate from the partnership on:

REGULATIONS TO EXCHANGE HOUSES

- a) Authorizing establishing relationship with the FI,
- b) Empowering persons on behalf of the partnership,
- c) Authority to operate accounts.

6. Trusts, Clubs and Society

All requisite customer identification documents should be obtained by the FI.

16- Enhanced CDD and on-going monitoring

16.1 General requirements for enhanced CDD & ongoing monitoring

- 1- FI should conduct enhanced CDD measures and enhanced on-going monitoring in cases where it is required under the provisions of Law or regulations, or when there is a perception of high risk of money laundering or terrorist financing.
- 2- Generally, enhanced CDD should be applied for the following categories:
 - a. Non-face-to-face business and new technologies.
 - b. Politically Exposed Persons.
 - c. Correspondent banking relationships.
 - d. Bearer shares and share warrants to bearers.
 - e. Charities, clubs and societies.

REGULATIONS TO EXCHANGE HOUSES

f. Jurisdiction risks (mainly impaired international cooperation, non-cooperative and sanctioned jurisdictions and jurisdictions with high propensity for corruption).

3- FI should, in addition, apply enhanced CDD on:

a. Non-resident customers - The following measures should be observed while applying the identification procedures:

- (i) Identify the purpose of the business relationship,
- (ii) Verify the validity of the entry visa initially while initiating business relationship,
- (iii) Obtain a copy of the Passport,
- (iv) Obtain a copy of the memorandum of association in case of legal entity, certified by the competent authorities in the country of origin or the embassy of country of origin in the State of Qatar,
- (v) Obtain a copy of the CR or registration documents certified by the competent authorities in the country of origin or the embassy of the country of origin in the State of Qatar.

b. Politically Exposed Persons.

c. On customers belonging to countries that do not apply FATF Recommendations appropriately, risks will be greater when the customer belongs to a country that is subject to sanctions imposed by the UN or a country that does not apply sufficient legislations in terms of combating money laundering and terrorist financing or which is known to be affected by criminal activities, such as drug trafficking.

Under such cases, apply enhanced CDD on customers coming from those countries and constantly and accurately monitor their accounts. FI must assess and document risks of ML/FT from different jurisdictions

REGULATIONS TO EXCHANGE HOUSES

- with which their customers are associated. The intensity of CDD should be commensurate and proportionate to the perceived or potential risk from the jurisdiction.
- d. FI should also pay special attention to any dealings with the entities or persons who are domiciled in countries which are identified by FATF as being "non-cooperative". Whenever, transactions with such parties are carried out which have no economic or visible lawful purposes apparently, the background and purpose of such transactions should be reexamined and finding documented by the FI and in case of reasons to believe that the transactions are related to ML/TF, this information should be submitted to the FIU.
 - e. Third Party reliance for CDD.
 - f. Interface or delivery channel risks.
 - g. Private banking services - Drawing appropriate policies and analyzing the product risks, taking into consideration the nature of those services. Factors may include:
 - (i) Determine the purpose of the private banking service application.
 - (ii) Development of the business relationship between QCB and the customer to whom the service is offered.

17 Simplified Customer Due Diligence

17.1 General Requirements for simplified CDD

- 1) Article 31 of Law 4 of 2010 allows simplification of CDD requirements. However, this will not limit FI from enhancing the CDD measures if there is a suspicion of ML/ TF.
- 2) FI may apply simplified CDD measures on the following customers only:

REGULATIONS TO EXCHANGE HOUSES

- a) Ministries, Government authorities, and semi-government companies in the GCC countries.
- b) Financial institution that is based or incorporated or otherwise established in the State of Qatar, or that based, or incorporated or otherwise established in other jurisdictions that impose requirements similar to those of AML/CFT Law and these regulations, consistent with the FATF 40+9 Recommendations, and is supervised for compliance with those requirements.
- c) Companies listed in the securities' markets across the GCC and those which apply disclosure standards equivalent to those required by the QFMA/Qatar Exchange.
- d) In the event where a one-off or occasional transaction is undertaken, where the amount of transaction(s) or related transaction(s) does not exceed QR 55,000 (fifty five thousand Qatari Riyals) or equivalent in foreign currency at the relevant time, it may be sufficient to obtain the name and contact details of the customer.
- e) FI wishing to apply simplified CDD measures on the above customers must retain documentary evidence supporting their categorization of the customer.
- f) Simplified CDD should not be applied where FI knows, suspects, or has reason to suspect, that the customer is engaged in ML/ TF or that the transaction is carried out behalf of another person engaged in activities of ML and TF.
- g) Simplified CDD should not be applied by FI if it knows, suspects, or has reason to suspect, that the transaction are linked and intended to exceed the threshold specified under item 17.1.2(d) above.

18 Reporting**18.1 General Reporting Requirements**

REGULATIONS TO EXCHANGE HOUSES

Any unusual or inconsistent transaction by a customer's known legitimate business and risk profile, by itself does not make it a suspicious transaction. In this regard a FI has to consider the following:

- 1- Whether the transaction has no apparent or visible economic or lawful purpose,
- 2- Whether the transaction has no reasonable explanation,
- 3- Whether the size and pattern of transaction is not similar to the earlier pattern or size of same or similar customers,
- 4- Whether the customer has failed to furnish adequate explanation or information on the transaction,
- 5- Whether the transaction is made from a newly established business relationship or is a one-off transaction,
- 6- Whether the transaction involves use of offshore accounts, companies etc. that are not supported by the economic needs of the customer,
- 7- Whether the transaction involves unnecessary routing of funds through third parties,
- 8- The list of possibilities is only indicative and FI may consider any other relevant issue to assess if the transaction is in the nature of unusual or inconsistent.

18.2 Internal Reporting requirements

- 1- FI should have clear and effective policies, procedures, systems and controls for internal reporting of the known or suspected instances of ML & TF,
- 2- These policies, procedures, systems and controls for internal reporting should enable the FI to comply with the AML/CFT Law, regulations and also enable prompt making of internal suspicious transactions report to the Money Laundering Reporting Officer.

REGULATIONS TO EXCHANGE HOUSES

- 3- The FI should ensure that all officers and employees have direct access to the FI's Money Laundering Reporting Officer and also that the reporting hierarchy between the officers and employees are short.
- 4- All officers and employees of the FI are obligated to report when they have reasonable grounds to suspect that funds channeled through the FI are proceeds of criminal conduct or related to TF or linked, related to or are to be used for terrorism or terrorist act or by a terrorist organization.
- 5- The officers and employees of FI should promptly make an internal STR to the Money Laundering Reporting Officer. On making such an internal STR to Money Laundering Reporting Officer, the officer or employee should promptly report all subsequent transactions details of the customer until required by the Money Laundering Reporting Officer.
- 6- Such internal STRs to Money Laundering Reporting Officer should be irrespective of amount of transaction.

18.3 Obligation of Money Laundering Reporting Officer on receipt of internal reports

On receipt of the internal reports from the officers or employees of FI, Money Laundering Reporting Officer should:

- a) properly and appropriately document the report,
- b) furnish a written acknowledgment to the officer or employee, together with a reminder of the provisions relating to tipping off,
- c) consider the internal report in the light of all other relevant information available with the FI and decide whether the transaction is suspicious and furnish a notice to the officer or employee of the decision of the Money Laundering Reporting Officer.

REGULATIONS TO EXCHANGE HOUSES

18.4 External Reporting requirements

- 1) FI should have clear and effective policies, procedures, systems and controls for reporting all known or suspected instances of ML or TF to FIU.
- 2) These policies and procedures of FI should be able to comply with AML/CFT Law and regulations in relation making of STRs to FIU promptly and speedily, and also to cooperate effectively with the FIU and law enforcement agencies in relation to STRs made to FIU.

18.5 Obligation of FI to report to FIU

- 1) FI is statutorily obligated under the provisions of Law 4 of 2010 to submit a report to FIU according to the reporting forms and instructions issued by FIU. Annex No.6 – Page 178)
- 2) When FI is aware, suspects or has reasonable grounds to know or suspect that funds are proceeds of criminal conduct, or related to TF or linked or related to, or are to be used for, terrorism, terrorist acts or by terrorist organization, FI is obligated to make a report to FIU.
- 3) The FI should immediately make a STR to FIU and ensure that any future or proposed transaction relating to the report does not proceed without consultation with FIU.
- 4) The STR to FIU should be made by the Money Laundering Reporting Officer, or Deputy Money Laundering Reporting Officer of FI (Refer to item 7.2.8 and 8.4 above).

REGULATIONS TO EXCHANGE HOUSES

- 5) FI should make STRs to FIU as given under item 2 above, irrespective of the fact that an internal STR has been made under the requirements of item 18.2 above to the Money Laundering Reporting Officer, or irrespective of the amount of transaction.

18.6 Matters to be included in the Report

The report to be made to FIU should include:

- 1) Facts or circumstances on which the FI's knowledge or suspicion is based, and
- 2) the grounds for FI's knowledge or suspicion

18.7 Obligation on part of FI not to destroy records relating to customer under investigation

- 1- When FI makes a STR to FIU in relation to a customer, such customer is bound to be under investigation and surveillance of law enforcement agencies in relation to AML/CFT.
- 2- Under such circumstances where FI has made a report to FIU and the customer is under investigation, the FI should not destroy any records relating to the customer or business relationship without consulting FIU.

18.8 Restricting or terminating business relationship of customer under investigation

As a commercial practice, the FI may restrict or terminate the business relationship with a customer after the FI has made a STR to FIU. However, before restricting or terminating the business relationship, the FI should:

- a) Consult FIU in the matter, and

REGULATIONS TO EXCHANGE HOUSES

- b) Such action should not inadvertently result in tipping-off the customer

18.9 Records to be maintained by MLRO

The Money Laundering Reporting Officer should make and maintain records relating to:

1. Details of each of the internal STRs received.
2. Details relating to Obligations of Money Laundering Reporting Officer under item 18.3.
3. Details of each STR made to FIU.

19. Tipping off

19.1 FI to ensure no tipping off occurs

1. Tipping off is prohibited under the provisions of Article 39 of Law 4 of 2010.
2. FI should ensure that its officers and employees are aware of and sensitive to the issues surrounding and consequences of tipping off.
3. FI should have policies, procedures, systems and controls to prevent tipping off.
4. In case FI believes or has reasonable grounds to believe that a customer may be tipped off by conducting CDD measures or on-going monitoring, the FI should make a STR to FIU instead of conducting CDD measures or monitoring.
5. When a FI makes a STR to FIU based on item 19.1.4 above, the Money Laundering Reporting Officer should make and maintain record to the effect to demonstrate the grounds for belief that conducting CDD measures or on-going monitoring would have tipped off the customer.

REGULATIONS TO EXCHANGE HOUSES

19.2 Internal measures to safeguard information relating to STRs

1. FI should take all reasonable measures to ensure safeguarding information relating to internal STRs.
2. In particular, FI should ensure that information relating to internal STRs are not disclosed to any person, other than members of Board of FI, without the consent and permission of the Money Laundering Reporting Officer.
3. The Money Laundering Reporting Officer should not accord permission or consent to disclosure of information relating to internal STR to any person, unless Money Laundering Reporting Officer is satisfied that such disclosure would not constitute tipping off.
4. Whenever the Money Laundering Reporting Officer consents to disclose the information relating to internal STR, Money Laundering Reporting Officer should make and maintain a record.

20. Screening and training requirements**20.1 Specific requirements for screening procedures**

- 1- FI should ensure to comply with the provisions of Article 35 (1) of Law 4 of 2010 on screening and Article 35 (2) on training.
- 2- For the purpose of screening, individuals may be classified as under:
 - a) Higher-impact individual – such individuals are those who have a role in preventing ML/TF under the FI's AML/CFT programme, *For the purpose of clarification, these category of individuals will be Senior Official, Money Laundering Reporting Officer or Deputy, any individual who may perform the controlled functions, (i.e. official carrying out a regulated activity of the FI)], in the FI, and
 - b) Other individuals.
- 3- FI screening procedures for appointment or employment of officers and employees should ensure that, the officers and employees in the higher impact category, should have appropriate character, knowledge, skills and abilities to act honestly, reasonably and independently. In the

REGULATIONS TO EXCHANGE HOUSES

case of other individuals who do not fall under the higher impact category, FI should ensure and be satisfied about individual's integrity.

- 4- The screening procedure at a minimum, prior to appointment or employment, should ensure to:
 - a. Obtain and confirm references about the individual,
 - b. Confirm the employment history and qualifications,
 - c. Seek information or details about any criminal convictions, regulatory action if any, and verify the same
 - d. Take appropriate and reasonable steps to confirm accuracy and completeness of the information obtained by the FI for screening purposes.

20.2 AML/CFT Training program

- 1- FI should identify, design, deliver and maintain an appropriate and adequate on-going training programme on AML/CFT for its officers and employees.
2. The training programme should envisage that the officers and employees of FI understand:
 - a) The legal and regulatory responsibilities and obligations under AML/CFT Law and regulations,
 - b) Their role in preventing ML and TF and the liability devolving on officers and employees and FI due to their involvement in ML or TF and failure to comply with AML/CFT Law and regulations,
 - c) The FI's management of ML & TF risks, role of Money Laundering Reporting Officer, importance of CDD measures and on-going

REGULATIONS TO EXCHANGE HOUSES

monitoring, threats of ML & TF, typologies of ML & TF, methods and trends, vulnerabilities of the products offered, recognition of suspicious transactions, processes and procedure of making internal STRs, etc.

- 3 While considering the training needs, FI should consider issues like, existing experience, skills and abilities, functions and roles intended, business size and risk profile of FI, outcome of earlier training and profile of FI, outcome of earlier training and needs envisaged, etc.

20.3 Maintaining and reviewing training

- 1- FI's AML/CFT training should be on-going to ensure that the officers and employees maintain the AML/CFT knowledge, skills and abilities and keep these up-to-date and in line with the new developments, including latest AML/CFT techniques, methods and trends.
- 2- FI should carry out review of training needs at regular intervals in order to ensure that the objectives envisaged above are met.
- 3- The Board of FI should consider the outcome of each such review. Whenever the review identifies deficiencies in AML/CFT training requirements, the FI

21 Documents and Record Keeping

1. FI must keep and maintain all documents and records related to the following at least for a minimum period of mentioned below:

REGULATIONS TO EXCHANGE HOUSES

- a)** Financial Institution should maintain all necessary records on transactions, both domestic and international, for a period of 15 years (fifteen years) following the completion of the transaction. This is regardless of whether the account or business relationship is ongoing or has been terminated.

- b)** Regarding the accounts opened for natural persons or legal entities or other banks and financial institutions, documents and records related to those accounts should be kept for a period of 15 years (fifteen years) at least starting from the date of closing the account.

- c)** Regarding the transactions executed for customers who do not hold any account at QCB or financial institution (occasional customers), documents and records related to any transaction should be kept for a period of 15 years (fifteen years) at least from the date of executing the transaction.

- d)** Regarding unusual and suspicious transactions, records should be kept for a period of 15 years (fifteen years) at least or until a judgment, in case of any judicial involvement or final decision is rendered with regard to the transaction, whichever is longer.

- e)** Records relating to lack of originator information due to technical limitations during wire transfer as given at item 9.11.1.3.A should be retained for 5 years (five years).

- f)** Training records should be retained for a period of 5 years (five years).

- g)** Retrieval of records – The records and regulations relating to AML/CFT should be able to be retrieved without undue delay.

REGULATIONS TO EXCHANGE HOUSES

2. FI should update these data periodically and ensure that the judicial authorities and competent authorities entrusted with the enforcement of AML/CFT Law have timely access to these documents and records, as and when necessary

22. Internal and External Auditing

- 1- The internal auditing function should review the effectiveness of the procedures and control systems applied in respect of AML/CFT on an annual basis by the FI for its branches and subsidiaries inside and outside the State of Qatar. All appropriate actions should be taken to fill any gap or update and develop the said procedures and systems to ensure their effectiveness and adequacy.
2. The external auditor should, among other functions, ensure that the FI applies these regulations and verify the adequacy of the policies and procedures applied by the FI in this regard. It should also include the results of such review in the management letter and inform QCB immediately of any major violation of these regulations.

23. Sanctions

Sanctions relating to AML/CFT shall be applied as per the provisions of Law 4 of 2010.

24. Approved Forms to be used

REGULATIONS TO EXCHANGE HOUSES

QCB would approve the forms that are required to be completed for the purposes of AML/CFT Law according to these regulations.

25. Regulations effective from

The present regulations will come into force as on the date of issue and all other regulations on AML/CFT for financial institutions are cancelled.

APPENDIX

A. Miscellaneous Issues for Guidance

1- Processes of Money Laundering

There are three stages of Money Laundering as under:

- a) Placement** – involves introduction of illegally obtained funds into the financial system, usually through FI. This is achieved through cash deposits, purchase of financial instruments for cash, currency exchange, purchase of security or insurance contracts, check cashing services, cash purchases or smuggling of cash between countries.
- b) Layering** – usually consists of a series of transactions, through conversions and movements of funds, designed to conceal the origin of funds. This may be accomplished by sending wire transfers to other banks, purchase and sale of investments, financial instruments, insurance contracts, phony or bogus investments or trade schemes etc.
- c) Integration** – that involves re-entering of funds into legitimate economy. This is accomplished through the purchase of assets, securities/financial assets, luxury goods, investments in real- estates or business ventures

2. Money Laundering Through Cash Transactions

REGULATIONS TO EXCHANGE HOUSES

- 1- Large cash deposits not in line with the customer's type of business or occupation.
- 2- Numerous cash deposits of small amounts (which is known as structuring or smurfing) in order to avoid detection.
- 3- Cash deposits followed by a transfer (wire transfer, bank check etc.)
- 4- Structured cash payments for outstanding credit card balances, with relatively large sums as payments.
- 5- Depositing cash through multiple deposit coupons, in such a manner that each deposit operation is performed separately in small amounts so not to draw attention of authorities, but when calculated together the total deposits would reflect a huge amount.
- 6- Constant deposit operations through cheques, transfers or marketable instruments.
- 7- Attempts to replace smaller denomination currency notes with higher denomination currency notes.
- 8- Branches showing cash transactions that exceed the usual limits, in relation to their usual positions' statistics.
- 9- Large cash deposits through electronic deposit systems, to avoid any direct contact with the officers of QCBing and financial institutions.

3- Money Laundering Through Banking Accounts

Such transactions would be usually undertaken as under:

- 1- Customers wishing to maintain a number of regular accounts and trust fund accounts while depositing large amounts of cash money in each of them and the nature of their activity does not correspond to the size of amounts deposited.
- 2- Cash settlement between external payments (payment orders, transfers) and the customer's balances on the same or previous day.
- 3- Deposit of cheques in large amounts by third parties endorsed in favor of the customer.

REGULATIONS TO EXCHANGE HOUSES

- 4- Large cash withdrawals from an account that was previously inactive, or from an account which was fed with unusual large amounts from outside.
- 5- Multiple deposits by a large number of individuals into one account, without any clear explanations or clarifications.

4- Money Laundering Through Financial Transaction Associated With Investment Activities

It would as follows:

- 1- Loan/deposit transactions with subsidiaries or affiliates of FIs located or operating in areas known to be affected by ML/drug trafficking etc.
- 2- Applications submitted by customers for purchase or sell investments or services (whether foreign currencies or financial instruments) with obscure source of funds, or sources that do not correspond with their apparent activity.
- 3- Large cash settlements for purchase or sale operations of securities.

5- Money laundering through cross-border activities

It may be represented in the following forms:

- 1- Customer introduced to the bank by an external financial institution located in a country known to be affected by criminal drugs production and trafficking.
- 2- Customers paying/ receiving regular large amounts in cash or by fax or telex transfer, without any indications to the legitimate sources of those funds, or customers connected to countries known to be affected by drugs production or trafficking or in relation to the prohibited

REGULATIONS TO EXCHANGE HOUSES

- terrorist organizations, or countries offering opportunities for tax evasion.
- 3- Incoming or outgoing transfer operations executed by a customer without using any of his accounts at any bank.
 - 4- Constant and regular withdrawal/ deposit of cheques issued in foreign currencies or travel cheques into the account of the customer.

B - Typologies

The various techniques or methods used to launder money or finance terrorism are generally referred to as typologies. Typology study is a useful tool to examine and provide insight and knowledge on emerging trends and threats and ways to mitigate them. FI should update the new typologies applicable to its area of business. Such information is available from FATF and MENA FATF websites.

Some of the examples are as under:

- 1- Alternative remittances channels (hawala, hundi etc.): are informal mechanisms based on network of trusts used to remit money. These often work parallel to the established banking channels. This system is exploited for ML & TF to move money without detection and obscure identity.
- 2- Structuring or smurfing: which involves numerous transactions like deposits, withdrawals, transfers, often involving various people, with high volume of small denomination transactions and numerous accounts to avoid transgressing the threshold limits or reporting obligations.
- 3- Currency exchanges/ cash conversion: through usage of travelers cheque or extensive usage of exchange house.
- 4- Cash couriers/ currency smuggling: concealed movement of currency across border.

REGULATIONS TO EXCHANGE HOUSES

- 5- Purchase of valuable assets: criminal proceeds are invested in high value good like real estate, shares, gold etc.
- 6- Use of wire transfers.
- 7- Trade based ML: involving invoice manipulations and using trade financing routes and commodities.
- 8- Mingling: by combining proceeds of crime with legitimate business monies.
- 9- Use of shell companies: used to obscure the identity of persons controlling funds.

C. Guidance by International Bodies

- 1- FATF Recommendations - See www.fatf-gafi.org
- 2- Basel Committee: Statement on Money Laundering and Customer Due Diligence for banks – December 1988 and October 2001 – see www.bis.org/publ
- 3- Other websites for relevant AML/CFT information:
 - a. Middle East North Africa Financial Action Task Force – www.menafatf.org
 - b. The Egmont Group – www.egmontgroup.org
 - c. The United Nations – www.un.org/terrorism
 - d. The UN Counter-Terrorism Committee – www.un.org/Docs/sc/Committees/1373
 - e. The UN list of designated individuals – www.un.org/Docs/sc/committees.1267/1267List Eng.htm
 - f. The Wolfsberg Group – www.wolfsbergprinciples.com
 - g. The Association of Certified Anti-Money Laundering Specialists – www.acams.org
 - h. Qatar Financial Information Unit – www.qfiu.gov.qa

REGULATIONS TO EXCHANGE HOUSES

Secondly: FAFT

- 1- FATF statement on 28/2/2008 on ML and TF.*

With reference to recommendation of National Anti Money Laundering and Counter Terrorist Financing Committee regarding the statement of FATF dated 28/2/2008, to make enhanced CDD for transaction with FIs working in countries mentioned in statement of FAFT regarding AML/TFC annex No.7 page 191

All exchange houses shall comply with AML/TFC instructions whenever deal with these countries.

- 2- FATF statement ****

Required to comply with FATF statement dated 26/6/2009 annex No.203.

- 3- FATF statement *****

Required to comply with FATF statement dated 25/6/2010 explaining the countries representing risks on international financial system in addition to lists of countries realized advancement through correcting strategic defects in AML and FTC systems. Annex No.8 page 193

Third : Guidance and Reporting forms from FIU****

Pursuant to article 19 of law No.4 (2010) regarding combating of money laundering and terrorism financing, attached herewith compliance manual and forms with effect from 20/5/2010.

* Circular No.6/2007 Dated 11/6/2008

** Circular No.12/2009 Dated 13/10/2009

*** Circular No.: 15/2010 Dated 28/9/2010

**** Circular No.: 11/2010 Dated 20/5/2010.

CHAPTER NINE

Relation with QBC and Financial Stability Instructions (134-140)

		PAGE
First	Relation with QBC.....	134-138
	1- Control and Inspection	134-135
	2- Bank guarantee to QCB.....	135
	3- Correspondences with QCB.....	135-136
	4- Organizational structure for supervision and control.....	136
	5- Security Prudential Controls and measures of exchange houses	137-138
Second	Financial stability instructions	137-138
	1- Formation of Financial Stability & Statistics Department.....	139-140
	2- Financial stability information	139
	3- Activation of QCB Portal	139-140

CHAPTER NINE

Relation with QCB and Financial Stability Instructions.

First: Relation with QCB

1- Control and Inspection

- a) *QCB shall conduct inspection in exchange houses and their branches and the subordinate companies, inside or outside the State, in order to ensure that it is in a sound financial status, and complying with the provisions of QCB Law No.33 (2006), banking traditions and the instructions issued by QCB. Every exchange house is bound to provide QCB inspectors and the accounts supervisors appointed by QCB with all informations they require on the time appointed by them, and allow them to look into all records, accounts and documents they may require. Secrecy of information shall not be a protest against QCB inspectors and accounts supervisors charged with inspection works.
 - b) QCB shall issue instructions to the exchange houses regarding the supervisory financial percentages, banking risks, defining the limits of dealing with other foreign banks, states and currencies and any other matters connecting their domestic and foreign transactions. This is for organization of its works, supervision over it, execution of investment, credit and monetary policies, realization of integrity of its financial situation and protection of the rights and interests of customers.
 - c) FI Inspection Committee to assure compliance with technical specifications and measures ****
 - 1- In order to assure compliance of FIs with all security and technical specifications and measures in pursuance to this regulation, QCB has decided to form committee for this purpose as described in attached table No.32 page 259
-

REGULATIONS TO EXCHANGE HOUSES

* Article 71 QCB Law

** Article 65 QCB Law

*** Circular No.21/2010 Dated 12/12/2010

- 2- This committee singled out to inspect and verify all security and technical systems in order to assure conformity with requirements and conditions of QCB regulation.
- 3- All parties shall facilitate task of this committee and overcome any obstacles to their works.

2- Bank Guarantee to QCB.

The applicant for license to practice exchange business shall submit bank guarantee worth to 25% of capital issued from local bank to QCB under the form described in annex No.38 page No.251.

3- Correspondences with QCB

- 3/1 Exchange houses should use the Arabic language, the approved and official language of the State of Qatar, in all their correspondence with QCB. In case it is necessary to use a foreign language, Arabic must be the official language and the foreign language shall be a translation of the original Arabic text.
- 3/2 Exchange houses must rearrange and regulate correspondences with QCB by following the instructions below.
 - a) Exchange houses must maintain two records. The first for "incoming mail record" where all incoming of others especially QCB is recorded, and second record is for "outgoing mail ", which contains all outgoing mails to various entities especially QCB. The record must include the date, and serial reference to prove recording.
 - b) All correspondences with QCB shall be signed by General manager or CEO or acting general manager during his absence. QCB shall not consider contents of any letter without signature of general manger or CEO or his deputy in case of absence.

REGULATIONS TO EXCHANGE HOUSES

c) Sign all statements provided to QCB by general manager of CEO or authorized signatory and send them to supervision and control department.

-*All exchange houses shall provide to QCB information through correspondents. These information and data should be delivered secretariat of competent authority, don't give to any other officer to keep secrecy and safety of information sent to department of QCB.

3/3 Reference Nos. of correspondences to supervision and control dept.

a) Following reference Nos. are adopted by supervision and control department.

Control on banks

Control on financial service institutions.

License Division

AML/TFC division

b) Correspondences related to supervision and control division shall be sent in name of director supervision and control department only, not in name of the governor.

4- Organizational Structure of Supervision and control Department

Annex No.(5) page No.177 shall describe organizational structure of Supervision and control department approved by His Eminence the Governor.

The divisional tasks of supervision and control department are as follows.

Assistant director of banking affairs Mr. Hisham Saleh al Mana

Assistant Director for Financial Service Institutions Mr. Sabt Saeed al Bahdoor

Head of license division – post of assistant director Mr. Rashid al Abdullah

Head of office inspection division Mr. Faisal Saleh al Mana

Head of field inspection division Mr. Khalid Khaleefa al Kaabi

Head of exchange houses Division Mr. Abdullah Fahd al Turkey

Head of AML/CFT Mr. Ali Sultan al Sulaity

Head of Archives Division Mrs. Wisal Saad Saleh al Bakir

All exchange houses shall contact and cooperate with these officers according to their jurisdictions.

-
- Circular No.6/2009 dated 20/5/2009 applicable from the date.

REGULATIONS TO EXCHANGE HOUSES

5- Security Prudential Controls and measures of exchange houses*

With reference to circular No.21/2010 in the page No.134 clause 1, paragraph © in pursuance to provisions of QCB Law No.33 (2006) especially article 65 and 118, QCB shall induce all exchange house to comply with following instructions in order to reduce risks of the exchange houses of the state and keep integrity and security of FIs in general.

- 5/1 Fit cameras for internal and external control assuring coverage of all internal and external areas.
 - 5/2 Fit cameras of high quality in appropriate corners for capturing scenes of main entrances and photos of customer as well as one camera for each counter. Make periodical maintenance of these cameras to assure quality pictures.
 - 5/3 Provide warning system with cashier to all counters. Bear in mind that this system shall be fitted in a place easy to be used by the officer.
 - 5/4 Provide system to register information in controlling cameras (internal and external)
 - 5/5 Keep captures of the cameras (external and internal) at least for six months to review whenever required.
 - 5/6 check warning system periodically at least four times per annum and keep reports in files to review whenever required.
 - 5/7 Must provide new machines to count the money and make periodical maintenance as well as updating if required.
-

REGULATIONS TO EXCHANGE HOUSES

* Circular No.5/2011 Dated 15/2/2011 (Amendment on circular No.14/2010 dated 18/8/2010, security measures)

- 5/8 Provide batteries to UPS for all servers and controlling camera units of exchange house.
- 5/9 Must provide sensors in main treasuries connected with warning system with Operations Directorate under ministry of interior.
- 5/10 Must use technology for continuity of operation and efficiency of warning systems in case of power cut.
- 5/11 Break up the entrance and area of cashier from other counters of the administration. The cash counter shall be alienated not permitted any unauthorized person.
- 5/12 Required arranging security systems whether precautions or corrective especially for fire protection measures providing means of protection to cashier. This shall cover all branches as well.
- 5/13 All exchange houses shall work to face defects and discrepancies with them and comply with instructions mentioned above within three months form 15/2/2011. In case of failure to comply with these instructions above, the QCB shall impose fines prescribed according to article 105 of QCB Law No.33 (2006)

For any queries please coordinate with Mr. Abdul Hadi Ahin head of the committee , in the numbers 44456371/44456254 or email ahena@qcb.gov.qa

Second : Financial Stability and Statistics Instructions**1- Formation of Financial Stability & Statistics Department***

With reference to resolution No.(1) year 2008, approving organizational structure of QCB, new department was formed under name Financial Stability & Statistics Department. As tasks and powers of this department include, preparing, arranging, analyzing and keeping of all statistics of BOP and all matters related to remittances of laborers. All correspondences related to these subjects to Financial Stability and Statistics.

These regulations shall be applicable with effect from 5/1/2009 and any inconsistent provisions shall be revoked.

2- Financial Stability and Statistics Information**

Tasks and responsibilities of FSSD include conducting of studies on stability of banking and financial system of the country. In order to facilitate the department for rendering its tasks with speed and accuracy, FIs must comply with followings:

- a) Kindly provide FSSD with required data related by filling up the table attached hereto annex no. (12) Page No.207.
- b) Each exchange house should assign a liaison officer to coordinate directly with the Financial Stability and Statistics Department. Liaison officers contact information (Telephone number, Mobile phone number, Fax number, and Email) should be provided to Financial Stability and Statistics Department
- c) Whenever receive information of Liaison Officer, required to provide him soft copy of tables mentioned in annex No.12

These instructions are effective as from 18/2/2009 and any inconsistent provisions shall be revoked.

3. Activation of QCB Portal

QCB decided to update BOP system in state of Qatar through QCB Portal.

* Circular No.1/2009 Dated 5/1/2009

** circular No.2/2009 Dated 18/2/2009

REGULATIONS TO EXCHANGE HOUSES

*** circular No.23/2010 Dated 26/12/2010

Required o enter information of BOP forms starting from 2011 on monthly basis also continue to provide QCB the information by hand until further notice otherwise.

Chapter Ten
Financial Statements, Final Accounts, Supervision ratio and
Accountancy recording.
142-145

		PAGE
1	Monthly statement of assets and liabilities	142
2	Balance sheet and accounts of profits and losses	142-143
3	Registering profits and losses of current year	143
4	Periodical statements	143
5	Account keeping	143-144
6	Miscellaneous expenses and sustainable advance system	144
7	Supervisory ratios	144-145
	7/1 Ratio of fixed assets in capital and reserves	144
	7/2 Limits of financial invests	144-145
	7/3 Loans from others	145
	7/3 Amortization reserve effect of just value	145

CHAPTER TEN**Financial statements, Final Accounts, Supervisory ratios and account recording.****1- Monthly statement of assets and liabilities.**

- a) Monthly statement of assets and liabilities and attached annexes should be provided to QCB as well as attached tables No. to each month before eighth day of consequent month and fill forms and tables mentioned in annexes from (13) to No.(28) page No.219 to page 234
- b) Filling up instructions of monthly statement of assets and liabilities of exchange house are given in annex No. (29) from page 235 to page No.242)

2- Balance sheet and account of profits and losses

- a) *The exchange house should submit its balance sheet, profit and loss account and profit distribution account to QCB for approval before submitting it to the general assembly. The submission should be in accordance to the forms specified by QCB and certified by the auditors. The exchange house shall submit the notes and remarks of QCB to the general assembly. The exchange house shall invite QCB to delegate someone to attend the meetings of the general assembly. QCB shall reach report of auditor, results of internal inspection results on banking operations during three months from end of financial year.
- b) Exchange houses should fill forms of balance sheets (final accounts), accounts of profits and losses and profit distribution account mentioned in the annexes from No.30 to 32 from page 243 to page No.245 and detailed tables from No.1 to No.5 in annexes from 33 to 37 attached from pages 246 to 250 on statements of the house for end of fiscal year. These statements shall be signed by general manager\ CEO and authorized by auditor attesting the conformity with records provided that final accounts shall be annexed by letter of auditor containing his remarks on the accounts and return to QCB before end of February in each year.

REGULATIONS TO EXCHANGE HOUSES

* Article (77) of QCB Law.

3- Recording profits and losses of current year

Some exchange houses record profits and losses of current year in the monthly statement under clause 19/4 namely retained earnings in account of capital and reserves. All exchange houses shall record results of businesses, profits or losses of current year; in monthly statement under clause of other liabilities not within retained earnings or losses in account of capital and reserves provided that the value mentioned in detailed table No. Page 225 attached with monthly statement sent to the QCB. As to profit of retained earnings or losses recorded in accounts of capital and reserves, it shall be in conformity throughout current year with amount entered in final accounts approved by exchange house for previous year which cannot be changed without approval of final accounts of exchange houses after end of the year.

4- Periodical Statements

* Required to provide QCB with any information which QCB considers necessary and important for the proper performance of its functions in the manner and time specified by QCB, like recording forms of periodical information mentioned in clauses (1,2) above regarding monthly statement on assets and liabilities and final accounts otherwise exchanges shall become subject to fines mentioned in article 105 of QCB Law No.33 (2006).

5- Account Keeping

5/1 Regulating of account records of exchange houses

5/1 All exchange houses shall adhere with international accounting standards for account keeping and maintain book keeping according to rules and regulations. Financial fines shall be imposed on any exchange houses violating to regulation of QCB.

REGULATIONS TO EXCHANGE HOUSES

*Article (79) QCB Law

5/2- Static and outstanding entries in accounts of exchange houses

All exchange houses shall settle outstanding entries by continuous follow up with correspondents from banks and exchange houses. If the exchange houses do not settle these entries for more than six months, they shall allot special reserve for whole amount of outstanding entries.

3/5 Regular accounts

Exchange houses shall enter following accounts in its registers as regular accounts.

- a) Value of travelers cheque Stock kept with them.
- b) Purchase cheques for sales
- c) Price of golden ingots or other precious stones in safes
- d) Guarantees issued by banks to exchange houses

6- Miscellaneous expenses and sustainable advance system

QCB observed that some exchange houses pay their expenses and liabilities towards others from the cash in the treasury from earnings of selling foreign currencies and issuance of remittances to others.

For purpose of stiffening audit and internal control all exchange houses are required to stop this system and settle amounts of expenses and any liabilities towards others through cheques withdrawn from accounts of the exchange houses with QCBs.

7- Supervisory Rates

7/1 Rate of fixed assets to capital and reserves

Net fixed assets for usage of exchange house shall not exceed than 25% of capital and reserves.

7/2 Limits of financial invests

This include all types of invests of exchange house in types of securities,

REGULATIONS TO EXCHANGE HOUSES

investment in funds and trusts in addition to fixed shares in capitals of companies whether inside or outside Qatar. It's required

- a) Total of all these combined invests shall not exceed than 30% of capital and reserve of exchange house.
- b) Investment in one company or financial tool or investment tools shall not exceed than 10% of capital and reserves of the exchange house.

7/3: Borrowing from third party

This represents all types of loans, advances and direct credit facilities obtained by exchange houses from banks and FIs and any other sources whether inside or outside Qatar.

- a) Total credit and amounts borrowed from others shall not exceed than 100% of capital and reserves of the exchange house.
- b) Exchange houses are not allowed to get loans against guarantee of restraining balances with banks covering values of cheques, drafts, remittance processes or other exchange works issued by the exchange house.

7/4 Any reserve effect of just value at time of estimating ratios of limits mentioned in clauses 7/2 and 7/3 above.

In case of any violations, fines shall be imposed according to article 105 of QCB Act No.33 (2006).

CHAPTER ELEVEN

**Instructions of Government Bodies
(147-157)**

	PAGE
1 Instructions of ministry of social affairs	147-157
2 Instructions of ministry of Interior	149-152
3 Resolutions and instructions of cabinet	152
4 Instructions of ministry of economy and finance	153-156
5 Instructions of ministry of labor.....	157-156
6 Divan Amiri.....	157

CHAPTER ELEVEN INSTRUCTIONS OF GOVERNMENTAL BODIES

1- INSTRUCTIONS OF MINISTRY OF SOCIAL AFFAIRS.

With reference to letter of ministry of social affairs No. -1-64-2011 dated 6/6/2011, regarding instructions of the ministry mentioned hereunder, required to adhere therewith. As to names of associations and establishments licensed by the ministry listed in clause (1/1) page 61 from letter of instructions to exchange houses, investment companies and financing companies to June 2006 are updated as detailed below in clause (a). These are subject to supervision and control of the ministry according to provisions of law No.12 (2004) and amendments after alienate private establishments which are transferred to private companies on shareholding basis according to provisions of law No.21 (2006) regarding private companies and shareholding basis.

Annex 46 of page 263 explains names of associations and establishments subject to supervision of the ministry as well as form of application for transferring money to branch of association, form of application to transfer cash/ in kind amounts to private association or establishments approved by the ministry. The previous instructions mentioned in two pages (61-62) shall be canceled from letter of directions to exchange houses, investment companies and financing companies until July 2006.

- a) The licensed private societies and associations:
- I. Qatar Red Crescent Society.
 - II. Qatar Charity Society.
 - III. Sheikh Eid Bin Mohammad Charitable Establishment.

REGULATIONS TO EXCHANGE HOUSES

- IV. The Qatari Association for the Care and Rehabilitation of the Disabled.
- V. Qatar Cancer Association.
- VI. Al Balagh Society for Serving Islam through online.
- VII. Sheikh Jassim Bin Jabor Charity Establishment.
- VIII. Sheik Thani Bin Abdullah al Thani for humanitarian services
- IX. Islamic Da'wah Organization.
- X. Faisal Foundation for humanitarian works without boundaries
- XI. Qatar photographic society.
- XII. Qatar Plastic Arts Society.
- XIII. Gulf Center Society for Studies.
- XIV. Qatari-Japanese Friendship Society.
- XV. Qatar Center for Children Culture
- XVI. Qatar Society of Petroleum Engineers
- XVII. Qatar bar association
- XVIII. Qatar Engineers Union.
- XIX. Arab Youth Leaders Association – Qatar
- XX. Gulf Heart Association
- XXI. Qatari Chartered Accountants Association.

b) Receiving donations and external remittance

1- Donations

“Exchange houses are launch a campaign in order to receive donations for private societies or associations, unless they obtain a written approval of the Minister of Social Affairs by virtue of article No. (29) of law No. (12) of the year 2004, concerning the private societies and associations.

REGULATIONS TO EXCHANGE HOUSES

The private societies and associations will accordingly be required to submit the approval of the Minister, mentioning the purpose and period of collecting the donations.”

2- External Remittance

“Exchange houses are not allowed to send or receive loans, grants, donations, wills, endowments or other funds to/from any person, society, association or club abroad, unless the private societies and associations obtain the approval of Ministry of Social Affairs.

The private societies and associations will accordingly be required to submit the approval of the Ministry by virtue of article No. (31) of the above-mentioned law, amended by law No. (8) of the year 2006.

Moreover Divan Amiri has issued on 15/9/2009 decree law No.18(2009) to cancel some laws. The article (1) thereof stipulates cancelation of some laws including law No.13 (2004) to establish Qatar Authority for Charitable Activities , amended by decree law No.23(2007).

2- Instructions of Ministry of Interior

2/1 Transport of Banknotes and Foreign Currencies

All exchange houses operating in the State of Qatar should not send or receive foreign currencies through Doha International Airport. They should first contact and coordinate with Director of the Doha Airport Police and the General Guarding Director, in order to provide the necessary protection and security from theft and plundering while transporting the banknotes.

Director of Doha Airport Police shall be notified of a list of representatives of exchange houses who are responsible for transporting the banknotes, from abroad or from QCB to exchange house or vice versa. Subsequently, the Director of Doha Airport Police should be informed if any change is made to the list of representatives.

2/2 Sale of Gold Ingots:

REGULATIONS TO EXCHANGE HOUSES

Exchange houses should notify the concerned Security Department of any suspected person supplying or selling gold ingots without the stamp of the concerned authority in Qatar

2/3 Identification Number:-

The employees of exchange house should not depend upon only the Identification Number as a reference of the nationality or birth date when checking the data of the Identification Card. They also should make sure of the content of Identification Card regardless of the Identification Number.

2/4 *Public Security Department and Communications and Operations Department at Ministry of Interior

Exchanges should provide the Public Security Department and Director of Communications and Operations Department with all locations, branches of exchange houses including a list of officers, their phone numbers and working hours, and guards for each location. Such data should be periodically submitted to Public Security Department and to Director of Communications and Operations Department at Ministry of Interior in case of any change in the future. Furthermore, illustrative maps and schemes of entrances and exits of the main buildings should be provided (if possible) in order for the Communications and Operations Department to be used when necessary or in case of any direct changes in locations of the banks' branches.

2/5 : Appointment of employees of FIs:-

With reference to letter of Minister of Interior No. (-) dated 22/10/2007, all employees should fulfill all legal procedures when appointing at the financial institutions especially at banks. Accordingly, employees who are violating such legal procedures shall be subject to legal measures.

The ministry has noticed that many financial institutions operating in the country, by non-licensed commercial companies. Additionally, such employees are violating the law of entrance and residency permit for foreigners as they are working without completing the sponsorship movement procedures.

REGULATIONS TO EXCHANGE HOUSES

*Letter of minister of interior No. - Dated 21/6/2011 to amend some instructions of the ministry.

** Circular NO.8/2007 dated 25/2007.

2/6 *With reference to letter of General Manager of Public Security Department, Ministry of Interior no. (-) dated 18/2/2008 and letter of His Eminence Minister of the country for Internal Affairs No. - dated 21/6/2011 concerning instructions issued by Ministry of Interior mentioned below, Exchange houses are required to adhere therewith.

- a) Updating the data mentioned in item No. (4/2) page No.150 and in particular the occasionally changeable data concerning persons who in charge, and their data should be accordingly updated.
- b) Informing the Communications and Operations Department. of the time and road of the money transport vehicle movement by exchange houses or the concerned companies.
- c) Using the correct name of the Communications and Operations Department. in the official communications.

As Ministry of Interior is accordingly keen on putting these instructions into effect, Communications and Operations Department. has prepared a form for money transport vehicle movement. Please refer to annex No. (11), Page 206.

All exchange houses should use this form in coordination with central operation depart at Ministry of Interior, sending at Fax No. (+974 44127828). Please make sure that you are using the correct name of the central operation authority.

- a) Specify special parking for money transport vehicle at Doha International Airport (Not transport money in front of comers and travelers to avoid theft and plundering)
- b) It's necessary to fit AVL system on money transport vehicles (so that it makes easy to make follow up in roads during movement by central operations room.)

2/7 *** With reference to letter of the State Minister of the Interior Affairs No. (-) dated 10/5/2009 , All exchange houses must

REGULATIONS TO EXCHANGE HOUSES

- * Circular No.2/2008 Dated 26/2/2008.
 ** Letter of minister of interior No. - dated 21/6/2011 containing changes to regulations of the ministry.
 *** Circular No.7/2009 dated 20/5/2009 applicable from the date.

- a) All exchange houses should provide systems to connect warning with the central operations room in the Ministry. However, such systems should be subject to inspection and experiment under supervision of the Communications and Operations Department and practical trails as well.
- b) Public Security Department should be provided with names, copies of Identification Cards and numbers of transport vehicles of the representatives assigned for money movements, and accordingly coordinating with the Airport Security and Passports Department after the money movement process in order to facilitate their mission.
- c) The representatives should have the Identification Cards to be checked when arrival at the airport.

3- Resolutions and instructions of the cabinet

- 3/1 * In pursuance to resolution of the cabinet No.6 (1995) attached with circular 1/2006 regarding ID Card or Card Number required to practice the followings:-
- a) As to Qataris and residents, ID card or ID No. recorded in birth certificate issued from state of Qatar shall be their official document.
 - b) As to visitors and other their passport shall be official document.

In compliance with instructions of ministry of interior, don't take ID No. as basis for proving nationality or date of birth but required to assure content of ID data without relying on ID No. in any form.

3/2 ** with reference to circular No.3 /2011 dated 23/2/2011 issued by HH\ Director, office of the chief of the cabinet.

As Qatar won world cup 2022, and responding to FIFA requirements and based on instructions of HH\ Cabinet Head to stopping using the Qatar 2022 Bidding Nation Logo.

REGULATIONS TO EXCHANGE HOUSES

Required to follow instructions for stopping usage of logo mentioned above in all correspondences.

* Circular No.1/2006 Dated 5/1/2006, attached with cabinet resolution No.6(1995)

* Circular No.: 6/2011 Dated 1/3/2011

4- Instructions of Ministry of Economy and Finance *

With reference to letter of His Highness\ Minister of Economy and Finance No. MEF\37/1/11/925 dated 30/5/2011, all exchange houses shall comply with instructions of the ministry as follows:-

Instructions on Income Tax:-

Method of Depreciation:

The straight line method of depreciation must be applied in accordance with following rules :

First : regarding buildings, ships, airplanes, excavation tools and intangible assets:

Depreciation of these assets shall be in straight line method according to following percentages from total actual costs borne on assets and its availability for usage:

Buildings, Factories including roads, bridges, pipelines, reservoirs and pavements of building except prefab simple building	5% per annum
Ships and marine vehicles	10% per annum
Aircrafts and helicopters	20% per annum
Drilling machines	15% per annum
<u>Intangible assets</u> :	50% per annum

Expenses before activity

such as trademarks , patents and equivalents : depreciated as per productive age suggested for the asset provided that rate of depreciation shall not exceed than 15% per annum.

REGULATIONS TO EXCHANGE HOUSES

These percentages shall be applicable to assets mentioned above with effect from 1/1/2010 provided that in all cases total depreciation shall not exceed than total cost of the asset.

* Circular NO.19/2011 Dated 7/6/2011

REGULATIONS TO EXCHANGE HOUSES

Second : regarding other assets

- 1) Assets are divided into groups and each groups are depreciated separately according to followings.
 - a) First group : computer systems, programs and accessories, depreciation percentage is specified as 33,33% per annum.
 - b) Second group: tools, plants, machines, apparatus electric equipments and means of transporting goods and persons except that mentioned in clause (first) of this article including vehicles, cars, tractors and cranes. Depreciation percentage is specified as 20% per annum.
 - c) Third group office tools, equipments, fittings and other assets; depreciation percentage is specified as 15% per annum.
- 2) Depreciation rate for the concerned accounting period shall be estimated by applying definite depreciation rates mentioned in previous clause; upon price of the group for that period. This price is estimated on basis of difference between flowing clauses (a) and (b).
 - a) Value of the group for previous accountancy period after deducting depreciation of this tenure and adding costs endured to acquisition of any fixed asset under the group during the concerned accounting period.
 - b) For purposes of applying these provisions on first accounting period, in consideration of deals of assets under the group, which were dealt during the concerned accounting period, after practicing the law; the net book value of assets of the group on 1/1/2010 shall be taken into consideration after deducting depreciation according to decree law No.11(1993) regarding income tax law (canceled) and this is considered as value of the group for the previous accounting period in accordance the clause (a) referred herein.

For purpose of applying these provisions, value of the group during the previous accounting year without price shall be considered. The price of assets shall be considered as costs endured to acquisition of assets during first accounting period in accordance with clause (a) mentioned herein.

REGULATIONS TO EXCHANGE HOUSES

- 3) If the taxpayer stopped the activity or dispersed or acquitted in any way from assets of the group, and resulting value of the group from clause (a) sub-paragraph (2) of this article increases than resulting value from clause (b) of same paragraph, the total difference between (a) and (b) shall be deducted from taxable income. No depreciation is estimated for group of assets in such accounting period.
- 4) If the value of clause (b) of sub- paragraph (2) mentioned herein increase than value of clause (a) of same paragraph during the concerned accountancy period, the total difference between (b)-(a) shall be added to taxable income and not depreciation is made for assets of the group for that tenure.
- 5) If the value of the group did not exceed at end of accounting period, after deducting the depreciation of this period than (5000) five thousand Riyals, this value shall be deducted from taxable income.

Deducting costs of main office

Share of branch is deducted from general and administrative expenses of the center or main office within following limits.

- 1% of total income of the branch with regards to banks and insurance companies.
- 3% of total income of the branch in other cases

After deducting followings

- Value of contract agreements and subcontracts
- Costs of businesses made outside the country.
- Price of external supplies related to activities of the branch.
- Price of premiums for reinsurance

General and administrative expenses of the main office shall not included the amounts paid for direct services provided to the permanent establishment in the country.

Deducting interests

Interests of loans used in activity shall be deducted if meat conditions stipulated in the law. However it's not allowed to deduct the interests paid by

REGULATIONS TO EXCHANGE HOUSES

permanent establishment in the country to main office or entity following to the main office outside the country.

This provision is not effective on banks and insurance companies in the state.

Tax value

Tax is specified as 10% of taxable income which is the net income after deducting forwarded losses.

Final Withholding Tax

payments made to nonresidents with respect to activities not connected with a permanent establishment in the State shall be subject to a final withholding tax, as follows:

- (5%) five percent of the gross amount of royalties and technical fees Royalties, are subject to final withholding tax without any deducting. Technical fees means amounts paid against technical services or consultancy services for services carried out wholly or partly in the State. This includes services of engineers, experts, technicians and consultancies in technical fields.
- (7%) seven percent of the gross amount of any other services other than royalties and technical fees are subject to final withholding tax without any deduction of costs if those are carried out wholly or partly in the State Service is considered being carried out wholly or partly in the state if any necessary activity done from the country. This include especially data collection, site inspection and service rendering where delivery of service is not necessary for completion.
- Following interests are not from category of interests subject to final withhold tax.
 - Interests of deposits in banks of the country.
 - Interests of debentures and bonds issued by the country, public authorities, establishments and companies owned wholly or partly by the country.
 - Interests of transactions, facilities and loans with banks or FIs.
 - Interests paid by permanent establishment to main office or other associated entity outside the country.

REGULATIONS TO EXCHANGE HOUSES

2) Final withholding tax shall be applicable according to the percentages and rules mentioned above. If , the nonresident person subject to withholding tax according to rates and rules mentioned above, possesses any valid covenant to avoid double taxation system; he or his proxy shall request to the department to apply provisions of this covenant using the form NO.(2-3) attaching with taxation certificate issued by concerned authority in the residing country.

The department in this case shall return the tax taken against this agreement.

5- Instructions of Ministry of Labor

- Work Permit Cards *
- Please be noted that Ministry of Labor has issued new cards of work permits for female workers in the private and joint sectors and FIs whose sponsors are their husbands or families. Those female workers should bear their permits during the official working hours in accordance with the article No. (23) of Labor Law No. (14) of the year 2004.
- With reference to letter of HH Minister of Social Affairs deputing tasks of minister of labor No. - - dated 23/5/2011, it confirms on issuance of special work permits to male and female employees in establishments and institutes subject to provisions of labor law.

6- Diwane Amiri **

All exchange houses, branches and associate institutes shall take into consideration in writing name of HH\ Queen of Amiri in all letters as follows.
In Arabic

In English
"Moza bint Nasser"

REGULATIONS TO EXCHANGE HOUSES

* Circular No.2/2007 dated 5/2/2007

CHAPTER 12

Official Time, holidays and fests 159-160

Chapter 12

Official duty times, holidays and fests

Official duty times, weekend holidays

1. Exchange houses shall be opened to deal with public at morning from Sunday to Thursday, daily working hours shall be minimum 4 hours during the period from 7.45 am. Required to provide requirements of inspection team of QCB if they stay in the exchange house at least until 1.30 pm at noon during inspection time and the official duty before the public being as mentioned above.
2. Exchange houses shall open to deal with public during evening time all days of the week.
3. Weekly holidays are Friday and Saturday and it's permissible to open for public evening of Friday , at morning and evening of Saturday as well.
4. Exchange houses desire to open during evening times and weekly holidays as mentioned in paragraphs 2 and 3 above, shall notify QCB on dealing times of deals and provide safety and security personnel during these periods.
5. At Ramadan period exchange house shall open for public as follows
 - Morning Shift
From 0:8 am to 11:30 noon on daily basis except in morning of Friday
 - Evening Shift

REGULATIONS TO EXCHANGE HOUSES

All exchange houses shall specify appropriate time and notify QCB in writing.

6. Pursuant to resolution of the cabinet No.33(2009) amending some provisions of the resolution No.6(2008) specifying official holidays of the country and regulating works;

It's decided that 1st of Day of March shall be official holiday of all exchange houses working in the state.

* Circular No.11/2009 Dated 12/10/2009 came to force.

Chapter 13

Other Instructions (162-164)

		PAGE
1	QCB Law.....	162
2	Embezzlement crimes.....	162
3	Customers care authority of banking services	162-163
4	Exchange houses in Syria.....	163-164

Chapter Thirteen

OTHER INSTRUCTIONS

Kindly note that QCB law No. (33) of the year 2006 was published in the official Gazette issue No. 11 on 12/12/2006, and the said law is effective after one month of its issuance in the official Gazette.

All exchange houses are required to implement the relative provisions of the said law as from 12/1/2007. Law No. (15) of the year 1993 and law No. (36) of the year 1995 are cancelled. Any other contradicting provisions of law are cancelled. Until issuing the executive regulations and instructions of this law, QCB instructions shall be implemented, provided that no contradiction with the provisions of the law and article (119) of the QCB law No. (33) are complied with.

3- Embezzlement Crimes

Pursuant to article 75 of QCB Law No.33 (2006), all exchange houses are required to notify the QCB immediately after getting any occurrence of embezzlement to properties of the exchange house no matter whether or not injury with name of accused persons. Bear in the mind that exchange house shall not be discharged from responsibility of compliance with applicable rules and notifying concerned security authorities.

3- Banking services customer care authority ***

QCB has formed an authority to protect customer and spread banking and financial awareness. The authority shall have following powers and tasks.

* Circular No.1/2007 Dated 18/1/2007

** Circular No.19/2010 Dated 14/11/2010

REGULATIONS TO EXCHANGE HOUSES

*** Circular No.17/2009 Dated 22/11/2009

- a) Protection of customers of QCB, investment companies, financing companies and exchanges.
- b) Assure that banks, investment companies, FIs and Exchange houses work according to sound banking and financial bases.
- c) Receive complaints of customers and solution if possible.
- d) Spread banking awareness in the country

*** The task of public relation officer of exchange house is to deal with complaints of customers and public with following powers.

- 1- Deal with complaints of customers and the public and respond maximum within one week.
- 2- Prepare and keep records of the complaints which shall be ready upon request.

QCB shall issue from time to other necessary instructions to regulate relation of exchange houses with their customers regarding customer care. All exchange house shall comply with these instructions and implement them. In case of any violation to these instructions, base on recommendation of customer care department, the QCB shall take appropriate procedures according to provisions of decree law No.33 (2006).

4- Exchange houses licensed to work in Syria

- a) *With reference to letter of Syrian Central Bank Governor No.2052/100/1 dated 3/8/2010 regarding money transfer from and to Syrian Arab Republic through exchange houses permitted to practice exchange businesses in Syria according to Law No.24 (2006) and with reference to circular No.4/2010 dated 16/2/2010; attached herewith name list of exchange houses permitted to deal with in Syrian Arab Republic in annex No.40 page No.254
- b) ** Instructions to exchange houses form Syrian Central Bank.

* Circular No.16/2010 dated 6/10/2010 and there is previous circulars No.4/2010 dated 16/2/2010 No.18/2009 dated 14/2/2010, No.12/2008 dated 28/12/2008, No.8/2008 dated 29/9/2008 and No.7/2008 dated 26/6/2008.

** Circular No.10/2008 dated 4/12/2008

REGULATIONS TO EXCHANGE HOUSES

* Circular No.5/2009 dated 9/4/2009 annex (45) Page No.262, QCB shall request the exchange houses to appoint public relation officer to become link between FI and banking services customer care authority.

REGULATIONS TO EXCHANGE HOUSES

With reference to letter of Syrian Central Bank No.100/1/2160 dated 12/11/2008 regarding procedures of dealing with external remittances, copy of this letter is attached herewith in annex No.41 page No.258.

All exchange houses shall comply with contents of this letter.

Chapter Fourteen
Tables, Forms and Filling Up Instructions
168-274

Annex No.	Subject	Subject Page
1	Form of License for exchange house	168-169
2	Main information for registering exchange house	170-172
3	Personal questionnaire to appoint senior employees	173-174
4	Application form to appoint external auditor	175-176
5	Organizational Structure for supervision and control	177
6	FIU Guidance and STR forms	178-190
7	FATF (28/2/2008)	191-192
8	FATF(25/6/2010)	193-202
9	FATF(26/6/2009)	203-204
10	Personal questionnaire to appoint MLRO and Deputy	205
11	Movements of money transferring vehicles	206
12	Tables of financial stability	207-218
13	Monthly statement on assets and liabilities \ exchange houses	219
14	Table No details of investment (3)	220
15	Table No. due from banks item (4)	221

REGULATIONS TO EXCHANGE HOUSES

16	Table No	due to banks item (12)	222
17	Table No.	due from exchangers item (5)	223
18	Table No. ()	due to exchangers item (13)	224
19	Table No. ()	other assets and other liabilities , two items (9and 18.	225
20	Table	details of incoming remittances	226
21	Table ()	detail of outgoing remittances	227
22	Table No.	sales and purchases of foreign currencies	228
23	Table ()	details of item (17) allotments	229
24	Table No. ()	details of item (11/1) regular accounts\ stock of traveler's cheque	230
25	Table No. ()	details of item (11/2) cheques to be collected	231
26	Table No. ()	details of item (11/3) precious metals as trust	232
27	Table No. ()	details of item (11/5) other accounts	233
28	Table No. ()	details of item (11/4) guarantees issued by banks	234
29		Filling up instructions on monthly statement of assets and liabilities of exchange houses (annexes No. from 13 to 28)	235-242
30		Balance sheet\ form No. ()	243
31		Profit and losses account \ Form No. ()	244
32		Profit distribution account \ Form No. ()	245

REGULATIONS TO EXCHANGE HOUSES

33	Table No. (1) details of clauses(9,8 other assets and liabilities	246
34	Table No. (2) details of clause assets\ fixed assets after depreciation	247
35	Table No (3) details of item other general and administrative expenses	248
36	Table No.(4) details of item () other allotments and expense	249
37	Table No. (5) details of item () other revenues	250
38	Bank guarantee for QCB	251
39	Form of collections and payments in foreign currencies of residents and remittances of laborers according to their countries.	252-253
40	Licensed exchange houses in Syria	254-257
41	Letter of Syrian Central Bank – Governor dated 12/11/2008	258
42	Security and safety systems inspection committee	259
43	Circular No.2/99 dated 17/5/1999	260
44	Circular No.3/2000 dated 30/3/200	261
45	Circular No.5/2009 dated 9/4/2009	262
46	Instructions of ministry of social affairs	263-274

Annex No. (1)

Form of License – Exchange house

- 1- Name of applicant :
- 2- Type of require activity

	Establishing exchange house
	Branch of exchange house

- 3- Address.....
- 4- Paid-up capital Authorized capital :.....
Paid-up:.....

5- Exhibits & conditions of the license

- Articles of association
- Basic regulation
- Economic feasibility study containing plans of works, strategies, indicative budgets and financial indices for three years.
- Paid –up capital necessary for starting activity is Qatari Riyals fifty million.
- license application fee amounting fifteen thousand Riyals (irrevocable).
- Any other information.

6- Conditions of internal dilation.

- Approval from exchange house’s Board of directors or owner.
- Economic feasibility study containing plans of works, strategies, indicative budgets and financial indices for three years
- Statement on sites of branches working inside the country.
- Name of main in charges of the branches
- License fee five thousand Riyals (irrevocable)
- Any other information.

REGULATIONS TO EXCHANGE HOUSES

UNDERTAKING

We undersigned agree that we have read QCB decree law No.33 (2006) and understood all articles and provisions of the law.

We hereby undertake on complete adherence to all articles and provisions of the law in compliance with conditions of the license, all related rules, regulations and instructions applicable in state of Qatar as well as all QCB requirements and all instructions issued or to be issued to regulate, supervise and control exchange businesses. We also undertake on correctness and accuracy of data and information given in this application and all annexed documents. To our knowledge there is no any additional important information other than the mentioned data in this application which have effect on resolution of QCB whether to approve or not. We endorse our legal responsibility of any information or data being proved incorrect.

Founders\ chief , members of Board of Directors or general manager (in case of internal dilation)

Name:..... Capacity:..... Signature :.....

Name:..... Capacity:..... Signature :.....

Name:..... Capacity:..... Signature :.....

Name:..... Capacity:..... Signature :.....

Name:..... Capacity:..... Signature :.....

Date of application:

Main Information to register exchange houses working in state of Qatar

Name of exchange house	
Name of owner, nationality and date of birth	
License No. and date	
Legal status	
CR No. and date of expiry	
Address of main office of the exchange house	
Date of starting of the activity in Qatar	
Capital and reserves	

Nos. of branches licensed to practice activity, addresses and date of approval

Name of general manager and nationality :

Name of partners, nationalities, shares in capital and IDs.

Circular No.20/2010 Dated 28/11/2010.

REGULATIONS TO EXCHANGE HOUSES

Continuation of annex (2)

Management :-		
Date of approval if any		
Persons deputed by management having contract and specimen of their signature.		
	Name	Signature
1		
2		

MLRO and Deputy: -		
	Name	Date of approval from QCB
1		
2		

CO and Deputy: -		
	Name	Date of approval from QCB
1		
2		

Total Numbers of Employees	
Qataris	Non Qataris
Percentage of Qatarizatoin	

Names of Accountants			
	Name	Date of appointment	Registration No. in register of accountants
1			

REGULATIONS TO EXCHANGE HOUSES

Continuation of annex (2)

Owner of exchange house	
Name	Signature

Authorized signatories			
Name	Type of authorization	Job title	Signature

Attachments
1- New extract of CR explaining partnership ratios. 2- Statement on powers given by foreign management to General Manager, operation manager appointed by management to manage and run exchange house in State of Qatar. 3- Bank guarantee of QCB (according to bank guarantee form – Annex No.38. 4- Letter of authorization to deduct annual registration fees. 5- Copy of registration No. of auditor.

CO and Deputy: -

Signature of manager
Seal of exchange house

Questionnaire* Senior Employees

- Company Name:
- 1- Name of employee :
- 2- Nationality :
- 3- Designation :
- 4- Current address :
- 5- Permanent address :
- 6- Date and place of birth :
- 7- Academic Qualification and specialization :
- 8- Current job, company and date of appointment :
- 9- Previous jobs and companies (during ten years) :

- 10- Other experiences :

<u>Questionnaire</u>	Yes*	No.
11- Whether you or your family members or relatives have any relation or friendship with any member of Board of Directors or CEOs or concerned company manager.		
12- Have you worked in any company license of which is cancelled or liquidated by judicial order?		
13- Whether have issued arrest warrant against you in any country for committing crime involving moral turpitude		
14- Whether have notice on your bankruptcy or stopped payment of debts or you made settlement by debt rescheduling		
15- Have you ever suspended from any job or prevented to practice any profession		

REGULATIONS TO EXCHANGE HOUSES

* If the answer is “ yes” describe the details.

Circular No.4/2009 Dated 11/3/2009.

Continuation of Annex No.(3)

I agree that all information in my answering to the questions are complete and correct and I undertake to notify QCB immediately on any change occur in these data.

Name :

Signature :.....

Date :

Signature of company authorized signatory

* Kindly furnish QCB evidence papers (copies) supporting educational certificates attested by concerned authorities in addition to personal identification.

REGULATIONS TO EXCHANGE HOUSES

Annex No.(4)

**Application form for appointing chartered auditor
for exchange houses**

Name of auditor:.....		
Type of application :	New Hiring ()	Renewal()
Fiscal year of requesting :		
No. of renewed years for bank's auditing (including the appointing year):		
Details Last appointment or renewal for the exchange house :\.....\.....\		

Relation of auditor with exchange house : -

(1) Does the office of the auditor or one of its partners or its auditors participate in the concerned exchange house , yes No

(2) Does the office of the auditor or one of its partners or its auditors participate in any technical, administrative, or consultancy job in exchange house? Yes No

(3) Does the office of the auditor, or one of its partners or its auditors participate in any technical, administrative, or consultancy job for the benefit of one of the board's members, senior officers, or their private companies??

Yes No

(If the answer is yes, mention or attach the details)

REGULATIONS TO EXCHANGE HOUSES

Circular No.2/2010 Dated : 24/1/2010

Continuation of Annex No.(4)

- (4) Is there any family relationship of any level between one of its partners, or the auditors in the office and the bank's board and senior officers?
Yes No
(If the answer is yes, mention or attach the details)

- (5) Are there relations, business or deals for the office of the auditor, one of its partners or its auditors with exchange or one of the board's members, or senior officers, which have an influence on the neutral or the independence of the auditing operation for the exchange house ?.
Yes No
(If the answer is yes, mention or attach the details)

- (6) In auditing the exchange house's accounts in this year or any previous years, did the auditor face any obstacles, difficulties or factors, affect the obtaining of all the required data, information and documents for completing the auditing operation according to the desired manner or affect his neutral or his independence in expressing his opinion according to the results of auditing?.
Yes No
(If the answer is yes, mention or attach the details)

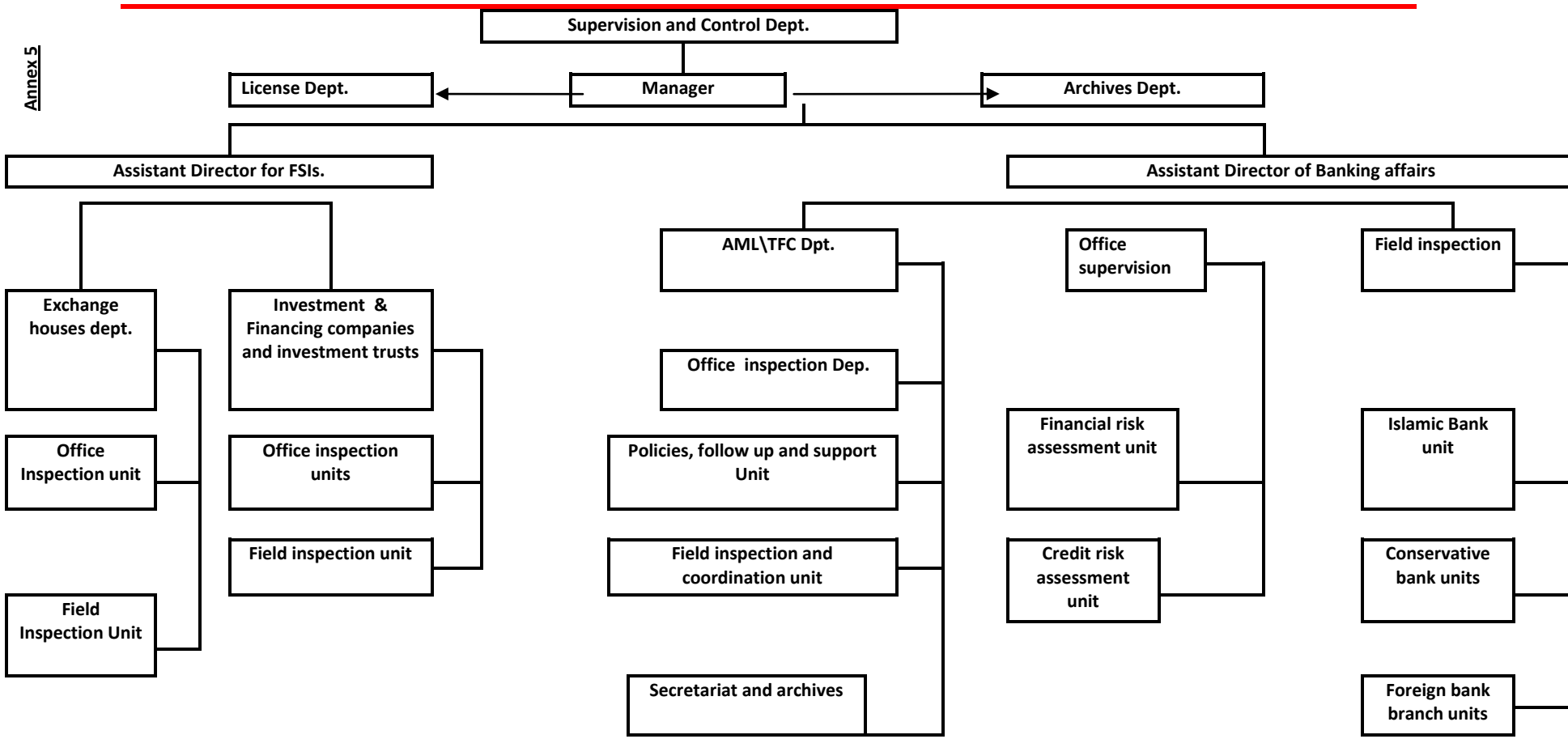
I am the auditing office, who represents in Qatar the partner and the first responsible Mr., admit that all the information provided in that application is correct. I undertake to inform Qatar Central Bank with any essential changes occur to the mentioned information during my appointment period in the Exchange house.
Signature

Seal of the office

Signature

REGULATIONS TO EXCHANGE HOUSES

REGULATIONS TO EXCHANGE HOUSES



Annex 5

Financial Information Unit
Guide to Money laundering and Terrorist Financing Suspicious
Transaction Reporting

Preamble:

- This guidance is issued to assist financial institutions, designated non-financial businesses and professions (DNFBP's) and non-profit organizations ('Reporting Entities') to meet their reporting obligations under Law No. (4) Of Year 2010 on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT Law). This will in turn contribute to ensuring Qatar continues to meet its ongoing commitment to international standards, including the FATF 40+9 Recommendations and contributes positively to the international fight against money laundering and terrorist financing.
- Suspicious transaction reports play a crucial role in the fight against money laundering and terrorist financing and the Financial Information Unit (FIU) is committed to ensuring that Reporting Entities in Qatar file suspicious transaction reports of the highest quality.

Reporting Entities obligations under the AML/CFT Law**Who is required to report ML/FT suspicious transactions?**

Pursuant to Article (18) of law No (4) of 2010,

Circular No 11/2010 Dated 20/5/2010

Continuation of Annex No.(6)

The AML/CFT Law requires that suspicious transaction reports (STRs) must be made to the FIU by Reporting Entities where they have a suspicion or reasonable grounds for suspicion of money laundering or terrorist financing.

FIU STR process

When should suspicious transactions be reported?

Under Article (18) of the AML/CFT law, Reporting Entities and their personnel shall report promptly to the FIU any suspicious financial transactions or any attempts to perform such transactions, regardless of the amount of the transaction, in the following circumstances:

- a. when they suspect or have reasonable grounds to suspect that these transactions include funds that are proceeds of a criminal activity
- b. or are linked or related to, or to be used for terrorist acts or by terrorist organizations or those who finance terrorism.

What is a suspicion?

Reporting entities may become suspicious because the customer activity deviates from the normal activity for that customer, business or sector. Reporting entities must therefore understand what the normal activity is for each customer and how this transaction differs from that.

Suspicion involves a much more personal and Subjective assessment. Suspicion of money laundering or terrorist financing requires a degree of satisfaction that may not amount to belief, but should extend beyond mere

REGULATIONS TO EXCHANGE HOUSES

speculation and be based on some foundation that money laundering or terrorist financing has occurred or is about to occur.

Continuation of Annex No.(6)

Reporting Entities must also consider whether there are reasonable grounds for suspicion which involves an objective test likely to be met in circumstances where there are facts or circumstances from which a reasonable person engaged in that business would have formed a suspicion that a person was engaged in money laundering or terrorist financing.

The Reporting Entity, upon the examination of Suspicious Transactions, must build its conclusions on objective basis and consider carefully all related conditions and evidence.

When considering making a suspicious transaction report, the reporting entities should consider all the circumstances of the transaction. As a general principle, any transaction that causes a reporting entity to have a feeling of apprehension or mistrust about the transaction should be reported. Reporting entities should consider the unusual nature or circumstances of the transaction and the person or group of persons with whom they are dealing. Finally, reporting entities should bring together of all relevant factors including knowledge of the person's or person' business or background as well as any behavioral factors in deciding to report a suspicious transaction.

Distinction between knowledge and suspicion

Having knowledge means actually knowing something to be true and can be inferred from surrounding circumstances. Suspicion of money laundering or terrorist financing requires a degree of satisfaction that may not amount to belief, but should extend beyond mere speculation and be based on some

REGULATIONS TO EXCHANGE HOUSES

foundation that money laundering or terrorist financing has occurred or is about to occur. In the case of either knowledge or suspicion a suspicious transaction report must be filed with the QFIU.

Continuation of Annex No.(6)

Impact on reported transactions

The law does not stipulate any provisions requiring Reporting Entities who have filed an STR to end or terminate their financial relationships with the reported entity or person. Reporting Entities should be aware that the decision to continue the business relationship after filing a STR should be based on commercial or risk containment reasons. However, a decision to terminate the business relationship must also ensure that the customer is not alerted to the filing of the STR which would constitute the offence of tipping off under Article (39) AML/CFT Law.

It is recommended that in circumstances where Reporting Entities decide to terminate a business relationship, the Reporting Entity liaise directly with the FIU to ensure the termination does not tip off the entity or person or prejudice an investigation in any way.

However, it is preferable that the Reporting Entity acts in coordination with the FIU, upon deciding to terminate its relationship with the suspected entity or person.

Reporting Entities are also reminded of the protections provided under Article (82) of AML/CFT law of 2010.

Protection provided by the law for reporting Entities

Under Article (82) of the AML/CFT Law, every person, who reports, in good faith, any suspicious transaction covered under the provisions of the AML/CFT

REGULATIONS TO EXCHANGE HOUSES

Law or submits any Information or data on such transactions is exempted from any criminal or civil liability for breach of professional secrecy requirements.

Continuation of Annex No.(6)

No criminal action for money laundering or the financing of terrorism shall be brought against Reporting Entities or their personnel as a result of the execution of a suspicious transaction where reports of suspicions were made in good faith in accordance with the AML/CFT Law.

Preventative Measures

Financial Institutions and DNFBP's are reminded that under Article (35) of the AML/CFT Law, there are requirements to develop and implement programmes, including internal policies, procedures, systems and controls, to prevent money laundering and terrorist financing. Those programmes should also include training and ongoing training for officers and employees in the recognition of suspicious transactions and the procedures to be followed once a suspicious transaction has been recognized.

Reporting Entities are also reminded that under Article (42) (2) of the AML/CFT law, Supervisory Authorities are required to ensure that Reporting Entities are in compliance with the requirements of the AML/CFT Law. Reporting Entities should be aware of any additional obligations placed on them by their Supervisory Authorities (e.g. Rules or Instructions).

Sanctions

The AML/CFT Law sets out a number of offences relating directly to suspicious transaction reporting obligations.

The key offences include:

REGULATIONS TO EXCHANGE HOUSES

- Failing to report information to the FIU about a suspicious transaction «3) and (5) of the AML/CFT Law);

Continuation of Annex No.(6)

- Disclosing to a customer, beneficiary or any third party, other than a competent authority, information relating to any measures being taken to combat money laundering or terrorist financing (tipping off) (Article (39) of the AML/CFT Law); and Article (72) (3) of the AML/CFT Law establishes that individuals that violate Articles (3), (5), (39), of this law is liable to imprisonment for up to 3 years and a fine not exceeding 500,000 Riyals. Reporting Entities are also reminded that under Article (44) of the AML/CFT Law, Reporting Entities that fail to meet their obligations under the AML/CFT Law can be subject to further sanctions and measures from Supervisory Authorities, including:
 - Financial penalties;
 - suspension, restriction or withdrawal of license; and
 - Prohibitions on business, profession or activity.

Reporting procedures: Filling in the Suspicious Transaction Report Form

A standard Suspicious Transaction Reporting form (attached) is available on the FIU's website <http://qfiu.gov.qa/> and should be used by Reporting Entities.

It is essential that Reporting Entities complete all relevant fields in the standard form with accurate information.

Form and Content of the STR

REGULATIONS TO EXCHANGE HOUSES

The value of an STR depends on the quality of information it contains. An STR must set out in a clear manner the basis for knowledge or suspicion of money laundering or terrorist financing.

Continuation of Annex No.(6)

Reporting Entities should include as much relevant information about the customer, transaction or activity that it has available from its records.

Item #4 "Statement of the grounds on which the Reporting Entity holds the suspicion" should give a detailed explanation as to why the reporting entity is filing a suspicious transaction report.

STRs reporting mechanisms

STRs must be reported, in order of priority, through the following means:

1. On the FIU e-system (only for the reporting entities who have an electronic link with the QFIU)
2. Via email address approved by the FIU
3. By driver/courier to the QFIU Office: 07 Abdullah Bin Jasim, United Bank Building, 5th Floor
4. By Fax to +974 44410327

The Reporting Entity may in limited circumstances, make an STR via telephone (+974 44456290) where the Reporting Entity believes the Immediate attention of the FIU is required i.e. urgent cases where the Reporting Entity believes the immediate attention of the FIU is required.

An oral report would be appropriate where a Reporting Entity's impression of a transaction has gone beyond suspicion and amounts to knowledge or belief that the transaction involves money laundering or terrorist financing.

REGULATIONS TO EXCHANGE HOUSES

In each case that an oral report is made it must be followed as soon as practicable by a written report.

FIU procedures upon the receipt of STRs

Upon the receipt by the FIU of ML and/or FT STRs, the FIU will conduct analysis to assess the basis for suspicion. The FIU is empowered under (15) of

Continuation of Annex No.(6)

the AML/CFT Law to require a Reporting Entity to produce specific information that the FIU may reasonably require to conduct its analysis and expects Reporting Entities to be cooperative in this regard. Reporting Entities must ensure full access to all relevant records and Information In relation to the STR.

Continuation of Annex No.(6)

QFIU Reporting Form

To: Qatar Financial Intelligence Unit P.O Box 1234, Doha Fax: 44410327 Tel: 44456293	From:
	Tel:
	Fax:

**SUSPICIOUS TRANSACTION REPORTING UNDER LAW NO. (4) OF YEAR 2010
ON ANTI MONEY LAUNDERING AND COMBATING THE FINANCING OF
TERRORISM**

Your reference:	QFIU Ref:	Incident Date: 20
-----------------	-----------	----------------------

1. Person subject of the Suspicious transaction report
 - 1.1 If the subject of the disclosure is an individual, fill in the following

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(6)

Surname (s)	
Other name (s)	
Father's Name:	
Address	
Telephone (S)	
Aliases	
Gender	Male <input type="checkbox"/> Female <input type="checkbox"/>
Nationality	
Passport number	
ID Card Number	
Date of birth	
Place of birth	
Occupation	
Place of work	

1-2 If the subject of the disclosure is a company, fill in the following

Name	
Registered address	
Incorporation number	
Type of business	
Other particulars	

1-3 If the subject of the disclosure is a trust, fill in the following

Trust name	
Nature and purpose of the trust	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(6)

Jurisdiction and date of the establishment	
Identity of Settler (S)	
Identity of Trustee (S)	
Identity of Protector (S)	
Beneficiary or Beneficiaries	
Other Particulars	

2- Account (S) subject of suspicious transaction report

2-1 Account

Account Number			
Held at (Name of Institution)			
Sort/Bank Code			
Account Type			
Date Opened		Date closed	
Balance Held		Date of Balance Held	

2-2 2nd Account

Account Number			
Held at (Name of Institution)			
Sort/Bank Code			
Account Type			
Date Opened		Date closed	
Balance Held		Date of Balance Held	

3- Associates

3-1 Individuals

If the subject of the disclosure has an associate and associate is an individual, fill in the following about the associate. If there are 2 or more

REGULATIONS TO EXCHANGE HOUSES

associates that are individuals, attach the number of pages required to give the following information for the other associates (S).

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(6)

Surname (s)	
Other name (s)	
Father's Name:	
Aliases	
Gender	Male <input type="checkbox"/> Female <input type="checkbox"/>
Nationality	
Passport number	
ID Card Number	
Date of birth	
Place of birth	
Occupation	
Place of work	
Reason for Association to Main Subject	

3-2 Companies

If the subject of the disclosure has an associate and the associate is a company, fill in the following about the associate. If there are 2 or more associates that are companies, attach the number of pages required to give the following information for the other associate (S).

Name	
Registered address	
Incorporation number	
Type of business	
Other particulars	
Reason for Association to Main Subject	

3-3 Trusts

If the subject of the disclosure has an associate and the associate is a trust, fill in the following about the associate. If there are 2 or more associates that are Trusts, attach the number of pages required to give the following information for the other associate (S).

Trust name	
Nature and purpose of the trust	

Annex No. (7)**FATF STATEMENT
28 FEBRUARY 2008****UZBEKISTAN**

The FATF is particularly concerned that a series of presidential decrees in Uzbekistan has effectively repealed the anti-money laundering/combating the financing of terrorism (AML/CFT) regime in that country and generates money laundering/financing of terrorism (ML/FT) vulnerability in the international financial system. The FATF calls upon Uzbekistan to restore its AML/CFT regime and to work with the Eurasian Group to establish an AML/CFT regime that meets international standards. The FATF calls on its members and urges all jurisdictions to advise their financial institutions to take the risk arising from the deficiencies in Uzbekistan's AML/CFT regime into account for enhanced due diligence.

IRAN

Since its October 2007 Plenary meeting, the FATF has engaged with Iran and welcomes the commitment made by Iran to improve its AML/CFT regime. Consistent with its Statement on Iran, dated 11 October 2007, the FATF confirms its call to its members and urges all jurisdictions to advise their financial institutions to take the risk arising from the deficiencies in Iran's AML/CFT regime into account for enhanced due diligence. Iran is encouraged to continue its engagement with the FATF and the international community to address, on an urgent basis, its AML/CFT deficiencies.

PAKISTAN

The FATF notes Pakistan's recent progress in adopting AML legislation. However, financial institutions should be aware that the remaining deficiencies in Pakistan's AML/CFT system constitute ML/FT vulnerability in the international financial system. Pakistan is urged to continue its efforts to improve its AML/CFT laws to come into closer compliance with international AML/CFT standards and to work closely with the Asia Pacific Group to achieve this.

TURKMENISTAN

The FATF is concerned with deficiencies in the AML/CFT regime of Turkmenistan. The FATF welcomes the recent steps this jurisdiction has taken to address these concerns and calls upon Turkmenistan to continue to engage with the international community on these issues.

SAO TOME AND PRINCIPE

The FATF is concerned with deficiencies in the AML/CFT regime of Sao Tome & Principe. The FATF welcomes the recent steps this jurisdiction has taken to address these concerns and calls upon Sao Tome & Principe to continue to engage with the international community on these issues.

REGULATIONS TO EXCHANGE HOUSES

Circular No.6/2008 dated 11/6/2008

TRANSACTIONS WITH FINANCIAL INSTITUTIONS OPERATING IN THE NORTHERN PART OF CYPRUS

The FATF welcomes the recent progress in policies and practices to combat money laundering and terrorist financing in the northern part of Cyprus. However, given the existing deficiencies, the FATF calls on its members and urges all jurisdictions to advise their financial institutions to pay special attention to the ML/FT risks in transactions with financial institutions operating in the northern part of Cyprus. The FATF encourages further progress to address the deficiencies.

Notes:

1. For further information, journalists are invited to contact Helen Fisher, OECD Media Relations, (Tel: +33 1 4524 80 97 or helen.fisher@oecd.org) or the FATF Secretariat. 2. rue Andre-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 7945, fax: +33 1 44 30 61 37, email: contact@fatfgafi.Qrg).
2. The FATF is an inter-governmental body whose purpose is the development and promotion of polices both at national and International levels to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.
3. The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Cooperation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.
4. **India and the Republic of Korea are observer countries. The Asia Pacific Group on money** laundering (APG)¹, the Caribbean Financial Action Task Force (CFATF) ². The Grupo de Accion Financiera de Sudamtuica (GAFISUD)³, the Middle East and North Africa Financial Action Task Force (MENAFATF)⁴ and the Council of Europe Committee of Experts on the Evaluation of Anti Money Laundering Measures (MONEYVAL)⁵are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes three other regional bodies: the Eastern and South African Anti Money Laundering Group (ESAAMLG)⁶, the Eurasian Group on combating money laundering and financing of terrorism (EAG)⁷ and the Groupe Inter-gouvnermental d'Action contre le Blanchiment en Afrique (GIABA)⁸. The Offshore Group of Banking Supervisors (OGBS)⁹ is a part of this network as well.

-
1. www.apgml.org
 2. www.ctatf.org
 3. www.gafisud.org
 4. www.menafatf.org
 5. www.coe.int/moneyval
 6. www.esaamlg.org
 7. www.eurasiangroup.org
 8. www.giaba-westafrica.org
 9. www.ogbs.net

**FATF GAFI
FATF PUBLIC STATEMENT
25 June 2010**

The Financial Action Task Force (FATF) is the global standard setting body for anti money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from ML/FT risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and, along with the FATF-style regional bodies (FSRBs), works with them to address those deficiencies that pose a risk to the international financial system. The FATF and the relevant FSRBs will continue to work with the jurisdictions below and report on their progress in addressing the identified deficiencies.

1. Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter- measures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdiction¹:

Iran

2. Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of June 2010. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.

<p>Democratic People’s Republic of Korea (DPRK)* Sao Tome and Principe</p> <p>*Despite the FATS’s efforts, this jurisdiction has not constructively engaged with the FATF or an F SRB as of June 2010 and has not committed to the International AML.CFT standards.</p>

The FATF has previously issued public statements calling for counter-measures on Iran. Those statements are updated below.

Circular No.15/2010 dated 28/9/2010

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No. (8)

1. Jurisdictions subject to a FATF call on us members and other jurisdictions to apply counter- measures to protect the International financial system from the ongoing and substantial money laundering and terrorist financing (ML/TF) risks emanating from the jurisdiction:

Iran

The FATF welcomes the recent steps that Iran has taken to engage with the FATF, but remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the International financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalizing terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (MUFT) risks emanating from Iran. FATF continues to urge Jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and to take into account ML/FT risks when considering requests by Iranian financial institutions 10 open branches and subsidiaries in their jurisdiction. If Iran fails to take concrete steps to improve Its AML/CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen counter- measures in October 2010.

2. Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of June 2010. The FATF calls on Its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below.

Democratic People's Republic of Korea (DPRK)

The Democratic People's Republic of Korea (DPRK) has not committed to the AML/CFT international standards, nor has it responded 10 the FATF's numerous requests for engagement on these issues. DPRK's lack of a comprehensive AML/CFT regime poses risk 10 the International financial system. DPRK should work with the FATF to develop a Viable AML/CFT regime in line with international standards.

Sao Tome and Principe

The FATF remains concerned by Silo Tome and Principe's failure to meaningfully address the deficiencies in its AML/CFT regime, particularly relating 10 terrorist financing. Sao Tome and Principe's lack of a comprehensive AML/CFT regime poses a risk to the international financial system. Sao Tome and Principe should work with the FATF and GIABA to address the remaining AML/CFT deficiencies.

Continuation of Annex No.(8)**IMPROVING GLOBAL ML/CFT COMPLIANCE :
ON GOING PROCESS****25 June 2010**

As part of its ongoing review of compliance with the AML/CFT standards, the FATF has to date identified the following jurisdictions which have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF. While the situations differ among each Jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. FATF welcomes these commitments,

A large number of jurisdictions have not yet been reviewed by the FATF, The FATF will continue to identify additional Jurisdictions, on an ongoing basis, that pose a risk in the international financial system. The FATF has already begun an initial review of a number of such Jurisdictions as part of this process and will present its findings later this year.

The FATF and the FSRBs will continue to work with the jurisdictions noted below and 10 report on the progress made in addressing the identified deficiencies. The FATF cells on these Jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans and encourages its members to consider the information presented below.

Angola

In June 2010, Angola made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies and has demonstrated some progress in improving its AML/CFT regime. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Angola will work on implementing its action plan to address these deficiencies, including by: 1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); 2) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); 3) establishing and implementing an adequate legal framework for identifying, tracing and freezing terrorist assets (Special Recommendation III); 4) ratifying the UN Convention for the Suppression of the Financing of Terrorism and the UN Convention on Transnational Organized Crime. The FATF encourages Angola to address Its remaining deficiencies and continue the process 01 implementing its action plan.

Antigua and Barbuda

In February 2010, Antigua and Barbuda made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Since that time, Antigua and Barbuda has demonstrated progress in improving its AML/CFT regime. Including by passing an amendment to the Prevention of Terrorism Act 2010 to establish a legal framework for identifying and freezing terrorist assets. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Antigua and Barbuda should continue to work on implementing its

REGULATIONS TO EXCHANGE HOUSES

action plan to address these deficiencies, including by: (1) implementing an adequate legal framework for identifying and freezing terrorist assets (special recommendation iii); (2)

Continuation of Annex No. (8)

improving the overall supervisory framework (Recommendation 23); and (3) enhancing financial transparency (Recommendation 4). The FATF encourages Antigua and Barbuda to address its remaining deficiencies and continue the process of implementing its actions plan.

Azerbaijan

In February 2010, Azerbaijan made a high-level political commitment to work with the FATF and MONEYVAL to address its strategic AML/CFT deficiencies. Since that time, Azerbaijan has demonstrated progress in improving its AML/CFT regime, including by enacting AML/CFT amendments that aim to address Issues relating to criminalization of money laundering and terrorist financing, establishing procedures to freeze terrorist assets, and enhancing the functioning of the FIU. The FATF and MONEYVAL will conduct an on-site visit to confirm that the process of Implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

Bolivia

In February 2010, Bolivia made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Since that time, Bolivia has demonstrated progress in improving its AML/CFT regime, including by enacting a new AML law on 31 March 2010 to improve its criminalization of money laundering and to increase FIU functions. However, The FATF has determined that certain strategic deficiencies remain. Bolivia should continue to work on implementing its action plan to address these deficiencies, including by: 1) ensuring adequate criminalization of money laundering (Recommendation 1); (2) adequately criminalizing terrorist financing (Special Recommendation II); (3) establishing and Implementing an adequate legal framework for Identifying and freezing terrorist assets (Special Recommendation III); (4) establishing a fully operational and effective Financial Intelligence Unit (Recommendation 26). The FATF encourages Bolivia to address its remaining deficiencies and continue the process off implementing its action plan.

Ecuador

In June 2010, Ecuador made a high-level political commitment to work the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Ecuador has demonstrated progress in improving its AML/CFT regime, including submitting AML/CFT amendments to congress. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Ecuador will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and special recommendation ii); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation iii); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (4) Reinforcing and improving coordination of financial sector supervision (Recommendation 23). The FATF encourages Ecuador to address its remaining deficiencies and continue the process of implementing its action plan.

REGULATIONS TO EXCHANGE HOUSES

Ethiopia

In June 2010, Ethiopia made a high-level political commitment to work the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Ethiopia has demonstrated progress in improving its AML/CFT regime. However, the FATF has determined that certain strategic AML/CFT

Continuation of Annex No.(8)

deficiencies remain. Ethiopia will work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and special recommendation ii); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation iii); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); 4) establishing and implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III); 5) raising awareness of AML/CFT Issues within the law enforcement community (Recommendation 27); and (6) implementing effective, proportionate and dissuasive sanctions in order to deal with natural or legal persons that do not comply with the national AMUCFT requirements (Recommendation 17). The FATF encourages Ethiopia to address its remaining deficiencies and continue the process of implementing its action plan.

Greece

In February 2010, Greece made a high-level political commitment to work with the FATF to address its strategic AML/CFT deficiencies. Since that time, Greece has demonstrated progress, including by taking measures to enhance the effectiveness of the FIU and tabling legislation that aims to address remaining issues regarding adequately criminalizing terrorist financing. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Greece should continue to work on implementing its action plan to address these deficiencies. including by; (1) addressing remaining issues regarding adequately criminalizing terrorist financing (Special Recommendation II); (2) improving mechanisms and procedures for freezing terrorist assets (Special Recommendation III); and (3) enhancing the effectiveness of the FIU (Recommendation 26). The FATF encourages Greece to address its remaining deficiencies and continue the process of implementing Its action plan.

Indonesia

In February 2010. Indonesia made a high-level political commitment to work with the FATF and the AFG to address as strategic AML/CFT deficiencies. Since that time. Indonesia has demonstrated progress in improving its AML/CFT regime; however, the FATF has determined that certain strategic AML/CFT deficiencies remain. Indonesia should continue to work on implementing its action plan to address these deficiencies. Including by: (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and Implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); and (3) amending and implementing laws or other instruments to fully implementing the 1999 International Convention for the Suppression of Financing of Terrorism (Special Recommendation I). The FATF encourages Indonesia to address Hs remaining deficiencies and continue the process of implementing Its action plan.

Kenya

In February 2010. Kenya made a high-level political commitment to work with the FATF and ESAAMLG to address its strategic AML/CFT deficiencies. Since that time. Kenya has demonstrated progress in improving its AML/CFT regime. Including by bringing into force the Proceeds of Crime and Anti-Money Laundering Act on 28 June 2010. However, the FATF has determined that certain strategic AMUCFT deficiencies remain. Kenya should continue to work on implementing its action plan to address these deficiencies. Including by: 1) adequately criminalizing terrorist financing (Special Recommendation II); 2) ensuring a fully operational

REGULATIONS TO EXCHANGE HOUSES

and effectively functioning Financial Intelligence Unit (Recommendation 26); 3) establishing and implementing an adequate legal framework for identifying and freezing terrorist assets (Special

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No. (8)

Recommendation III); 4) raising awareness of AML/CFT issues within the law enforcement community (Recommendation 27); and (5) implementing effective, proportionate and dissuasive sanctions In order to deal with natural or legal persons that do not comply with the national AML/CFT requirements (Recommendation 17). The FATF encourages Kenya to address its remaining deficiencies and continue the process of implementing its action plan.

Morocco

In February 2010, Morocco made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since that time, Morocco has demonstrated progress in improving Its AML/CFT regime, including by taking initial steps 10 make the FIU more operational and drafting an AML bill. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Morocco should continue to work on implementing its action plan 10 address these deficiencies, Including by: (1) amending the penal code to extend the scope of the ML and FT offences (Recommendation 1 and Special Recommendation II); (2) amending relevant laws or regulations 10 address deficiencies in customer due diligence requirements (Recommendation 5); and (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26). The FATF encourages Morocco to address its remaining deficiencies and continue the process of implementing its action plan.

Myanmar

In February 2010. Myanmar made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since that time. Myanmar has demonstrated progress in improving Its AML/CFT regime; however, the FATF has determined that certain strategic AML/CFT deficiencies remain. Myanmar should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing end Implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) strengthening the extradition framework In relation to terrorist financing (Recommendation 35 and Special Recommendation I); (4) ensuring a fully operational end effectively functioning Financial Intelligence Unit (Recommendation 26); (5) enhancing financial transparency (Recommendation 4); and (6) strengthening customer due diligence measures (Recommendations 5). The FATF encourages Myanmar to address its remaining deficiencies and continue the process of implementing its action plan.

Nepal

In February 2010, Nepal made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since that lime, Nepal has demonstrated progress in improving its AML/CFT regime. including by broadening its AML law to criminalize a wider range of offences. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Nepal should continue to work on Implementing its action plan to address these deficiencies, including by; (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) establishing and implementing adequate procedures to identity and freeze terrorist assets (Special Recommendation lit); (3) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); and (4) enacting and Implementing appropriate mutual legal assistance

REGULATIONS TO EXCHANGE HOUSES

legislation (Recommendation 36). The FATF encourages Nepal to address its remaining deficiencies and continue the process of implementing its action plan.

Continuation of Annex No.(8)

Nigeria

In February 2010, Nigeria made a high-level political commitment to work with the FATF and GIABA to address its strategic AML/CFT deficiencies. Since that time, Nigeria has demonstrated progress in improving its AML/CFT regime; however, the FATF has determined that certain strategic AML/CFT deficiencies remain. Nigeria should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) ensuring that relevant laws or regulations address deficiencies in customer due diligence requirements and that they apply to all financial institutions (Recommendation 5); and (4) demonstrating that AML/CFT supervision is undertaken effectively across the financial sector (Recommendation 23). The FATF encourages Nigeria to address its remaining deficiencies and continue the process of implementing its action plan.

Pakistan

In June 2010, Pakistan made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Pakistan has demonstrated progress in improving its AML/CFT regime, including enacting a permanent AML law. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Pakistan will work on implementing its action plan to address these deficiencies, including by (1) demonstrating adequate criminalization of money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); (2) demonstrating adequate procedures to identify, freeze and confiscate terrorist assets (Special Recommendation III); (3) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (4) demonstrating effective regulation of money service providers, including an appropriate sanctions regime, and increasing the range of ML/FT preventive measures for these services (Special Recommendation VI); and (5) improving and implementing effective controls for cross-border cash transactions (Special Recommendation IX). The FATF encourages Pakistan to address its remaining deficiencies and continue the process of implementing its action plan.

Paraguay

In February 2010, Paraguay made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies. Since that time, Paraguay has demonstrated progress in improving its AML/CFT regime, including by enacting a law that criminalizes terrorist financing on 23 June 2010, which needs to be analyzed by the FATF, and adopting a regulation to develop controls for cross-border cash transactions on 17 June 2010. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Paraguay should continue to work on implementing its action plan to address these deficiencies, including by: (1) ensuring adequate criminalization of terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify, freeze and confiscate terrorist assets (Special Recommendation III); (3) improving financial transparency (Recommendation 4); (4) improving and broadening customer due diligence measures (Recommendation 5), and (5) implementing effective controls for cross-border cash transactions (Special Recommendation IX).

REGULATIONS TO EXCHANGE HOUSES

The FATF encourages Paraguay to address its remaining deficiencies and continue the process of implementing its action plan.

Continuation of Annex No.(8)

Qatar

In February 2010, Qatar made a high-level political commitment to work with the FATF and MENAFATF, to address its strategic AML/CFT deficiencies. Since that time, Qatar has demonstrated progress in improving its AML/CFT regime, including by enacting a new AML/CFT law, issuing revised AML/CFT regulations for the financial sector, and providing guidance on the suspicious transaction reporting requirements. The FATF and MENAFATF will conduct an on-site visit to confirm that the process of implementing the required reforms and actions is underway to address deficiencies previously identified by the FATF.

Sri Lanka

In February 2010, Sri Lanka made a high-level political commitment to work with the FATF and APG to address its strategic AML/CFT deficiencies. Since that time, Sri Lanka has demonstrated progress in improving its AML/CFT regime; however, the FATF has determined that certain strategic AML/CFT deficiencies remain. Sri Lanka should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); and (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III). The FATF encourages Sri Lanka to address its remaining deficiencies and continue the process of implementing its action plan.

Sudan

In February 2010, Sudan made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies. Since that time, Sudan has demonstrated progress in improving its AMUCFT regime, including by taking initial steps to operationalise the FIU. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Sudan should continue to work on implementing its action plan to address these deficiencies, including by: (1) implementing adequate procedures for identifying and freezing terrorist assets (Special Recommendation III); (2) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26); (3) ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to ML and FT (Recommendation 13 and Special Recommendation IV) and (4) implementing a supervisory programme for the regulators to ensure compliance with the provisions of the new law and regulations (Recommendation 23). The FATF encourages Sudan to address its remaining deficiencies and continue the process of implementing its action plan.

Syria

In February 2010, Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AMUCFT deficiencies. Since that time, Syria has demonstrated progress in improving its AML/CFT regime; however, the FATF has determined that certain strategic AMUCFT deficiencies remain. Syria should continue to work on implementing its action plan to address these deficiencies, including by: (1) adopting adequate measures to implement

REGULATIONS TO EXCHANGE HOUSES

and enforce the 1999 International Convention for the Suppression of Financing of Terrorism (Special Recommendation I); (2) adequately criminalizing terrorist financing (Special Recommendation II); (3) implementing adequate procedures for identifying and freezing

Continuation of Annex No.(8)

terrorist assets (Special Recommendation III); (4) ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports In relation to ML and FT (Recommendation 13 and Special Recommendation IV) and (5) adopting appropriate laws and procedures to provide mutual legal assistance (Recommendations 36-38, Special Recommendation V). The FATF encourages Syria to address its remaining deficiencies and continue the process of implementing its action plan.

Thailand

In February 2010, Thailand made a high-level political commitment to work with the FATF and APG to address its strategic AMUCFT deficiencies. Since that time, Thailand has demonstrated progress in improving its AML/CFT regime; however, the FATF has determined that certain strategic AML/CFT deficiencies remain. Thailand should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing terrorist financing (Special Recommendation II); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation iii); and (3) further strengthening AML/CFT supervision (Recommendation 23). The FATF encourages Thailand to address its remaining deficiencies and continue the process of implementing its action plan

Trinidad and Tobago

In February 2010, Trinidad and Tobago made a high-level political commitment to work with the FATF and CFATF to address its strategic AML/CFT deficiencies. Since that lime, Thailand and Tobago has demonstrated progress in improving its AML/CFT regime: however, the FATF has determined that certain strategic AML/CFT deficiencies remain. Thailand and Tobago should continue to work on implementing Its action plan to address these deficiencies including by: (1) implementing adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); (2) implementing adequate procedures for the confiscation of funds related to money laundering (Recommendation 3); (3) ensuring a fully operational and effectively functioning FIU, including supervisory powers (Recommendation 26). The FATF encourages Trinidad and Tobago to address its remaining deficiencies and continue the process of implementing its action plan.

Turkey

In February 2010, Turkey made a high-level political commitment work with the FATF to address its strategic AML/CFT deficiencies. Since that time, Turkey has demonstrated progress in improving Its AML/CFT regime, including by drafting CFT legislation. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Turkey should continue to work on implementing its action plan to address these deficiencies, Including by: (1) adequately criminalizing terrorist financing (Special Recommendation II); and (2) implementing an adequate legal framework for Identifying and freezing terrorist assets (Special Recommendation

REGULATIONS TO EXCHANGE HOUSES

III). The FATF encourages Turkey to address its remaining deficiencies and continue the process of implementing its action plan.

Continuation of Annex No.(8)**Turkmenistan**

In June 2010, Turkmenistan made a high-level political commitment to work with the FATF and EAG to address its strategic AML/CFT deficiencies. Turkmenistan has demonstrated progress in improving its AML/CFT regime, including by adopting a law criminalizing terrorist financing and enacting FLU and reporting regulations. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Turkmenistan will work on implementing its action plan to address these deficiencies, including by: (1) addressing the remaining issues with the criminalization of money laundering and terrorist financing (Recommendation 1 and Special Recommendation II), (2) implementing adequate procedures to identify and freeze terrorist assets without delay (Special Recommendation III); (3) ensuring a fully operational and effectively functioning FIU (Recommendation 26), (4) developing collaboration between the FIU and domestic counterparts, including supervisory authorities and (5) strengthening international cooperation. The FATF encourages Turkmenistan to address its remaining deficiencies and continue the process of implementing its action plan.

Ukraine

In February 2010, Ukraine made a high-level political commitment to work with the FATF and MONEYVAL to address its strategic AML/CFT deficiencies. Since that time, Ukraine has demonstrated progress in improving its AML/CFT regime, including by enacting a new AML/CFT law. However, the FATF has determined that certain strategic AML/CFT deficiencies remain. Ukraine should continue to work on implementing its action plan to address these deficiencies, including by: (1) addressing remaining issues regarding criminalization of money laundering and terrorist financing (Recommendation 1 and Special Recommendation II); and (2) improving and implementing an adequate legal framework for identifying and freezing terrorist assets (Special Recommendation III). The FATF encourages Ukraine to address its remaining deficiencies and continue the process of implementing its action plan.

Yemen

In February 2010, Yemen made a high-level political commitment to work with the FATF and MENFATF to address its strategic AML/CFT deficiencies. Since that time, Yemen has demonstrated progress in improving its AML/CFT regime; however, the FATF has determined that certain strategic deficiencies remain. Yemen should continue to work on implementing its action plan to address these deficiencies, including by: (1) adequately criminalizing money laundering (Recommendation 1); (2) establishing and implementing adequate procedures to identify and freeze terrorist assets (Special Recommendation III); (3) issuing substantive guidance/instructions to reporting institutions with respect to their ML/FT obligations (Recommendation 25); (4) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the FIU to ensuring compliance by financial institutions with their STR obligations. Especially in relation to FT (Recommendation 23); and (5) ensuring a fully operational and effectively functioning Financial Intelligence Unit (Recommendation 26). The

REGULATIONS TO EXCHANGE HOUSES

FATF encourages Yemen to address its remaining deficiencies and continue the process of implementing its action plan.

FATF Statement

26 June 2009

IRAN

The FATF remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalizing terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements. The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF reaffirms its 25 February 2009 call on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. FATF continues to urge jurisdictions to protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices and to take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction.

The FATF remains prepared to engage directly in assisting Iran to address its AML/CFT deficiencies, including through the FATF Secretariat.

UZBEKISTAN

The FATF welcomes the significant recent steps that Uzbekistan has taken to restore and strengthen its AML/CFT regime and takes note of the action plan for further steps that it has articulated. FATF urges Uzbekistan to continue its progress towards completing its legislative framework and implementing an AML/CFT regime that meets international standards. Given that implementing regulations are not yet enacted, the FATF reiterates its statement of 15 October 2008.

TURKMENISTAN

The FATF welcomes Turkmenistan's recent progress in adopting AML/CFT legislation. Given that deficiencies remain in Turkmenistan's AML/CFT regime, FATF reiterates its 25 February 2009 statement informing financial institutions that these deficiencies constitute an ML/FT vulnerability in the international financial system and that they should take appropriate measures to address this risk. Turkmenistan is urged to continue to take steps to implement an AML/CFT regime that meets international AML/CFT standards. Turkmenistan is strongly encouraged to continue to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

PAKISTAN

The FATF welcomes Pakistan's recent accession to the International Convention for the Suppression of the Financing of Terrorism. However, the FATF remains concerned about the

REGULATIONS TO EXCHANGE HOUSES

ML/FT risks posed by Pakistan and reaffirms its public statement of 28 February 2008 regarding these risks. The FATF welcomes the process underway in Pakistan to improve its AML/CFT **Continuation of Annex No.(9)**

regime. The FATF encourages Pakistan to continue to fully co-operate with the World Bank and the Asia Pacific Group on Money laundering (APG) on its mutual evaluation process.

SAO TOME AND PRINCIPE

The FATF welcomes Sao Tome and Principe's continuing efforts to implement its AML law. The FATF remains concerned about the significant deficiencies in Sao Tome and Principe's AML/CFT regime, particularly relating to terrorist financing. The FATF urges Sao Tome and Principe to work with the Inter Governmental Action Group against Money laundering in West Africa (GIABA) to address the remaining AML/CFT deficiencies.

REGULATIONS TO EXCHANGE HOUSES

Annex (10)

Personal Questionnaire to appoint MLRO and Deputy

Company Name:

- 1) Name of employee :
- 2) Nationality :
- 3) Designation :
- 4) Current address in Qatar :
- 5) Permanent address :
- 6) Date and place of birth :
- 7) Academic Qualification and specialization :
- 8) Current job, company and date of appointment :
- 9) Previous jobs and companies (during ten years) :
- 10) Other Experiences :
- 11) Phone number of employee :..... Mobile No.....

Email address :

Questionnaire		Yes*	No.
12	Whether you or your family members or relatives have any relation or friendship with any member of Board of Directors or CEOs or concerned company manager.		
13-	Have you worked in any company license of which is cancelled or liquidated by judicial order?		
14	Whether have issued arrest warrant against you in any country for committing crime involving moral turpitude		
15	Whether have notice on your bankruptcy or stopped payment of 1- debts or you made settlement by debt rescheduling		
16-	Have you ever suspended from any job or prevented to practice any 2- profession		

(* If the answer is " yes" describe the details.)

I agree that all information in my answering to the questions are complete and correct and I undertake to notify QCB immediately on any change occur in these data.

Name :

Signature :.....

Date :

Signature of company authorized signatory

* Submit CV and other documents proving educational qualifications and practical experiences attested by competent authorities in addition to personal identification.

REGULATIONS TO EXCHANGE HOUSES

- Circular No.3/2011 Dated 8/3/2011

Annex No.(11)

Ministry of Interior
 General Directorate of
 Public Security
 Central Operational Dept.

Date :
 Corresponding to:
 Time :

MOVEMENTS OF MONEY TRANSPORTING VEHICLES

Bank : Branch:.....
 Movements of the vehicle : Time:.....From..... To.....
 Vehicle No.:
 Money transporting company :

Persons assigned to transport at each deal : (1)
 (2)
 (3)
 (4)

Tracks (1)
 (2)
 (3)
 (4)

Number of guards Armed : Yes No. Mobile No....

Remarks :

CENTRAL OPERATIONAL PROCESSES

Receiver : Grade Name.....Signature:.....
 Time of Reaching :.....
 Remarks:.....

Shift officer Head of operation division.

- Remarks :
- (1) Send by fax No. 0974 -44127828
 - (2) Report at time of vehicle arrival and completion of task.
 - (3) For supports and actions if case of emergency, please contact on No.44330331/44330404.

Form is changed according to instructions of ministry of the state for interior affairs
 No. - dated 21/6/2011

REGULATIONS TO EXCHANGE HOUSES

Annex No.(12)

Table 1 Balance Sheet Information for the Month Ended										
	Name of Exchange House							Month		
		LC	FC	Total				LC	FC	Total
								(Amount in QR000s)		
Assets		LC	FC	Total		Liabilities		LC	FC	Total
1	Assets				1	Due to banks				
2	Cash in hand				1.1	Inside Qatar				
3	Precious metals				1.2	Outside Qatar				
3.1	Balance at banks				2	Due to exchangers				
3.2	In side Qatar				2.1	Inside Qatar				
4	Outside Qatar				2.2	Outside Qatar				
4.1	Balances with exchangers				3	Due to off-shore branches				
4.2	Inside Qatar outside Qatar				4	Cheques and remittances to be paid				
5	Balances with off-shore branches				5	Provisions				
6	Purchased cheques				5.1	Provisions for revaluation				
7	Net fixed assets				5.2	Other provisions				
8	Other assets				6	Other liabilities				
8.1	Inside Qatar				6.1	Inside Qatar				
8.2	Outside Qatar				6.2	Outside Qatar				
					7	Capital and reserves				
					7.1	Equity (paid up capital)				
						Memo: percent of foreign holding				
					7.2	Legal reserve				
Total assets										

REGULATIONS TO EXCHANGE HOUSES

				7.3	Fair value reserve			
				7.4	Retained earning			
				7.5	Other reserve			
					Total liabilities			

LC= local currency , FC = foreign currency

Exchange house Name	
Address	

**Contact persons
Details**

Name	
Designation	
Tel	
Email	

Reporting Period	
------------------	--

Circular No.2/2009 dated 18/2/2009

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

Table 2 Details of High Value Monthly Remittances – Top 10 Individual and Top 10 Companies #			
Name of exchange house		Month:	
Individual\ Company			
Individual 1			
Individual 2			
Individual 3			
Individual 4			
Individual 5			
Individual 6			
Individual 7			
Individual 8			
Individual 9			
Individual10			
Company1			
Company2			
Company3			
Company4			
Company5			
Company6			
Company7			

REGULATIONS TO EXCHANGE HOUSES

Company8			
Company9			
Company10			
<p># Top 10 has to be identified based on the total amount remitted by an individual/ company during the month in a particular currency and to a particular country. In case of the same individual \ company remits amount in different currencies or even to different countries, the amount s to be reported as a separate individual / company , provided that the remittances amount is among the top 10 remittances during the month.</p>			
<p>* Exchange Rate of the last working day of each month.</p>			

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

Table 3 – Details of outgoing Remittances- Country- Wise Details	
Name of Exchange house	
Month	
Direction of the remittance	Amount in QR 000s
Bangladesh	
Canada	
Egypt	
France	
Germany	
India	
Indonesia	
Iran	
Kuwait	
Lebanon	
Nepal	
Oman	
Other African Countries	
Other countries	
Other MENA countries *	
Pakistan	
Philippines	
Spain	
Saudi Arabia	
Sri Lanka	
Sudan	
Thailand	
Turkey	

REGULATIONS TO EXCHANGE HOUSES

United Arab Emirates	
United Kingdom	
United states of America	
Total	
* Comprising of Algeria, Bahrain, Djibouti, Iraq, Israel, Jordan, Libya, Morocco, Syria, Yemen, Tunisia and Palestinian Territories	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

Table 4 – Details of incoming Remittances- Country- Wise Details	
Name of Exchange house	
Month	
Direction of the remittance	Amount in QR 000s
Bangladesh	
Canada	
Egypt	
France	
Germany	
India	
Indonesia	
Iran	
Kuwait	
Lebanon	
Nepal	
Oman	
Other African Countries	
Other countries	
Other MENA countries *	
Pakistan	
Philippines	
Spain	
Saudi Arabia	
Sri Lanka	
Sudan	
Thailand	
Turkey	
United Arab Emirates	

REGULATIONS TO EXCHANGE HOUSES

United Kingdom	
United states of America	
Total	
* Comprising of Algeria, Bahrain, Djibouti, Iraq, Israel, Jordan, Libya, Morocco, Syria, Yemen, Tunisia and Palestinian Territories	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

Table 5 Foreign Currency sales and purchase			
Name of Exchange house			
Month			
		(Amount in QR 000s)	
		Sales	Purchases
1	All Individuals		
1.1	Resident Individuals *		
1.2	Non Resident individuals		
2	Banks		
2.1	Inside Qatar		
2.2	Outside Qatar		
3	Exchangers		
3.1	Inside Qatar		
3.2	Outside Qatar		
4	Total		
* Having valid Resident Permit (RP)			

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

Outgoing Workers' Remittances						
						In Qatari Riyals
Direction of the remittance	National currency	QAR	USD	EUR	Other Currencies	Total
Country 1						
Country 2						
-						

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

**Monthly Survey Questionnaire of Inward Receipts
by Commercial Banks/Exchange Houses
(Form A)**

(In Qatar Riyal)

Description		General Govt.	Public Enterprises	Private Sector
1	Merchandise Exports			
2	Freight			
3	Merchandise Insurance/Claims			
4	Other Transportation Services	0	0	0
	Passenger			
	Other			
5	Travel and Tourism			
6	Investment income (Interest, Profit, dividends)			
7	Remittances Received by Foreign Embassies/Inter. Org.			
8	Receipts from Other services provided	0	0	0
	Communication Services			
	Construction services			
	Non Merchandise Insurance services			
	Financial services			
	Government services			
	Other services			
9	Workers' Remittances			
10	Other Current Transfers			
11	Capital Transfers	0	0	0
	Government Transfers			
	Migrants' Transfers			
12	Drawings on Loans Received			
13	Repayments on Loans Extended			
14	Receipts from Bank Accounts abroad			
15	Sales of Portfolio Investment abroad			
16	Sales Of Other Assets abroad			
17	Other Foreign Liabilities Incurred			
18	Other Transactions (n.i.e). please specify			
Total purchases		0	0	0

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

**Monthly Survey Questionnaire of Outward Payment
by Commercial Banks/Exchange Houses
(Form B)**

(In Qatar Riyal)

Description		General Govt.	Public Enterprises	Private Sector
1	Merchandise Exports			
2	Freight			
3	Merchandise Insurance/Claims			
4	Other Transportation Services	0	0	0
	Passenger			
	Other			
5	Travel and Tourism			
6	Investment income (Interest, Profit, dividends)			
7	Remittances Received by Foreign Embassies/Inter. Org.			
8	Payments from Other services provided	0	0	0
	Communication Services			
	Construction services			
	Non Merchandise Insurance services			
	Financial services			
	Government services			
	Other services			
9	Workers' Remittances			
10	Other Current Transfers			
11	Capital Transfers	0	0	0
	Government Transfers			
	Migrants' Transfers			
12	Repayments on Loans Extended			
13	Drawings on Loans Received			
14	Remittances to Bank Accounts abroad			
15	Acquisition of Portfolio Investment Abroad			
16	Acquisition of other Assets abroad			
17	Repayment of other Foreign Liabilities			

REGULATIONS TO EXCHANGE HOUSES

18	Other Transactions (n.i.e). please specify			
	Total Sales	0	0	0

Continuation of Annex No.(12)

**Summary of Foreign Currency Transactions
by Commercial Banks/Exchange Houses
(Form C)**

In Qatari Riyals

	Description	Amount
1	Opening balance (gross foreign currency holdings carried forward)	0
2	Total inward Receipt (From Form A)	0
3	Purchases from other resident banks	0
4	Net Increase in borrowing from other resident banks	0
5	Purchases from nonresidents (including foreign banks & offices abroad)	0
6	Net increase in borrowing from non residents	0
7	Purchase from the central bank	0
8	Total purchases	0
9	Total Outward Payments (From Form B)	0
10	Sales to other resident banks, exchange houses	0
11	Sales to nonresidents (including foreign banks and offices abroad)	0
12	Net increase in lending to nonresidents	0
13	Sales to the Central Bank	0
14	Total Sales	0
15	Closing balance (gross foreign currency holdings carried forward)	0

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

Incoming worker's Remittances	
In Qatari Riyals	
Direction of the remittance	Amount
Dz- Algeria	
Bh- Bahrain	
Bd- Bangladesh	
Ca- Canada	
Dj- Djibouti	
Eg- Egypt	
Fr- France	
De- Germany	
In- Indonesia	
Iq- Iraq	
Ir- Islamic Republic of Iran	
Ii- Israel	
Jo- Jordan	
Kw- Kuwait	
Lb- Lebanon	
Ly- Libyan	
Ma- Morocco	
Np- Nepal	
Om- Oman	
Pk- Pakistan	
Pl- Palestinian	
Ph- Philippines	
Sa- Saudi Arabia	
Es- Spain	
Lk- Sri Lanka	
Sd- Sudan	
Sy- Syrian Arab Republic	
Th- Thailand	
Tn- Tunisia	
Tr- Turkey	
Ae- United Arab Emirates	
Gb- United Kingdom	
Us- United State	
Ye- Yemen	
Ot- Other Countries	
Total	0

REGULATIONS TO EXCHANGE HOUSES

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(12)

**Monthly Survey Questionnaire of International Investment Position (IIP)
by Commercial Banks/Exchange Houses
(Form A)**

Description	Position at Beginning of Month	Changes in position reflecting				Position of End of Month
		Transaction	Price Changes	Exchange Rate Changes	Other adjustment	
1 Assets						
101 Direct Investment aboard						
10101 Equity capital and reinvested enterprises						
1010101 Claims on affiliated enterprises						
1010102 Liabilities to affiliated enterprises						
10102 Other capital						
1010201 Claims on affiliated enterprises						
1010202 Liabilities to affiliated enterprises						
102 Portfolio investment						
10201 Equity securities						
10202 Debt Securities						
1020201 Bonds and Notes						
1020202 Money market instruments						
103 Financial investment						
104 Other Investment						
10401 Loans						
1040101 Long- term						
1040102 Short- Term						
10402 Currency and Deposits						
10403 other Assets						
2 Liabilities						
201 Direct investment in reporting economy						
20101 Equity capital and reinvested earnings						
2010101 Claims on direct investors						
20102 other capital						
2010201 Claims on direct investors						
202 Portfolio Investment						
20201 Equity Securities						
20202 Debt securities						
2020201 Bonds and Notes						
2020202 Money Market Instruments						
203 Financial Derivatives						
204 Other investments						
20401 Loans						
2040101 Long -Term						
2040102 Short- Term						
20402 Currency and Deposits						

REGULATIONS TO EXCHANGE HOUSES

20403 other Assets						
--------------------	--	--	--	--	--	--

REGULATIONS TO EXCHANGE HOUSES

Annex No.(13)

Form No.

MONTHLY STATEMENT ON ASSETS AND LIABILITIES
Company\ Exchange house
For the month ended on \.....201

Assets	Riyals	Foreign currencies	Liabilities	Riyals	Foreign Currencies	Total in Qatari Riyals
Cash in hand			12- Due from banks			
Precious metal ingots			12/1 inside Qatar			
2/1- gold			12/2 outside Qatar			
2/2 other metals			13 Due from exchangers			
Investment			13/1 inside Qatar			
3/1 inside Qatar			13/2 outside Qatar			
3/1/1 Securities			2- Due to off-shore branches			
3/1/2 others			3- Unclaimed amounts			
3/2 outside Qatar			16 cheques to be paid			
3/2/1 Securities			17 allotments			
3/2/2 others			18 other liabilities			
4 Due from banks			19 capital and reserves			
4/1 inside Qatar			19/1 paid up capital			
4/2 Outside Qatar			19/2 legal reserve			
5-Due from exchangers			19/3 reserve of just value			
5/1 inside Qatar			19/4 other reserves			
5/2 outside Qatar			19/5r rotatory profits(losses)			
6-Due from external branches						
7- Cheques purchased for collection						
8-Fixe assets after depreciation						
8/1 buildings and premises						
8/2 furniture and tools						
8/3 others						
9 other assets						
10 total assets			20- total liabilities			

REGULATIONS TO EXCHANGE HOUSES

11- regular accounts			21 regular accounts			
11/1 stock of traveler's cheque			21/1 liabilities of stock of traveler's cheque			
11/2 cheques under collection			21/2 cheques under collection			
11/3 precious metals in safes			21/3 liabilities of precious metals in safes			
11/4 guarantees issued by banks			21/4 liabilities of guarantees issued by banks			
11/5 other accounts			11/5 other accounts			

SEAL OF AUDITOR\SIGNATURE OF OFFICER

SEAL OF EXCHANGE HOUSE

SIGNATURE OF IN CHARGE\ DIRECTOR

REGULATIONS TO EXCHANGE HOUSES

Annex (14)

**Table No.
Details of Item (3)
Investment**

Date / /201
(Amount in QR 000s)

Details	Inside Qatar	Outside Qatar	Total
<u>First : Securities</u>			
(1) Qatar government bonds			
(2) Quoted Securities			
a) Company shares			
b) Company shares			
c) Company shares			
(3) Others			
Total securities			
<u>Second : Other Investments</u>			
(1) Investment funds and trusts			
(2) Others			
Total other investment			
Total investments			

Seal of company\ exchange houses
Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (15)

**Table No.
Details of Item (4)
Due from banks**

Date / /201
(Amount in QR 000s)

Bank	Type of currency	Balance equivalent to Riyals			Total	Guarantees
		overdrafts	Advance and loans	Over drafts		
Inside Qatar						
Total						
Outside Qatar						
Total						

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (16)

**Table No.
Details of Item (4)
Due to banks**

Date / /201
(Amount in QR 000s)

Bank	Type of currency	Balance equivalent to Riyals		Total	Restrained \ non restrained
		Demand	Dated		
Inside Qatar					
Outside Qatar					
Total					

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (17)

**Table No.
Details of Item (5)
Due from exchangers**

Date / /201
(Amount in QR 000s)

Name of exchange house	In Riyals	Foreign currencies	Total	Restrained \ non restrained
Inside Qatar				
Outside Qatar				
Total				

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (18)

**Table No.
Details of Item (13)
Due to exchangers**

Date / /201
(Amount in QR 000s)

Name of exchange house	In Riyals	Foreign currencies	Total	Restrained \ non restrained
Inside Qatar				
Outside Qatar				
Total				

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

REGULATIONS TO EXCHANGE HOUSES

Annex (19)

Table No.
Details of two Items (9,18)
Other assets and other liabilities

Date / /201
(Amount in QR 000s)

Other assets	Riyal	Foreign currencies	Total	Other liabilities	Riyals	Foreign currencies	Total
1-				1-			
2-				2-			
3-				3-			
4-				4-			
5-				5-			
6-				6-			
7-				7-			
8-				8-			
9-				9-			
10-				10-			
Total				Total			

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (20)

Table No.
Details of outgoing drafts

Date / /201
(Amount in QR 000s)

Monthly table

Outgoing drafts during the month						Outgoing drafts from starting of current year to date.
Draft issuing party according to country	(1)	(2)	(3)	(4) Other currencies	Total	
1-						
2-						
3-						
4-						
5-						
6-						
7-						
8-						
9-						
10-						
11-						
12-						
13-						
14-						
15-						
16-						
17-						
18-						
19-						
20- Other countries						
Total during month ...201						
Total from starting of current year up to date.						

-(1), (2), (3) more currencies subject to remittances

Seal of company\ exchange house

REGULATIONS TO EXCHANGE HOUSES

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (21)

Table No.
Details of incoming drafts

Date / /201
(Amount in QR 000s)

Monthly table

Outgoing drafts during the month						Incoming drafts from starting of current year to date.
Draft issuing party according to country	(1)	(2)	(3)	(4) Other currencies	Total	
1-						
2-						
3-						
4-						
5-						
6-						
7-						
8-						
9-						
10-						
11-						
12-						
13-						
14-						
15-						
16-						
17-						
18-						
19-						
20- Other countries						
Total during month ...201						
Total from starting of current year up to date.						

-(1), (2), (3) more currencies subject to remittances

Seal of company\ exchange house

REGULATIONS TO EXCHANGE HOUSES

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (22)

Table No.
Sales and purchases of foreign currencies

Date / /201
(Amount in QR 000s)

Monthly table

Sales			Purchases		
To	Amount equivalent in Qatari Riyals		From	Amount equivalent to Qatari Riyals	
	During the month	From starting of year to the date		During the month	From starting of year to the date
1- Persons			1- Persons		
1- Banks			2- Banks		
2/1 inside Qatar			2/1 inside Qatar		
2/2 outside Qatar			2/2 outside Qatar		
3- Exchangers			2- Exchangers		
3/1 inside Qatar			3/1 inside Qatar		
3/2 outside Qatar			3/2 outside Qatar		

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (23)

Table No.
Details of item (17)
Allotments

Monthly table Date / /201
(Amount in QR 000s)

Type of allotments	Allotment value estimated in Qatari Riyals
1-	
2-	
3-	
4-	
5-	
6-	
7-	
8-	
9-	
10-	
11-	
12-	
13-	
14-	
15-	
Total	

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (24)

Table No.
Details of item (11/1)
Regular accounts \ stock of traveler's cheques

Monthly table Date / /201
 (Amount in QR 000s)

Details	Type of Currency	Equivalent amount in Riyals
1-		
2-		
3-		
4-		
5-		
6-		
7-		
8-		
9-		
10-		
11-		
12-		
13-		
14-		
15-		
Total		

Seal of company\ exchange house

Signature of in charge\ manager

REGULATIONS TO EXCHANGE HOUSES

Annex (27)

Table No.
Details of item (11/5)
Other accounts

Monthly table Date / /201
 (Amount in QR 000s)

Details	Type of Currency	Equivalent amount in Riyals
1-		
2-		
3-		
4-		
5-		
6-		
7-		
8-		
9-		
10-		
11-		
12-		
13-		
14-		
15-		
Total		

Seal of company\ exchange house

Signature of in charge\ manager

**Filling up Instructions
For assets and liabilities of Exchange houses
Annex (13-28)**

a) General Instructions

- 1- Information must be filled on the basis of the exchange house's records as at the end of the last business day of each month.
- 2- Monthly statement and attachments shall reach to QCB before eight day of the month next to the month of statement and take care of signature or the officer or manager on the statement and his signature and all annexes shall be according to the regulations of QCB.
- 3- All assets and liabilities in foreign currencies must appear in the respective columns, after being denominated in Qatari riyals. The closing rate of New York Stock Exchange (NYSE) for converting foreign currencies into US dollars must be adopted, and the purchasing rate of US dollars determined by QCB for the conversion of dollar into Qatari Riyal shall be adopted.
- 4- All investments in item No.(3) of shares, bonds or investment funds and trusts shall be shown in special columns after being dominated in Qatari Riyals whether inside or outside Qatar.
- 5- Uncovered balances of exchange houses with banks shall be shown in item No.(12) in due to bank as there is special columns in detailed table for item (12) under name overdrafts. In contrast current receivable accounts obtained by the exchange house from any bank if credited provisionally in the balances of the bank.

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(29)

- 6- External branches mean the branches licensed to practice outside the country as branches of the exchange house in which the capital shall be shown in assets of the exchange house.

- 7- Results of assessing invests available for sale shall be listed in reserve account for each investment separately. If the results of assessing any invests become negative without enough balance to cover in reserve of just value, the uncovered negative value shall be listed in profits and losses account for same year provided that the reserve account of just value shall be shown in equities.

- 8- Financial investments shall be assessed and results of assessment shall be recorded in profits and losses account or reserve account of just value twice in year at 30/6, 31/12 of each year.

Filling up Instructions for monthly statement of assets and liabilities

First : Assets:

- 1- **Cash in hand:** This form shall be filled in with the total securities and coins whether Riyals or other currencies.
- 2- **Precious Metals :** This form shall be filled in with the value of golden ingots and other precious metals purchased on account of the exchange house. The value means cost of purchasing, as in end of each year this value or market value shall be assessed whatever less which requires making allotment if the market value is lesser than costs.
- 3- **Investment :** This form shall be filled in with the value of securities, financial investment products purchased to account of the exchange

REGULATIONS TO EXCHANGE HOUSES

house. These investments are entered after classifying according to purposes as per categories specified in IAS No.39.

Continuation of Annex No.(29)

- 4- Due to banks : This form shall be filled in with the deposits of exchange house with banks whether credit current deposits or linked provided that current deposits that become debit for the time being should be shown in item of bank accounts (item 12).

- 5- Due from exchanges : As the exchange houses are not permitted to deposit with exchangers , for such accounts are resultant of standing entries out of orders to sell foreign currencies the value of which being not received; or from remittances or withdrawals or any other payment orders with exchangers which have elapsed period less than one year. If the period exceeds more than one year such accounts are recorded in item of standing entries of other assets.

- 6- Due from external braches: This item shall be entered same as mentioned in clasue 5 above but this relates to external branches of exchange house.

- 7- Purchased cheques for collection : this form shall be filled in with the value of traveler's cheque and other cheques in foreign currencies purchased by exchange houses from customers and paid value to customers but the exchange house did not get value thereafter as well as remittances paid by exchange houses and not collected yet.

- 8- Fixed assets after depreciation :
 - Buildings and real estates: This form shall be filled in with the book value (cost less provision of accumulated depreciation) of all buildings and real estates owned by exchange house.
 - Tools and equipments : This form shall be filled in with the book value (cost less provision of accumulated depreciation) of all furniture, office tools, accessories , tools, cars, equipments and similar items.

REGULATIONS TO EXCHANGE HOUSES

- Others : This form shall be filled in with the book value ((cost less provision of accumulated depreciation) of all other fixed assets not mentioned above like vehicles.

Continuation of Annex No.(29)

- 9- Other assets : This form shall be filled in with the any assets not classified in any of above mentioned assets including standing entries for period more than one year as mentioned in clause 5 above and intangible in kind assets like good will and depreciation of which is given out for five years.
- 10-Total assets: This form shall be filled in with the total of items from 1 to 9.

11-Regular accounts

- 11/1** Stock of traveller's cheque: This form shall be filled in with the total value of traveler's cheques with exchange houses out of different currencies which were not marketed later.
- 11/2** Cheques under collection : This form shall be filled in with the total value of cheques purchased for collection.
- 11/3** Precious metals in safes: This form shall be filled in with the value of gold ingots kept by the exchange house in safes until sell same to others.
- 11/4** Guarantees issued by the bank: this form shall be filled in with the total value of guarantees issued by the exchange house to other parties.
- 11/5** Other accounts : This form shall be filled in with the other regular accounts if any.

Secondly : liabilities

REGULATIONS TO EXCHANGE HOUSES

12-Due to banks : This form shall be filled in with the all amounts due from exchange houses to banks whether advances and loans or current account receivable or overdraft amounts from the banks for the time being.

Continuation of Annex No.(29)

13-Due to exchangers : As the exchange houses are not permitted to deposit with exchangers , for such accounts are resultant of standing entries out of orders to sell foreign currencies the value of which being not received; or from incoming remittances and not paid to beneficiaries yet, which have elapsed period less than one year. If the period exceeds more than one year such accounts are recorded in item of standing entries of other liabilities.

14-Due to external braches: This item shall be entered same as mentioned in clause 13 above but this relates to external branches of exchange house.

15-Unclaimed amounts : This form shall be filled in with the value of remittances and dormant unclaimed cheques proved for the year.

16-Cheques under payment : This form shall be filled in with the value of traveler's cheque and other cheques purchased by exchange houses and value of which is not paid as well as remittances paid by exchange houses and not paid yet.

17-Provisions : This item include amount balance cut out of revenues to face any impairment of assets in exchange houses like foreign currencies as well as impairment in value of ingots of precocious metals owned by the exchange house and any other provisions.

18-Other liabilities : This form shall be filled in with any liabilities not classified under clauses from 12-17.

REGULATIONS TO EXCHANGE HOUSES

19-Capital and reserves: This form shall be filled in with the value of paid up capital, legal reserve, other reserves and reserve of just value and retained profits (losses).

Continuation of Annex No.(29)**d- Filling up Instructions of tables.**

- 1- Table : This table is to be filled in with details of securities and financial investment products like shares, bonds, investment funds and trusts and any other financial investments in financial centre of the exchange house. Such invests are classified according to purpose as per categories specified in IAS No.39 provided that each category must be delineated by investments in side Qatar and outside Qatar and assess such investments according to requirements of aforementioned standard.

- 2- Table () : This table is to be filled in with details of exchange house's balance with banks according to names of banks in state of Qatar (clause 4/1) and outside Qatar (clause 4/2) as per type of deposit and type of currencies. Items 4/1 and 4/2 shall be in conformity with entries of monthly statement.

- 3- Table : This table is to be filled in with accounts of banks classified according to types like overdrafts, advances and loans, account receivable. These accounts shall be classified according to names of banks inside Qatar 9 clause 12/1) and outside Qatar (12/2) and according to type of currency and guarantees. Moreover required to consider conformity of totals in 12/1 and 12/2 to entries of monthly statement.

- 4- Table : This table is to be filled in with details of dues to exchange houses according to names of exchangers inside Qatar (item 5/1) and outside Qatar (item 5/2) provided that totals of item 5/1 and 5/2 shall be identical to entries of monthly statement.

- 5- Table : This table is to be filled in with details of due amounts from exchange houses to exchangers as per exchangers

REGULATIONS TO EXCHANGE HOUSES

inside Qatar (item 13/1) and outside Qatar (item 13/2) provided

Continuation of Annex No.(29)

- 6- That totals of item 13/1 and 13/2 shall be identical to entries of monthly statement.

- 7- Table : This table is to be filled in with details of other assets and other liabilities provided that totals of each item shall be identical to entries of monthly statement.

- 8- Table : This table is to be filled in with nations issued remittances during the concerned month (subject of the data) classifying these cheques and enter in column No.(1) the currency used more in remittance from starting of the year up to date then the next currency in column (2) then in column (3) and the remaining currencies shall be entered in column 94) provided that totals shall be equal to sum of all columns 1+2+3+4

- 9- Table No. : Follow same rules mentioned for previous table in filling this table. Bear in mind that the difference is that this table is related to incoming remittances.

- 10- Table No. : Fill with sales to persons, banks and exchangers during the month of data in right side of this table as well as sales done for same categories from starting of the year to date. In left side fill with purchases as per the same directions followed in right side.

- 11- Table : This table is filled with all provisions estimated to face any expenses or future liabilities or losses expected to assets.

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex No.(29)

12- Tables No. to shall be filled with followings.

- 11/1 Stock of traveller's cheques are brought by exchange house after classifying according to issuing banks. Take care of repetition of banks' name in case of more currencies of traveler's cheques issued by it. Type of currency shall be entered in second column and equivalent Riyal in last column, table
- 11/2 Cheques under collection accepted by exchange house or withdrawn from some customers known to exchange house against remittances or sales of currencies after assuring on collection. Name of customer , withdrawn bank, type of currency and equivalent riyals shall be entered in this table. table
- 11/3 stock of Precious metals brought by the exchange house. This item shall be entered after classifying according to the bank or the establishment issuing it, type of metal and amount in Riyals. Table
- 11/4 Details of guarantees issued by the banks regarding as issuer of the guarantee and beneficiary, as well as type of currency, its value in Riyal , subject of guarantee, date of issuance and expiry of this guarantee. table .
- 11/5 Other regular accounts if any table

REGULATIONS TO EXCHANGE HOUSES

Annex (30)

Form No.
(Amount in QR 000s)

Balance sheet of the year ending at

Assets	Previous year	Current year	Difference in Qatari Riyals	Liabilities	Previous year	Current year	Difference in Qatari Riyals
Cash in hand				12- Due from banks			
Precious metal ingots				12/1 inside Qatar			
2/1- gold				12/2 outside Qatar			
2/2 other metals				13 Due from exchangers			
Investment				13/1 inside Qatar			
3/1 inside Qatar				13/2 outside Qatar			
3/1/1 Securities				1- Due to off-shore branches			
3/1/2 others				2- Unclaimed amounts			
3/2 outside Qatar				16 cheques to be paid			
3/2/1 Securities				17 allotments			
3/2/2 others				18 other liabilities			
4 Due from banks				19 capital and reserves			
4/1 inside Qatar				19/1 paid up capital			
4/2 Outside Qatar				19/2 legal reserve			
5-Due from exchangers				19/3 reserve of just value			
5/1 inside Qatar				19/4 other reserves			
5/2 outside Qatar				19/5r rotatory profits(losses)			
6-Due from external branches							
7- Cheques purchased for collection							
8-Fixe assets after depreciation							
8/1 buildings and premises							
8/2 furniture and tools							
8/3 others							
9 other assets							
10 total assets				20- total liabilities			
11- regular accounts				21 regular accounts			

REGULATIONS TO EXCHANGE HOUSES

11/1 stock of traveler's cheque				21/1 liabilities of stock of traveler's cheque			
11/2 cheques under collection				21/2 cheques under collection			
11/3 precious metals in safes				21/3 liabilities of precious metals in safes			
11/4 guarantees issued by banks				21/4 liabilities of guarantees issued by banks			
11/5 other accounts				11/5 other accounts			

Seal of auditor\signature of officer

Seal of exchange house

Signature of in charge\ director

REGULATIONS TO EXCHANGE HOUSES

Annex No. (31)

Profits\ Losses Account (of exchange house)
For the period ending on _____

Form No.

Company:.....

(in thousand of QR)

Expenses	Previous year	Current year	Revenues	Previous year	Current year
1- Paid up interests			6- Received interests		
1/1 to banks			6/1 from banks		
Inside Qatar			- Inside Qatar		
Outside Qatar			- Outside Qatar		
1/2 others			6/2- others		
2- Paid up commissions			7- Received commissions		
b- Administrative expenses			8- Investment revenues		
4- depreciation, provisions and other expenses			9- Other revenues		
a) Depreciation of fixed assets			10- Profits (losses) difference of assessment		
b) Provisions and other expenses					
5- Net profits (losses)					
Total			Total		

Seal of auditor\ signature of in charge

Seal of the Exchange House
Signature of Manager

REGULATIONS TO EXCHANGE HOUSES

DIVIDEND ACCOUNT

Annex No. (32)

Form No.

Company\ Exchange house :.....

(in thousand of QR)

Details	Previous year	Current year
Net profit of the year		
retained profits of previous year		
Distributable profits		
Less		
Legal reserve		
Other reserves		
Disbursement to partners for management		
Dividends of partners		
Retained profits		

Seal of auditor\ signature of in charge

Seal of the Exchange House
Signature of Manager

REGULATIONS TO EXCHANGE HOUSES

Annex No. (33)

Table No. (1)
Details of items (9,18)
OTHER ASSETS AND OTHER LIABILITIES

(in thousand of QR)

Expenses	Previous year	Current year	Revenues	Previous year	Current year
1-			1-		
2-			2-		
3-			3-		
4-			4-		
5-			5-		
6-			6-		
7-			7-		
8-			8-		
9-			9-		
10-			10-		
11-			11-		
12-			12-		
13-			13-		
14-			14-		
15-			15-		
Total			Total		

SEAL AND SIGNATURE OF AUDITOR

Seal of the Exchange House
Signature of General Manager

Annex No. (34)

Table No. (2)
Details of items (8)
ASSETS\ FIXED ASSETS AFTER DEPRECIATION

Components of fixed assets	Provision of deprecation for current year	Provision of accumulated deprecation	Fixed assets after deprecation
1-			
2-			
3-			
4-			
5-			
6-			
7-			
8-			
9-			
10-			
11-			
12-			
13-			
14-			
15-			
Total			

SEAL AND SIGNATURE OF AUDITOR

Seal of the Exchange House
Signature of General Manager

Table No. (3)
Details of items
OTHER ASSETS AND OTHER LIABILITIES
OTHER ADMINISTRATIVE AND GENERAL EXPENSES

(in thousand of QR)

3/b Administrative and general expenses	Amount	
	Previous year	Current year
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
Total		

SEAL AND SIGNATURE OF AUDITOR

Seal of the Exchange House
Signature of General Manager

REGULATIONS TO EXCHANGE HOUSES

Annex No. (36)

Table No. (4)
Details of items
PROVISIONS AND OTHER EXPENSE

Date : / / 201
(in thousand of QR)

4/b Provisions and other expenses	Amount	
	Previous year	Current year
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
Total		

SEAL AND SIGNATURE OF AUDITOR

Seal of the Exchange House
Signature of General Manager

Annex No. (37)

Table No. (5)
Details of items
OTHER REVENUES

Date : / / 201
(in thousand of QR)

9 - Other revenues	Amount	
	Previous year	Current year
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
Total		

SEAL AND SIGNATURE OF AUDITOR

Seal of the Exchange House
Signature of General Manager

BANK GUARANTEE

Beneficiary Ms \ Qatar Central Bank
PO Box: 1234 Doha- Qatar

Guarantee No.:

On behest of M\s

PO Box No..... Doha- Qatar.

We undertake by this guarantee to pay you against your first demand, the amount of (Qatari Riyals) provided that this guarantee shall be continual, renewable automatically, irrevocable and unconditional.

SEAL AND SIGNATURE OF THE BANK

REGULATIONS TO EXCHANGE HOUSES

Annex (39)

Qatar Central Bank

Report Form to be completed by licensed exchange dealers

Please provide the following information in respect of receipts and payment in
foreign exchange with residents

Name of Exchange Dealer
Foreign Currency Transactions in
Authorized Signature

Item	Value in thousand of QR
Opening balance	
Receipts from visitors to Qatar	
Purchases from banks	
Purchases from other exchange dealers	
Other foreign exchange receipts (specify)	
(A)	
(B)	
Total receipts	
Payments for imports	
Payments in respect of travel abroad	
Workers' remittances *	
Sales to banks	
Sales to the other exchange dealers	
Total payments	
Closing balances	

* Please fill the detailed table (overleaf page 253)

REGULATIONS TO EXCHANGE HOUSES

Circular No.7/2004 Dated 11/7/2004

REGULATIONS TO EXCHANGE HOUSES

Annex (39)

**Qatar Central Bank
Geographical Distribution of Worker's Remittances**

For the month of :

Country	Value in thousands of QR
Total of Arab Countries	
GCC countries	
Egypt	
Jordan	
Syria	
Palestine	
Yemen	
Other Arab countries	
Total of Asian Countries	
Iran	
India	
Pakistan	
Bangladesh	
South Korea	
Srilanka	
Philippines	
Thailand	
Other Asian Countries	
Total of European Countries	
UK	
France	
Germany	
Italy	
Switzerland	
Other European Countries	
Total American Countries	
USA	
Canada	
Other American Countries	
Rest of the world	
Grand Total	

REGULATIONS TO EXCHANGE HOUSES

First : Names of Licensed Exchange Houses and branches working in Syrian Arab Republic

SL	Names of companies	Addresses of main offices	No. and date of decision		Decision to give permission for start business		Branch	Branch	Branch
			No.	Date	No.	Date	1	2	3
1	Diar Electronic Services Company for money exchange	Damascus, opposite to Syria Hotel, building No.6, minutes No.2149+215, building of Bar Council , Ground Floor		25/4/2007		10/7/2007	Damascus, ministry of education, building No.1/3416, Abojarsh-ground floor	Suwaida, municipal places , beside criminal security branch , building No.47/1, ground floor	Ladikiya, Sheik Khadiar real estate area, street No.8 ,
							Branch	Branch	
							4	5	
							Aleppo, Baroon Street, beside Ogarba cinema taxis, building No.905/11, ground floor	Homs, New watch squire, Ataulla Complex, building No.3163-3170-3140-24-23-26, 1 st building area, ground floor	
2	Fuad Exchange	Damascus- Province Building, Building No.: 2/1, ground floor		25/4/2007		13/8/2007	Dara, station area, Hanano street, Building No.2085, ground floor	Dara, Nasseb area between travellers' hall for customs and post office building before inspection arcane of Syria	-

Annex (40)

REGULATIONS TO EXCHANGE HOUSES

3	International Group Exchange Co.	Damascus- Gassan Road, al Samadi Building, minutes No.1399\ building No.27, second floor		25/4/2007		10/10/2007	Damascus, 29/ May, beside Mashfi Sharq, building No.2129/4, ground floor.		-
4	International Money Exchange Compnay	Damascus- Shagor Fire area, Gavani- Abdul Qadir al Hussaini Street, Building No.1398/2 ground floor		25/4/2007		22/10/2007			Aleppo, Alazeezia, Chute Street, opposite Bemu Saudi- French bank, Sakal block, building No.1103/3, ground floor and (1108/14) vault
5	Haneefa Money Exchange Company	Damusucs – Saroojia, Street No.29,May- beside Commercial , branch /7/ minutes No.1219/1 ground floor		25/4/2007		22/10/2007	Homs- Dablan area, Hafiz Ibrahim street, al Amin complex, building No.6/1182	Aleppo, Al Aziziya, Fastaki stree, Homs, building No.885/7-6-5-4-3-2)	Lattakia, March8 road, building No.392/8, ground floor
6	Amana Money Exchange Co.	Aleppo- Faisal Street- minutes No.:397/3, Second real estate area- ground floor		16/5/2007		10/11/2007	Aleppo, Talal, building No.31/ section 2, ground floor	Damascus- Milestone Raod, Engineers Home building opposite Syrian Hotel, minutes NO.2153/ Salihya Jada,	Homs, Naoura road, Abdul Hameed al Zahrawee premise, No.2747/32/47, First real estate area, ground floor

Continuation of Annex No.(40)

REGULATIONS TO EXCHANGE HOUSES

								building C6 ground floor	
7	Pyramid Exchange Company	Aleppo- Baghdad Station in front of Auda Bank, - minutes No.61, section 14, Ground Floor technical		16/5/2007		15/11/2007	Damascus-Barza residences, down road beside Princess pharmacy, Zandul Hadeed, minutes 6041, ground floor	Damascus, province courtyard, May 26 street opposite ministry of economy and commerce, ground floor	-
8	Sultan Exchange share holding company (closed)	Aleppo, Madena Area, beside grand mosque building nNo.4011/7-8-9-10) ground floor technical		21/2/2008		22/7/2008	Hama , sahat daurul Hukuma, Alamain Street, building No.2418/7, ground floor	Homs, Basil road, beside Daroobi grand mosque, building No.1010/1 ground floor	Damascus, Yousef Adama area, Province office building, beside real estate bank , ground floor
9	Monita Exchange and remittance company.	Damascus , Shalihiya, paradise road, Zada premise, Building No.2230/179, ground floor		27/3/2008		14/9/2008	Homs- Abdul Hameed Daroobi Street, Haj Bulidng ground floor, division /2/ building No.936/ real first estate area, ground floor	Aleppo, Bagdad station, Aziziya fountains, opposite Wanise restaurant, divisions /9-7/ building NO.3533 second real estate area, ground floor	

Continuation of Annex No. (40)

REGULATIONS TO EXCHANGE HOUSES

10	Adaham Exchange Company	Damascus, Street No.29, May, Sarooja beside commercial bank, 7/ building No.1221/8/1, ground floor		11/8/2008		22/2/2009	Homs, Hashim Atas Stree, Salam building, opposite Adli old palace, beside Bemo Saudi – French bank, building 976/10, ground floor	Huma , Colony road, province area, opposite to province office, Abdul Baki premise, building No.3919/7 ground floor	Tartoor – revolution road toward Misbaka, building No.2300, ground floor.
11	Sham Exchange share holding company	Damascus, Street No.29 May, beside Sufara Cinema, building No. 13/1251 ground floor First Floor		23/12/2009		29/6/2010			

REGULATIONS TO EXCHANGE HOUSES

THIRD : NAMES OF LICENSED EXCHANGE HOUSES NOT PRACTICING ACTIVITY

No.	Company Name	Address of main office	Decision of licensing	
			No	Date
1	National money exchange company	Damascus- Meadow area,- Vijeja building-first floor		23/12/2009
2	United exchange holding company	Damascus- Sarooja province squire- beside Libyan Aviation Co. Building No.617		10/1/2010
3	BEKO money exchange company	Aleppo- Al Azeezia- opposite amusement park- near Bime Saudi bank- building No.1735/ Muksameen/4-2/ Second real estate area- ground floor		22/3/2010
4	Diyab money exchange holding company	Damascus- Victoria bridge area- opposite postal parcels – building No.11		14/6/2010

Continuation of Annex No.(40)

REGULATIONS TO EXCHANGE HOUSES

Annex No. (41)

**Syrian Arab Republic
Syrian Central Bank
Governor**



2160
1/100

**H.E\ Sheik Abdullah Bin Saud al Thani
Governor
Qatar Central Bank**

After greetings,

Pursuant to provisions of Law /23/year 2002 especially article 106/b and law No.24 of 2006 regarding licensing of exchange houses and regulations thereof.

This is purposed to curtail activities of natural or legal persons practicing exchange activity irregularly and to confine practicing of these activities by licensed companies in line with foreign exchange rules and regulations to realize public good.

A circular was issued to all exchange houses working in Syrian Arab Republic on not implementing any external remittances coming from external money exchanging companies except in following cases.

- 1- Paying prices of outgoing remittances through licensed banks according to any one of payment methods specified in regulations of hard currency office managing committee No.462 dated 26/11/2006.
- 2- If the remittance comes in favor of any Syrian money exchange companies having licensed formerly.
- 3- If value of incoming remittance in favor of one person not exceeds than \$10,000 per month.

This is to inform and notify exchange houses and companies in your country on necessity of abiding by these procedures.

We look forward your cooperation and coordination always to realize common interests of both countries and we wish you health and prosperity and wish for progress and success to your bank with.

Thank you
Damascus

Adeeb Myala

Circular No.10/2007 Dated 4/12/2008

REGULATIONS TO EXCHANGE HOUSES

Annex No. (42)

**MEMBERS OF INSPECTION AND VERIFICATION
OF TECHNICAL AND SECURITY SYSTEMS**

SL	Name	
1	Abdul Hadi Ahin Ali Ahin	Chairman
2	Ali Asad Huji Huji	Vice chairman
3	Sheik Salman Al Thani	Member
4	Abdullah Al Nasar	Member
5	Ali Abdul Rahman Rafee al Imadi	Member
6	Jeeri Abraham	Member
7	Sharaf Abdullah al Said	Member
8	Ahmed Nerooz al Najar	Member
9	Azba Aidaroos Afeefi	Member

* Circular No.21/2010 Dated 1/12/2010

REGULATIONS TO EXCHANGE HOUSES

Annex No. (43)

**Qatar Central Bank
Deputy Governor Office
Doha- Qatar**



Date : 17/5/1999

Ref. No.:

CIRCULAR NO.2/99

**To
ALL EXCHANGE HOUSES WORKING IN STATE OF QATAR
DOHA**

After greetings,

SUBJECT : MONEY COUNTERFEITING DETECTOR

With reference to circular No.16/95 regarding scrutiny on Qatari and foreign currencies, and circular No.16/92 regarding money counterfeiting detector, as QCB officials conducted periodical inspection, QCB recommends to all banks and exchange houses working in the state to adhere with followings.

- 1- Work to develop and qualify employees deal directly with money by conducting courses related to counterfeiting to enhance their competence.
- 2- Must obtain counting machines with following specifications: SSD, UV, MG
- 3- Notify QCB if found any counterfeited currency.

We request all to abide strictly with contents of this circular to curtail phenomenon of trickling counterfeited currencies to the country and to protect Qatari Currency from counterfeiting.

With regards

**Abdullah Bin Saud al Thani
Signed**

REGULATIONS TO EXCHANGE HOUSES

Deputy Governor

REGULATIONS TO EXCHANGE HOUSES

Annex No.(44)

**Qatar Central Bank
Governor Office
Doha- Qatar**



Date : 30/3/2000

Ref. No.:

**To
ALL EXCHANGE HOUSES WORKING IN STATE OF QATAR**

After Greetings,**CIRCULAR NO.3/2000**

From the last inspection conducted by QCB representative, it was found that some counting machines in exchange houses are not sufficient and some not usable at all.

Therefore considering requirements of public good, it's decided to make following procedures.

- 1- Set enough number of counters to cashiers in accordance with required specifications according to QCB circular No.2/99 dated 1999.
- 2- Currency counting machines shall be switch on always during office duty time.
- 3- Notify the employees handling cash exchange to take necessary caution and attention to assure soundness of currencies in circulation.

With regards

**Abdullah Khalid al Athiya
Signed**

REGULATIONS TO EXCHANGE HOUSES

Annex No.(45)

**Governor
Qatar Central Bank
Governor Office
Doha- Qatar**



Date : 9/4/2009

Ref. No.:

CIRCULAR NO.5/2009

**To
ALL EXCHANGE HOUSES WORKING IN STATE OF QATAR**

After Greetings,

SUBJECT : AUTHORIZING COMPLIANCE OFFICER

All exchange houses shall appoint compliance officer to become link between the FI and banking service customers' protection authority under QCB as follows.

- ✓ Name
- ✓ Designation
- ✓ Phone\ mobile\ fax

to take on respond all queries of customers transferred from banking service customers' protection authority under QCB to banks and FIs.

With regards

**Abdullah Bin Saud al Thani
Signed**

REGULATIONS TO EXCHANGE HOUSES

Governor

REGULATIONS TO EXCHANGE HOUSES

Annex No. 46

Ministry of Social Affairs

Minister`s Office

Addresses of Societies and Private Establishments and Branches

N	Name of Societies / Establishment	N	Numbers of Branches	Address of Stabilizer	Tel No	Fax No	P.O.Box	E-Mail
1	Qatar Red Crescent Society	1	Main office	Main : Cornish opposite to Movidic Hotel	4435111/4435062	4439950	5449 Doha Qatar	info@grcs.org.qa
		2	Medical affairs Dept.	Al Hilal Area	4550852			dauod@grcs.org.qa
		3	Red Crescent – Al Khour Branch	Al Khour	4720230			msalah@grcs.org.qa
2	Qatar foundation	1	Head office	C ring road, old airport back to Mall complex	(+974) 4594754			qcharity@qcharity.org
		2	Al Wakra	After pearl roundabout on right side	4464875			
		3	Al Nasr	Central Turkish restaurant	4314027			
		4	Al Azizia	First commercial road second intersection Salwar road beside Swiss Sweets.	4583990			
		5	Al Rayyan	Al Shafi Street near Mashaheer restaurant	4807128			
		6	Al Khour	Opposite municipality beside Doha Bank	4722427			
		7	Al Kharitiyat	Beside Qatar Lebanese vegetables and fruites	4795102			
		8	Al Markhia	Beside vitol after television roundabout toward Markiy round about	4886264			
		9	Al Qarafah	Grafar markets near Hot chicken restaurant.	4887375			
		1	Head office		4355555	4878081		
		2	Al Shekh Eid cultural center		4874446	4784449		
		3	Sheik Qatar gust centre for propagation among aliens		4862390	4862358		
		4	Sheik Eid mass		4355555	4860952		

REGULATIONS TO EXCHANGE HOUSES

3	Sheik Eid Bin Mohamed al Thani Est.		communication centre	Lakta area between diagonal roundabout and passport roundabout.			22278 Doha Qatar	followup@eidcharity.net
		5	Ibadurahman Quran service centre		4472525	4472626		
		6	Sheik Eid social centre		4864868	4883598		
		7	Relief programs and projects committee		4355555	4864268		
		8			4355555	4887156		
		9	Al Khour Branch		4725783	4796302		
		10	Al Wakra Branch		4770444	4770222		
		11	Ladies Branch		4980171	4980116		
		12	Al Khour Ladies Branch		4726618	4796682		
4	Qatar foundation for special need rehabilitations	1	Head office	Al Hilal Area, Najd Street, Villa No: 41	4663845/4663232	4663873	23666 Doha Qatar	info@qsrn.com
		2		Madina Khalifa (South), Nafi bin haris Street, Villa No: 18	4868202	4868369		
		3		Old Airport (Rawda) Al Haib Street, Villa No: 10	4664286	4665487		
		4						
		5		Madina Khalifa (South), Amr bin alaas Street, Villa No: 94	4860204	4860204		
5	Qatar National Cancer Stakeholder Committee	1	Head office	Farej bin mahmoud, Villa No: 7	4478128	4478102	22944 Doha Qatar	qncs@qatar.net.qa
		2	Office in Al-Amal Hospital					
6	Al balag Internet Islamic services	1	Head office	Salaad section near First finance	4487744	4567733	22212 Doha Qatar	balaghcs@hotmail.com
7	Al Sheik Jassim bin Jabr Al Thani Corporation	1	Head office	Al Mirqab Area	4410700/ 4352829/ 4411011		24988 Doha Qatar	Jassim charitable@qatar.net.qa
8	Sheik Thani bbin Abdulla	1	Head office	Opposite to Doha Airport , ceremony	4626297/4622121	4699952	27000	Reg.thani@gmail.com

REGULATIONS TO EXCHANGE HOUSES

	Al Thani humanitarian services Est.	2	Ladies Branch	roundabout.	4833087/4833187		Doha Qatar	Pprat98@gmail.com
9	Islamic Dawa Area	1	Head office	Madina Khalifa (South), omer bin khatab mosque (East)	4874604/4866340	4870019	7869 Doha Qatar	monzdawaqatar@yahoo.com
10	Faisal humanitarian services without limits	1			44869966	4876743 4863947		Faisal.althani@alfaisalholding.com
11	Qatar committee for photography	1	Head office	Al Hilal Area - near Arabian Club	4677793			gps@qpsimages.com
		2	Branch	Cultural village building no.18	4081812			
12	Qatar fine arts	1	Head office	Fareek Kulaib- Madina Khaleefa Secondary School	4877756			qatarfineartssociety@hotmail.com
13	Gulf study centre	1	No up to now		5513380			halansari@hotmail.com
14	Qatar Japanese friends committee	1		Non				Non
15	Qatar children culture centre	1	Head office	Opposite – Qtel- alwaab	4427444	4472227	24546	info@windowslife.com
		2			4081812	4420888	Doha Qatar	Kool.c-c-center@hotmail.com
16	Qatar petroleum engineers committee	1	Head office	Cultural village building 20 West bay	4122742	4291053		almohammadi@qp.com.qa
17	Qatar bar council	1	Head office	Recent head office , temporary in office of Mr. Rashid Educational office before exhibition hall at Dafna	4675121	4657123		Alnuaimi_lawyer_q@yahoo.com
18	Qatar engineers societies	1	Head office	Cultural village building no.22		5550918	4955942	info@qatarse.org
19	Qatar Arab youth leadership committee	1	Head office	Ninth floor at building of Qatar Olympic committee at Dafna	4944039	4944846		gayal@hotmail.com

REGULATIONS TO EXCHANGE HOUSES

20	Gulf heart community	1	Head office	Back side Maternity hospital	4883673/4883262			mjaljassim@hotmail.com
		2	Branch	Hamad medical city building No. 20 second floor	7694553/5512281			ghacardio@hmc.org.qa
21	Qatar doctors association	1	Head office	Villas backside maternity hospital villa No. 10	4392344	4391842		msj@hmc.org.qa qatarmed@gmail.com rolatala@hotmail.com
22	Qatar chartered accountants association.	1	Head office	Tower of ministry of business and commerce, floor No. 1	5567/4945561/3250	4945588	8941	gacpa@hotmail.com



**Ministry of Social Affairs
Societies and Private establishments Administration
Application form to transfer money to the branch of the society or establishment**

First: Internal Transfer

Important note

The society or establishment are not allowed to apply for internal transfer because each branch has its own budget however we attach the data required in the event that the society would apply for internal transfer.

Required Data

Name of applicant of transfer: (Society or Establishment)	:	
Type of activity of the branch to where the transfer is made	:	
Purpose of transfer	:	
Total amount to be transferred	:	
Number and dates of installment to be transferred	:	
State the name of the corporate to whom the amount is to be transferred(Transfer should be done for a corporate and not for persons)	:	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex (46)

Account number of the corporate:	:	
----------------------------------	---	--

Documents to be attached with the application:

- 1- Transfer application, purpose of transfer, the total amount and the name of the party to where the amount will be transferred must be indicated.
- 2- Bank account of the party to where the amount will be transferred.
- 3- Detailed report of the financial budget of the branch.
- 4- Detailed report of each quarter yearly movement of the bank account.

Second: External Transfer:-

Required Data:

Name of the party to whom the amount is transferred	:	
Purpose of external transfer	:	
Number and dates of installment to be transferred	:	
Bank account number for the party to where the amount is being transferred	:	
Determine the type of currency to be transferred with equivalent in Qatar riyals (according to the rate of exchange in the country to where the transfer is being made.	:	

Important Note:-

- Transfer should be done for a corporate and not for persons)

-

Documents to be attached with the application:-

- 1- Transfer application stating the name of the corporate to whom the amount is to be transferred, purpose of transfer and the total amount that will be transferred must be indicated.
- 2- Briefing on the project to which the amount will be transferred which must be certified by the Qatar Embassy.
- 3- Bank account of the party to where the amount will be transferred which must be stamped with the local bank seal.
- 4- License certificate of the party to whom the amount will be transferred stating the date of the validity and certified by the Qatar Embassy.
- 5- Company's Articles of Association or Memorandum of Association to whom the amount will be transferred and must be certified by the Qatar Embassy.

Continuation of Annex (46)



**Ministry of Social Affairs
Societies and Private establishments Administration
Application form to transfer money to the branch of the society or establishment
(Branch/ outside party)**

Transferring Party:-

Society		
Name	:	
Month number:	:	
Private Establishment:-		
Name:	:	
Month number:	:	

Type of transfer

Name of branch to where the amount will be transferred to:	:	
Branch activity type:	:	
Account type:	:	
Purpose of Transfer	:	
Banking Data		
Name of accredited ban	:	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex (46)

Bank account	:	
Details of the Amount to be Transferred		
In digits	:	
In words	:	

Transferred Installments

Serial	Installment	Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Required Enclosures

- 1- Bank account of the party to whom the amount will be transferred
- 2- Detailed report on the financial budget of the branch
- 3- Detailed report of each quarter yearly movement of the bank account

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex (46)

External Transfer

Name of branch to where the amount will be transferred:	:	
Headquarters of the branch abroad:	:	
Activity of the branch abroad	:	
Purpose of the transfer abroad	:	

Banking Data		
Name of accredited bank	:	
Name of the account holder	:	
Account number	:	
Type of account	:	
Used currency	:	
Details of the Amount to be Transferred		
In digits	:	
In words	:	
Transferred amount	:	
Equivalent Qatari Riyal	:	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex (46)

Transferred Installments Abroad:-

Serial	Installment	Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Details of sources to be transferred		
(Total amount to be transferred abroad)		
In Figures	:	
In Words	:	
Currency of Transfer	:	
Equivalent in Qatari Riyal	:	

REGULATIONS TO EXCHANGE HOUSES

Continuation of Annex (46)

Transferred Installments

Serial	Details	Number	Value	Date	Remarks
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Required Enclosures

- 1- Briefing on the project to which the amount will be transferred which must be certified by the Qatar Embassy.
- 2- Bank account of the party to where the amount will be transferred which must be stamped with the local bank seal.
- 3- License certificate of the party to whom the amount will be transferred stating the date of the validity and certified by the Qatar Embassy.

REGULATIONS TO EXCHANGE HOUSES

- 4- Company's Articles of Association or Memorandum of Association to whom the amount will be transferred and must be certified by the Qatar Embassy.

Continuation of Annex (46)

Signature of the Applicant:-		Capacity:-
-------------------------------------	--	-------------------

For Official Use :-

Application is complete

- Application not complete –

Following must be provided

Final Decision:-

REGULATIONS TO EXCHANGE HOUSES

Abbreviations:

FI : Financial Institutions

MLRO : Money Laundering Reporting Officer

QCB = Qatar Central Bank

AML\ CTF= Anti Money Laundering \ Combating Terrorism Financing

FIU = Financial Information Unit