



qatar

FINANCIAL CENTRE  

---

REGULATORY AUTHORITY

# **Interpretation and Application Rulebook (INAP)**

**Version No. 1**

**Effective: 13 October 2005—30 September 2006**

**Rules not amended**

**TABLE OF CONTENTS**

1	Interpretation of the Qatar Financial Centre Regulatory Authority Rulebooks .....	3
1.1	Application .....	3
1.2	Purposive Interpretation.....	3
1.3	General Interpretation.....	3
1.4	Use of Defined Terms.....	3
1.5	Cross References .....	4
2	Emergency .....	5
2.1	Event of an Emergency .....	5
3	Glossary of Defined Terms.....	6
	A.....	6
	B .....	9
	C.....	11
	D.....	16
	E .....	18
	F.....	20
	G.....	23
	H .....	24
	I.....	25
	J.....	29
	K.....	30
	L .....	31
	M.....	33
	N .....	37
	O.....	38
	P .....	40
	Q.....	44
	R.....	45
	S.....	49
	T.....	52
	U.....	53
	V.....	54
	W.....	55
	X.....	56
	Y.....	57
	Z.....	58
	Endnotes .....	59

# **1 Interpretation of the Qatar Financial Centre Regulatory Authority Rulebooks**

## **1.1 Application**

**1.1.1** The Interpretation and Application *Rulebook* (*INAP*) is of application to the whole of the *Rulebooks* and makes provision for the interpretation of the *Rules* comprised in the *Rulebooks*.

## **1.2 Purposive Interpretation**

**1.2.1** The *Rulebooks* are to be interpreted in keeping with the spirit of its *Rules* and with regard to the object and purpose as well as the letter of the *Rules*.

**1.2.2** The object and purpose of any provision in the *Rulebooks* will be derived primarily from the wording of the provision itself and from the context both within the chapter of the *Rulebook* within which it appears and other related provisions elsewhere in the *Rulebooks*.

## **1.3 General Interpretation**

**1.3.1** In the *Rulebooks* unless the contrary intention appears:

- (A) writing words importing the masculine gender include the feminine;
- (B) words importing the feminine gender include the masculine;
- (C) words in the singular include the plural and words in the plural include the singular; and
- (D) includes any form of representing or reproducing words in legible form.

## **1.4 Use of Defined Terms**

**1.4.1** In the *Rulebooks* words and expressions of which the initial letters are capitalised and which appear in italics have the meanings given to them in the *Glossary* in chapter 3. According to the context in which such words and expressions are used in the *Rulebook*, the parts of speech used may differ from those which appear in the *Glossary*. In those cases, the definitions in the *Glossary* will apply *mutatis mutandis*.

**1.4.2** Unless the context otherwise requires where italics have not been used, an expression bears its natural meaning.

## 1.5 Cross References

- 1.5.1** A reference in the *Rulebook* to another provision in the *Rulebook* is a reference to that provision as amended from time to time, and a reference in the *Rulebook* to any legislation whether such legislation applies inside the *QFC* only or in the *State* generally, is a reference to such legislation as updated or amended from time to time.

## 2 Emergency

### 2.1 Event of an Emergency

**2.1.1** In the event of an *Emergency*, an *Authorised Firm* or an *Approved Individual* will not be in contravention of a *Rule* of the *Regulatory Authority* to the extent that compliance with that *Rule* is impracticable.

**2.1.2** Rule 2.1.1 shall apply only for so long as:

- (A) the consequences of the *Emergency* continue; and
- (B) the *Authorised Firm* or an *Approved Individual* can demonstrate that it is taking all practical steps to:
  - (i) address the consequences,
  - (ii) comply with the *Rule*; and
  - (iii) mitigate losses and potential losses to customers.

**2.1.3** The *Authorised Firm* or an *Approved Individual* must notify the *Regulatory Authority* of the details of the *Emergency* and of the steps it is taking and proposes to take to address the consequences of the *Emergency*.

### 3 Glossary of Defined Terms

#### A

AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions.
Acceptable Collateral	Those types of collateral set out in PIIB Rule A4.8.32.
Advising on Investments	The <i>Regulated Activity</i> described in Paragraph 11 of Part 2 of Schedule 3 to the <i>FSR</i> .
Advising on Relevant Investments	The <i>Regulated Activity</i> of <i>Advising on Investments</i> where the <i>Specified Product</i> to which the activity relates is a <i>Relevant Investment</i> .
AML Regulations	The <i>QFC Anti Money Laundering Regulations 2005</i> .
AMLR	The <i>Anti Money Laundering Rulebook</i> .
Annual Audited Expenditure	The expenditure calculated in accordance with PIIB Rule 2.5.2.
Appeals Body	The appeals body of the <i>QFC</i> established pursuant to Article 8 of the <i>QFC Law</i> .
Applicant	A body corporate, partnership or unincorporated association which is the subject of an application for an <i>Authorisation</i> made under Article 26 of the <i>FSR</i> .
Approved Assets	<ol style="list-style-type: none"> <li>(1) A certificate of deposit with a maximum term to maturity of six months issued by and held with a <i>Designated Bank</i>;</li> <li>(2) a term deposit with a <i>Designated Bank</i> with a remaining term to maturity of one year or less;</li> <li>(3) a negotiable debt instrument, with a remaining term to maturity of five years or less, where the instrument, or issuer thereof, is <i>Rated</i> at least AA- by Standard &amp; Poor's, or the equivalent by another <i>Rating Agency</i>;</li> <li>(4) a repurchase agreement which is fully collateralised with negotiable debt instruments meeting the rating criterion in (3), and where the credit rating of the counterparty also meets the criteria; or</li> <li>(5) a bond fund meeting the rating criterion in (3) and where the designated bank account for redeemed investment is the <i>Insurance Bank Account</i> held by the <i>Authorised Firm</i> in accordance with the requirement of ASET section 7.3.</li> </ol>

Approved Individual	An individual approved to carry on one or more <i>Controlled Functions</i> in accordance with Article 42 of the <i>FSR</i> .
Arranging Credit Facilities	The activity described in paragraph 7 of Part 2 of Schedule 3 to the <i>FSR</i> .
Arranging Deals in Investments	The <i>Regulated Activity</i> described in Paragraph 5 of Part 2 of Schedule 3 of the <i>FSR</i> .
Arranging Deals in Relevant Investments	The <i>Regulated Activity</i> of <i>Arranging Deals in Investments</i> where the <i>Specified Product</i> to which the activity relates is a <i>Relevant Investment</i> .
Arranging the Provision of Custody Services	The activity described in Paragraph 9 of Part 2 of Schedule 3 to the <i>FSR</i> .
ASET	The <i>Assets Rulebook</i> .
Associate	<p>In relation to a <i>Person</i> holding shares in an <i>Authorised Firm</i> or a <i>Parent Entity</i> of an <i>Authorised Firm</i>, or entitled to exercise or control the exercise of voting power in an <i>Authorised Firm</i> or a <i>Parent Entity</i> of an <i>Authorised Firm</i>:</p> <ul style="list-style-type: none"> <li>(A) the spouse of that <i>Person</i>;</li> <li>(B) a child or stepchild of that <i>Person</i>;</li> <li>(C) the trustee of any settlement (including any disposition or arrangement under which property is held on trust (or subject to a comparable obligation) under which that <i>Person</i> has a life interest in possession);</li> <li>(D) an <i>Entity</i> of which that <i>Person</i> is a director;</li> <li>(E) an <i>Entity</i> in the same <i>Group</i> as that <i>Person</i>;</li> <li>(F) a <i>Person</i> who is an employee or partner of that <i>Person</i>;</li> <li>(G) if that <i>Person</i> is an <i>Entity</i>: <ul style="list-style-type: none"> <li>(i) a director of that <i>Person</i>;</li> <li>(ii) a <i>Subsidiary</i> of that <i>Person</i>;</li> <li>(iii) a director or employee of such <i>Subsidiary</i>; or</li> </ul> </li> <li>(H) if that <i>Person</i> has with any other <i>Person</i> an agreement or arrangement with respect to the acquisition, holding or disposal of shares or other interests in the <i>Authorised Firm</i> or a <i>Parent Entity</i> of the <i>Authorised Firm</i> or under which they undertake to act together in exercising their voting power in</li> </ul>

	<p>relation to the <i>Authorised Firm</i> or a <i>Parent Entity</i> of an <i>Authorised Firm</i> (other than where the only such agreement or arrangement to which they are party forms part of the constitutional documents of the <i>Authorised Firm</i> or, as the case may be, the <i>Parent Entity</i>).</p>
Authorisation	<p>Authorisation granted by the <i>Regulatory Authority</i> to carry on <i>Regulated Activities</i> in accordance with Part 5 of the <i>FSR</i>.</p>
Authorised Firm	<p>A <i>Person</i> that has been granted an <i>Authorisation</i> in accordance with Part 5 of the <i>FSR</i>.</p>



**B**

Base Capital Requirement	Has the meaning given in PIIB section 2.4.
Beneficial Owner	<p>(1) An individual who ultimately owns <i>Customers'</i> assets or controls a customer account;</p> <p>(2) a <i>Person</i> on whose behalf a <i>Transaction</i> is being conducted;</p> <p>(3) a <i>Person</i> who exercises ultimate effective control over a legal <i>Person</i> or arrangement; or</p> <p>(4) a <i>Person</i> on whose instruction the signatories of an account, or any intermediaries instructing such signatories, are for the time being accustomed to act.</p>
Body Corporate	Any body corporate, including a <i>Limited Liability Partnership</i> , constituted under the <i>Companies Regulations</i> or the <i>Limited Liability Partnership Regulations</i> and a body corporate constituted under the law of a country or territory outside of the <i>QFC</i> .
Bundled Brokerage Arrangement	An arrangement whereby an <i>Authorised Firm</i> or an <i>Associate</i> of the <i>Authorised Firm</i> receives goods or services from a broker for which the <i>Authorised Firm</i> does not pay a specific <i>Charge</i> on the understanding that <i>Commissions</i> for transactions <i>Executed</i> by the <i>Authorised Firm</i> via that broker will compensate the broker for the provision of those goods and services.
Business Customer	<p>A <i>Person</i> (other than a <i>Market Counterparty</i>) who is:</p> <p>(A) a <i>Collective Investment Fund</i>;</p> <p>(B) a <i>Body Corporate</i> that has (or any of whose holding companies or subsidiaries has) (or has had at any time during the previous two years) called up share capital or net assets of at least US\$5 million (or its equivalent in any other currency at the relevant time);</p> <p>(C) a partnership or unincorporated association which has (or has had at any time during the previous two years) net assets of at least US\$5 million (or its equivalent in any other currency at the relevant time) and calculated in the case of a limited partnership without deducting loans owing to any of the partners;</p> <p>(D) a trustee of a trust which has (or has had at any</p>

	<p>time during the previous two years) assets of at least US\$5 million (or its equivalent in any other currency at the relevant time) calculated by aggregating the value of the cash and investments forming part of the trust's assets, but before deducting its liabilities; or</p> <p>(E) a <i>Person</i>, who has opted up to <i>Business Customer</i> status in accordance with COND section 6.2.</p>
Business Day	Any day which is not a Friday, a Saturday or a public holiday in the <i>State</i> .

C

Capital Requirements	The amount of capital an <i>Authorised Firm</i> must hold, calculated in accordance with PIIB Rule 2.3.1.
Capital Resources	The total <i>Capital Resources</i> of an <i>Authorised Firm</i> calculated in accordance with PIIB section 2.6.
Carrying out a Contract of Insurance	The activity described in Paragraph 3 of Part 2 of Schedule 3 to the <i>FSR</i> .
Categories	Categories of <i>Contracts of Insurance</i> as described in Part 3 of Schedule 3 to the <i>FSR</i> .
CCF	Has the meaning given in PIIB Rule 4.1.2.
CEA	Has the meaning given in PIIB Rule 4.1.2.
Cell	A cell created by a <i>Protected Cell Company</i> for the purpose of segregating and protecting cellular assets in the manner provided by the <i>Companies Regulations</i> .
Cell Shares	Shares created and issued by a <i>Protected Cell Company</i> in respect of one of its cells.
Charge	Any payment required from or charge made to a <i>Client</i> in connection with <i>Investment Business</i> , whether levied by the <i>Authorised Firm</i> or any other <i>Person</i> , including a <i>Mark-up</i> or <i>Mark-down</i> .
Chinese Wall	An arrangement that requires information held by a <i>Person</i> in the course of carrying on one part of its business to be withheld from, or not to be used for, <i>Persons</i> with or for whom it acts in the course of carrying on another part of its business.
Client	A <i>Retail Customer</i> , a <i>Business Customer</i> , a <i>Commercial Customer</i> or a <i>Market Counterparty</i> .
Client Bank Account	A bank account of the type described in ASET Rule 2.5.1.
Client Money	Subject to the <i>Client Money Rules</i> , all money held or received by an <i>Authorised Firm</i> :  (A) from or on behalf of a <i>Client</i> in the course of, or in connection with, the carrying on of <i>Investment Business</i> in or from the <i>QFC</i> ; or  (B) which an <i>Authorised Firm</i> treats as <i>Client Money</i> in accordance with the <i>Client Money Protection Rules</i> .
Client Money Distribution Rules	The provisions set out in ASET chapter 3.
Client Money Protection Rules	The provisions set out in ASET sections 2.4 to 2.13.
Close Links	A <i>Person</i> (person A) has close links with a <i>Person</i> (person B) if:

	<p>(A) person B:</p> <ul style="list-style-type: none"> <li>(i) is a <i> Holding Company </i> of person A;</li> <li>(ii) is a <i> Subsidiary </i> of person A;</li> <li>(iii) is a <i> Holding Company </i> of the <i> Subsidiary </i> of person A;</li> <li>(iv) is a <i> Subsidiary </i> of a <i> Holding Company </i> of person A; or</li> <li>(v) owns and controls 20% or more of the voting rights or shares of person A; or</li> </ul> <p>(B) person A owns and controls 20% or more of the voting rights or shares of person B.</p>
Closely Related Counterparties	Has the meaning given in PIIB Rule A4.8.8.
Close Out Netting	A process whereby the claims and obligations of two <i> Counterparties </i> are accelerated, netted to form a single net sum and become immediately due upon the default, bankruptcy, liquidation or other similar circumstance of either of the <i> Counterparties </i> .
Collateral	Any form of asset, guarantee, or indemnity which is held or controlled by an <i> Authorised Firm </i> and is subject to a security interest or arrangement in favour of that <i> Authorised Firm </i> .
Collective Investment Fund	A fund of the type described in Paragraph 6.2 of Part 3 of Schedule 3 to the <i> FSR </i> .
Commercial Customer	In respect of <i> Insurance Business </i> and <i> Insurance Mediation Business </i> , any <i> Person </i> other than an individual who is acting for purposes which are outside his trade, business or profession.
Commission	Any form of commission, including a benefit of any kind, offered or given in connection with <i> Investment Business </i> .
Commodities Risk Capital Requirement	A component of the <i> Market Risk Capital Requirement </i> to cover the risk of holding or taking positions in commodities, including precious metals, but excluding gold, calculated in accordance with PIIB section 5.7.
Companies Regulations	The <i> QFC Companies Regulations 2005 </i> .
Company	A company incorporated under the <i> Companies Regulations </i> or under the law of a country or territory outside the <i> QFC </i> where the liability of each of its members (in its capacity as a member) is limited, under the laws of that jurisdiction, to the amount of its capital contribution to the company.

Interpretation and Application Rulebook

Compliance Oversight Function	Has the meaning given to it in INDI section 2.1.
Concentration Risk	The risk faced by an <i>Authorised Firm</i> arising out of its <i>Large Exposures</i> .
COND	The Conduct of Business <i>Rulebook</i> .
Connected Counterparties	Has the meaning given in PIIB Rule A4.8.11.
Contingent Liability Transaction	A <i>Transaction</i> in a <i>Relevant Investment</i> under the terms of which the <i>Client</i> will or may be liable to make further payments (other than <i>Charges</i> , and whether or not secured by margin) when the <i>Transaction</i> falls to be completed or upon the earlier closing out of his position.
Contract for Differences	The <i>Specified Product</i> described in Paragraph 9 of Part 3 of Schedule 3 to the <i>FSR</i> .
Contract of Insurance	The <i>Specified Product</i> described in Paragraph 10 of Part 3 of Schedule 3 to the <i>FSR</i> .
Control	Control over an <i>Authorised Firm</i> as described in Article 37 of the <i>FSR</i> .
Control Notice	A notice relating to a change in control of an <i>Authorised Firm</i> or <i>Parent Entity</i> of an <i>Authorised Firm</i> as required by Article 36 of the <i>FSR</i> .
Controlled Function	A function in respect of which an individual is required to be an <i>Approved Individual</i> under Article 41 of <i>FSR</i> .
Controller	A <i>Person</i> having or acquiring, either along or together with one or more <i>Associate(s)</i> , <i>Control</i> over an <i>Authorised Firm</i> .
Convertible	An investment that gives the investor the right to convert the <i>Security</i> into equity at an agreed price or on an agreed basis.
Correspondent Account	An account opened on behalf of a <i>Correspondent Banking Client</i> to receive deposits from, to make payments on behalf of or to otherwise handle financial <i>Transactions</i> for or on behalf of the <i>Correspondent Banking Client</i> .
Correspondent Bank	A bank in a place or jurisdiction other than the <i>QFC</i> where an <i>Authorised Firm</i> opens a <i>Correspondent Account</i> .
Correspondent Banking Client	A <i>Client</i> of an <i>Authorised Firm</i> which uses the <i>Authorised Firm's</i> correspondent banking services account to clear <i>Transactions</i> for its own <i>Customer</i> base.
Counterparty	Any <i>Person</i> with or for whom an <i>Authorised Firm</i> carries on or intends to carry on, any regulated business or associated business.
Counterparty Risk	The risk that an <i>Authorised Firm's</i> <i>Counterparty</i> does not perform its obligations under the terms of a contract.
Counterparty Risk Capital	A component of the <i>Credit Risk Capital Requirement</i>

Component ( <i>CPCOM</i> )	calculated in accordance with PIIB section 4.4.
CPCOM	Has the meaning given in PIIB Rule 4.1.2.
CPW	Has the meaning given in PIIB Rule 4.1.2.
CPX	Has the meaning given in PIIB Rule 4.1.2.
CRCOM	Has the meaning given in PIIB Rule 4.1.2.
Credit Default Product	A swap or <i>Option</i> , which has a payout linked to changes in an underlying <i>Reference Asset's</i> creditworthiness and protects the <i>Protection Buyer</i> against the risk of credit loss over a specified time period with the payout being conditional on some form of <i>Credit Event</i> .
Credit Derivatives	An over the counter financial <i>Derivative</i> instrument, which enables the isolation and separate transfer of <i>Credit Risk</i> and whose payout is linked to changes in the <i>Reference Assets'</i> creditworthiness.
Credit Enhancement	Has the meaning given in PIIB Rule A4.10.1.
Credit Equivalent Amount (CEA)	The proportion of the nominal amount of an <i>OTC</i> derivative contract at risk if an <i>Authorised Firm's</i> <i>Counterparty</i> fails.
Credit Event	An event related to the creditworthiness of <i>Reference Assets</i> or <i>Reference Entities</i> in a <i>Credit Derivatives</i> contract, which triggers the termination or a payout under the contract.
Credit Event Payment	The consideration, which the <i>Protection Seller</i> pays to the <i>Protection Buyer</i> under a <i>Credit Derivatives</i> contract upon occurrence of a <i>Credit Event</i> .
Credit Facility	The <i>Specified Product</i> described in Paragraph 3 of Part 3 of Schedule 3 to the <i>FSR</i> .
Credit Risk	In relation to an <i>Authorised Firm</i> , the risk of loss if another party fails to perform on its financial obligation to the <i>Authorised Firm</i> .
Credit Risk Capital Component (CRCOM)	A component of the <i>Credit Risk Capital Requirement</i> calculated in accordance with PIIB section 4.3.
Credit Risk Capital Requirement	The requirement calculated in accordance with PIIB Rule 2.3.3.
Credit Spread Option	A type of contract where one <i>Counterparty</i> sells an <i>Option</i> to another <i>Counterparty</i> on a nominal amount of an asset swap on a specified <i>Security</i> , exercisable during a set period of time, in exchange for a payment of a premium where the <i>Option</i> gives the buyer the right to put the asset swap back to the seller at a strike spread over a pre-determined benchmark rate.
Criminal Conduct	Conduct which constitutes an offence in the <i>State</i> .

Criminal Property	<p>(1) Property that constitutes a <i>Person's</i> benefit from <i>Criminal Conduct</i> or represents such a benefit (in whole or part and whether directly or indirectly) if the alleged offender knows or suspects that it constitutes or represents such a benefit.</p> <p>(2) For these purposes, it is immaterial:</p> <p>(A) who carried out the conduct;</p> <p>(B) who benefited from it; and</p> <p>(C) when the conduct occurred.</p>
CRO	The Companies Registration Office established pursuant to Article 7 of the <i>QFC Law</i> .
CTRL	The Controls <i>Rulebook</i>
Custody Investments	Has the meaning given to it in ASET Rule 4.2.1
Customer	<p>(1) In (and for the purposes of) <i>AMLR</i>, in relation to a <i>Relevant Person</i>, any <i>Person</i> engaged in, or who has had contact with the <i>Relevant Person</i> with a view to engaging in, any <i>Transaction</i> with that <i>Relevant Person</i>:</p> <p>(A) on his own behalf; or</p> <p>(B) as agent for or on behalf of another.</p> <p>(2) For all other purposes, a <i>Retail Customer</i>, a <i>Commercial Customer</i> or a <i>Business Customer</i>.</p>
Customer Assets	Any <i>Client Money</i> or <i>Custody Investments</i> .
Customer Facing Function	Has the meaning given to it in INDI section 2.1.
Customer Order	<p>(1) An order to an <i>Authorised Firm</i> from a <i>Customer</i> to <i>Execute</i> a transaction as agent;</p> <p>(2) any other order to an <i>Authorised Firm</i> from a <i>Customer</i> to <i>Execute</i> a transaction in circumstances giving rise to duties similar to those arising on an order to <i>Execute</i> a transaction as agent; or</p> <p>(3) a decision by an <i>Authorised Firm</i> in the exercise of discretion to <i>Execute</i> a transaction with or for a <i>Customer</i>.</p>
CV	Has the meaning given in PIIB Rule 4.1.2.

## D

Data Protection Regulations	The QFC Data Protection Regulations 2005.
Dealing in Investments	The <i>Regulated Activity</i> described in Paragraph 4 of Part 2 of Schedule 3 to the FSR.
Dealing in Relevant Investments as Agent	The <i>Regulated Activity of Dealing in Investments</i> in the capacity of agent where the <i>Specified Product</i> to which the activity relates is a <i>Relevant Investment</i> .
Dealing in Relevant Investments as Principal	The <i>Regulated Activity of Dealing in Investments</i> in the capacity of principal where the <i>Specified Product</i> to which the activity relates is a <i>Relevant Investment</i> .
Debt Instrument	The <i>Specified Product</i> described in paragraph 2 of Part 3 of Schedule 3 to the FSR.
Delta	The measure of an <i>Option's</i> sensitivity to a change in value of the underlying Investment, asset or property.
Deposit	The <i>Specified Product</i> described in Paragraph 11 of Part 3 of Schedule 3 to the FSR.
Deposit Taking	The <i>Regulated Activity</i> described in Paragraph 1 of Part 2 of Schedule 3 to the FSR.
Deposit Taking Business	The business of engaging in <i>Deposit Taking</i> .
Derivative	A <i>Future</i> , an <i>Option</i> or a <i>Contract for Differences</i> .
Designated Exchange	An exchange that meets the requirements for such from time to time stipulated by the <i>Regulatory Authority</i> or designated as such in a list published by the <i>Regulatory Authority</i> from time to time.
Designated Bank	An undertaking incorporated in a <i>Designated Jurisdiction</i> that is:  (A) regulated as a bank; and  (B) principally regulated (for prudential purposes)  by an <i>Overseas Regulator</i> in that <i>Designated Jurisdiction</i> .
Designated Clearing House	A clearing house that meets the requirements for such from time to time stipulated by the <i>Regulatory Authority</i> or designated as such in a list published by the <i>Regulatory Authority</i> from time to time.
Designated Jurisdiction	Any jurisdiction that meets the requirements for such from time to time stipulated by the <i>Regulatory Authority</i> or designated as such in a list published by the <i>Regulatory Authority</i> from time to time.
Director	In relation to any <i>Body Corporate</i> , unincorporated association or <i>Partnership</i> a <i>Person</i> appointed to direct its affairs including a <i>Person</i> named as director or any



	<i>Person</i> in accordance with whose instructions that <i>Body Corporate</i> or <i>Partnership</i> is accustomed to act.
Displaced Commercial Risk Capital Requirement (PSIACOM)	The requirement calculated in accordance with PIIB section 3.4.
Duration Method	A measure of <i>General Market Risk</i> calculated in accordance with PIIB Rule A5.2.19.
DvP Transaction	A transaction in which the transfer between the buyer and seller of investments and the payment of the purchase monies for those investments are intended to occur at, or around, the same time.

**E**

Effecting a Contract of Insurance	The <i>Regulated Activity</i> described in paragraph 2 of Part 2 of Schedule 3 to the <i>FSR</i> .
Eligible Custodian	<p>(1) An <i>Authorised Firm</i> whose <i>Authorisation</i> includes <i>Providing Custody Services</i>;</p> <p>(2) a <i>Designated Bank</i>;</p> <p>(3) an undertaking that is regulated by an <i>Overseas Regulator</i> in a <i>Designated Jurisdiction</i> whose regulatory licence or authorisation includes carrying on activities that are broadly equivalent to <i>Providing Custody Services</i>;</p> <p>(4) the central securities depository of a <i>Designated Jurisdiction</i>;</p> <p>(5) a <i>Designated Clearing House</i>; or</p> <p>(6) where it is not feasible to use a <i>Person</i> in (1) to (5), and there are reasonable grounds to believe that another <i>Person</i>, whose business includes the provision of custodial services, is able to provide such services which are appropriate to the <i>Client</i> and in the <i>Client's</i> best interests to use, that <i>Person</i>, provided the use of such <i>Person</i> otherwise complies with the requirements of the <i>Assets Rulebook</i>.</p>
Eligible Third Party	<p>A <i>Person</i> other than a <i>Designated Bank</i> that is:</p> <p>(A) an <i>Authorised Firm</i>; or</p> <p>(B) an undertaking that is:</p> <p>(i) authorised to carry on any <i>Investment Business</i>; and</p> <p>(ii) principally regulated (for prudential purposes), by an <i>Overseas Regulator</i> in a <i>Designated Jurisdiction</i>.</p>
Emergency	In relation to an <i>Authorised Firm</i> or an <i>Approved Individual</i> an event outside the control of that <i>Authorised Firm</i> or that <i>Approved Individual</i> which could not have been avoided by taking all reasonable steps.
Employee	<p>An individual:</p> <p>(A) who is employed or appointed by a <i>Person</i> in connection with that <i>Person's</i> business, whether under a contract of service or for services or</p>

	<p>otherwise; or</p> <p>(B) whose services, under an arrangement between that <i>Person</i> and a third party, are placed at the disposal and under the control of that <i>Person</i>.</p>
Entity	A body corporate or partnership or un-incorporated association carrying on a trade or business with a view to profit.
Equity Risk Capital Requirement	A component of the <i>Market Risk Capital Requirement</i> , calculated in accordance with PIIB section 5.5.
Execute	In relation to a <i>Transaction</i> , carry into effect or perform the <i>Transaction</i> , whether as principal or as agent, including instructing another <i>Person</i> to execute the <i>Transaction</i> .
Execution-Only Transaction	A transaction which is executed by an <i>Authorised Firm</i> upon the specific instructions of a <i>Client</i> where the <i>Authorised Firm</i> does not give advice on <i>Relevant Investments</i> relating to the merits of the <i>Transaction</i> .
Executive Governance Function	Has the meaning given to it in INDI section 2.1.
Existing Customer Order	<p>(1) A <i>Customer Order</i> to be <i>Executed</i> immediately; or</p> <p>(2) a <i>Customer Order</i> which is to be <i>Executed</i> only on fulfilment of a condition, after that condition has been fulfilled.</p>
Expenditure Based Capital Minimum	A capital requirement calculated in accordance with PIIB section 2.5.
Exposure	The maximum loss that an <i>Authorised Firm</i> (and, where applicable, its <i>PSIA</i> holders) might suffer as a result of the default or failure of a <i>Counterparty</i> , or a group of <i>Closely Related Counterparties</i> or an issuer or group of <i>Closely Related</i> issuers.

**F**

<i>FATF</i>	The Financial Action Task Force on Money Laundering, the inter-governmental body responsible for developing and promoting policies to combat money laundering and terrorist financing and any successor body thereto.
FATF Country	A member country of the <i>FATF</i> .
Finance Function	Has the meaning given to it in INDI section 2.1.
Financial Communication	<p>Any communication (made via any medium including brochures, telephone calls and presentations) the purpose or effect of which is:</p> <p>(A) to promote or advertise:</p> <p style="padding-left: 40px;">(i) <i>Specified Products</i>; or</p> <p style="padding-left: 40px;">(ii) any <i>Regulated Activity</i> (or any activity that would be a <i>Regulated Activity</i> if it was carried on in or from the <i>QFC</i>); or</p> <p>(B) to invite or induce any <i>Person</i>:</p> <p style="padding-left: 40px;">(i) to enter into an agreement with any <i>Person</i> in relation to a <i>Specified Product</i>; or</p> <p style="padding-left: 40px;">(ii) to engage in any <i>Regulated Activity</i> (or an activity that would be a <i>Regulated Activity</i> if it was carried on in or from the <i>QFC</i>).</p>
Financial Crime	The use of the <i>Financial System</i> for criminal, fraudulent or dishonest purposes including insider dealing, market abuse or handling the proceeds of crime.
Financial Group	<p>A group of entities which includes an <i>Authorised Firm</i> and:</p> <p>(A) any <i>Parent Entities</i> incorporated in the <i>QFC</i>;</p> <p>(B) any <i>Financial Institution</i> subsidiaries (whether direct or indirect) of the <i>Parent Entity</i> or <i>Parent Entities</i> in (A) or of the <i>Authorised Firm</i>;</p> <p>(C) any <i>Financial Institution</i> in which the <i>Parent Entity</i> or <i>Parent Entities</i> in (A), the <i>Financial Institution</i> subsidiaries in (B) or the <i>Authorised Firm</i> (whether direct or indirect) hold 20% or more of the voting rights or capital; and</p> <p>(D) any entity which the <i>Regulatory Authority</i> directs the <i>Authorised Firm</i> to include in accordance with</p>

	PIIB Rule 7.1.2.
Financial Group Capital Requirement	The <i>Capital Requirement</i> of a <i>Financial Group</i> calculated in accordance with PIIB Rule 7.3.3.
Financial Institution	A regulated or unregulated entity, whose activities are primarily financial in nature.
Financial Instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial Services Regulations	The <i>QFC Financial Services Regulations 2005</i> relating to the management, objectives, duties, functions, powers and constitution of the <i>Regulatory Authority</i> .
Financial Services Regulator	A regulator of financial services activities established in a jurisdiction other than the <i>QFC</i> .
Financial System	The financial system operating in or from the <i>QFC</i> .
Firm-Related Distribution Event	In relation to an <i>Authorised Firm</i> :  (A) the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, or any equivalent appointment in any relevant jurisdiction in respect of that <i>Authorised Firm</i> ;  (B) the withdrawal or cancellation by the <i>Regulatory Authority</i> of the <i>Authorised Firm's Authorisation</i> ; or  (C) the variation of the <i>Authorised Firm's Authorisation</i> by the addition of a condition that it is no longer permitted to hold <i>Client Money</i> .
First Loss Facility	Has the meaning given in PIIB Rule A4.10.1.
First to Default	In relation to 'First to Default' baskets, the situation when the entire <i>Credit Derivative</i> contract terminates following the first <i>Credit Event</i> on any of the <i>Reference Assets</i> or entities.
Fitness And Propriety	(1) In relation to an individual, fitness and propriety as assessed in accordance with INDI section 4.1.  (2) In relation to an <i>Authorised Firm</i> or an <i>Applicant</i> , the criteria described in Article 29(2)-(5) of the <i>FSR</i> and chapter 2 of the <i>GENE Rulebook</i> .
FIU	The Financial Information Unit of the Central Bank of Qatar.

Foreign Currency	The currency of any country or territory other than the currency in which the <i>Authorised Firm</i> , to whom the expression relates reports.
Foreign Exchange Risk Capital Requirement	A component of the <i>Market Risk Capital Requirement</i> and as calculated in accordance with PIIB section 5.6.
FSR	The <i>QFC Financial Services Regulations 2005</i> relating to the management, objectives, duties, functions, powers and constitution of the <i>Regulatory Authority</i> .
Future	The <i>Specified Product</i> described in Paragraph 8 of Part 3 of Schedule 3 to the <i>FSR</i> .

G

Gamma	The rate of change in an <i>Option's Delta</i> with respect to a change in the price of the underlying <i>Securities</i> .
GENE	The <i>General Rulebook</i>
General Insurance Business	The business of <i>Effecting Contracts of Insurance</i> or <i>Carrying Out Contracts of Insurance</i> , where the <i>Contracts of Insurance</i> are <i>General Insurance Contracts</i> .
General Insurance Contract	A <i>Contract of Insurance</i> within Part 3 of Schedule 3 Article 10.3 of the <i>Financial Services Regulations</i> .
General Market Risk	<p>(1) For the purposes of the <i>Interest Rate Risk Capital Requirement</i>, means the risk that losses may arise from price changes in <i>Securities</i> caused by parallel or non-parallel shifts in the yield curve or from price movements in the equity market for a given country;</p> <p>(2) For the purposes of the <i>Equity Risk Capital Requirement</i>, means the risk that losses may arise from a price movement in the equity market for a given country; or</p> <p>(3) For the purposes of internal models, means both of the above risks.</p>
General Market Risk Requirement	The measure of risk for the purposes of the <i>Interest Rate Risk Capital Requirement</i> and the <i>Equity Risk Capital Requirement</i> calculated in accordance with PIIB Rules A5.2.15 and A5.3.2 respectively.
Glossary	The glossary of defined terms contained in chapter 3 of the <i>INAP Rulebook</i> .
Governing Body	The board of <i>Directors</i> , committee of management or other governing body of an <i>Authorised Firm</i> .
Group	<p>With respect to an <i>Entity</i>:</p> <p>(A) that <i>Entity</i>;</p> <p>(B) any <i>Parent Entity</i> of the <i>Entity</i>; and</p> <p>(C) any <i>Subsidiary</i> (direct or indirect) of that <i>Entity</i> or of any <i>Parent Entity</i> of that <i>Entity</i>.</p>
Group Risk	The risk of loss to the <i>Authorised Firm</i> as a result of its membership of, or linkages within a <i>Group</i> .

## H

Holding Company	An <i>Entity</i> is a <i>Holding Company</i> of another <i>Entity</i> if the second <i>Entity</i> is a <i>Subsidiary</i> of the first <i>Entity</i> .
-----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------



I

Identifiable Natural Person	A natural person who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural or social identity.
IFRS	International Financial Reporting Standards.
INAP	The Interpretation and Application <i>Rulebook</i> .
Independent Person	A <i>Person</i> appointed by the <i>Regulatory Authority</i> to investigate and deal with complaints against the <i>Regulatory Authority</i> in accordance with paragraph 25 of Schedule 1.
INDI	The <i>Individuals Rulebook</i> .
Inside Information	<p>(1) Information which:</p> <ul style="list-style-type: none"> <li>(A) relates to: <ul style="list-style-type: none"> <li>(i) particular <i>Securities</i>;</li> <li>(ii) a particular <i>Issuer</i> of <i>Securities</i>; or</li> <li>(iii) a particular class of <i>Securities</i> or a particular class of <i>Issuers</i>;</li> </ul> </li> <li>(B) is specific or precise;</li> <li>(C) has not been made public;</li> <li>(D) if it were made public would be likely to have a significant effect on the price of any <i>Securities</i>; and</li> <li>(E) is obtained from a source which is closely connected to the <i>Issuer</i> of the <i>Securities</i> or one or more <i>Issuers</i> of a class of <i>Securities</i>; and</li> </ul> <p>(2) any other information which is classified as such by <i>Rules</i> made by the <i>Regulatory Authority</i> under Article 82 of the <i>FSR</i> (rules relating to market abuse).</p>
Insolvency Regulations	The <i>QFC Insolvency Regulations 2005</i> .
Instrument	Means, in relation to a <i>Derivative</i> , any Investment, asset or thing on which the value of the <i>Derivative</i> may be based.
Insurance Bank Account	A bank account with a <i>Designated Bank</i> which has been opened by an <i>Authorised Firm</i> in accordance with ASET Rule 7.3.1.

Insurance Broker	An <i>Authorised Firm</i> who carries on <i>Insurance Broking</i> .
Insurance Broking Business	The business of conducting the following <i>Regulated Activities</i> in respect of <i>Non-Investment Insurance Contracts</i> other than by way of <i>Insurance Management</i> :  (A) <i>Dealing in Investments</i> ;  (B) <i>Arranging Deals in Investments</i> ; and  (C) <i>Advising on Investments</i> .
Insurance Business	The business of <i>Effecting Contracts of Insurance</i> or <i>Carrying Out Contracts of Insurance</i> , including effecting or carrying out contracts of reinsurance (as reinsurer).
Insurance Management	(1) Subject to (2), the provision of management services or exercise of managerial responsibilities by an <i>Insurance Manager</i> to an <i>Insurer</i> , including administration and underwriting.  (2) The following is not be considered as <i>Insurance Management</i> , the provision of information on an incidental basis in the context of another professional activity provided that the purpose of that activity is not to assist the customer in concluding or performing an insurance contract, the management of claims of an insurer on a professional basis, and loss adjusting and expert appraisal of claims shall not be.
Insurance Manager	An <i>Authorised Firm</i> :  (A) who <i>Authorisation</i> includes the following <i>Regulated Activities</i> :  (i) <i>Dealing in Investments</i> ;  (ii) <i>Arranging Deals in Investments</i> ; and  (iii) <i>Advising on Investments</i> ; and  (B) who carries on those activities:  (i) in relation to <i>Contracts of Insurance</i> ; and  (ii) in the context of, or in connection with <i>Insurance Management</i> .
Insurance Mediation Business	(1) Any of the following activities carried on in relation to <i>Contract of Insurance</i> :  (A) <i>Dealing in Investments</i> ;

	<p>(B) <i>Arranging Deals in Investments</i>; and</p> <p>(C) <i>Advising on Investments</i>; and</p> <p>(2) <i>Insurance Management</i>.</p>
Insurance Money	Has the meaning given in ASET Rule 7.3.1(A).
Insurer	<p>A <i>Person</i> carrying on in the QFC either or both of the following <i>Regulated Activities</i> for which it has <i>Authorisation</i> from the <i>Regulatory Authority</i>:</p> <p>(A) <i>Effecting Contracts of Insurance</i>; or</p> <p>(B) <i>Carrying Out Contracts of Insurance</i>.</p>
Interest Rate Risk Capital Requirement	A component of <i>Market Risk Capital Requirement</i> and as calculated in accordance with PIIB section 5.4.
Investment Analyst	An <i>Employee</i> of an <i>Authorised Firm</i> who prepares <i>Investment Research</i> or the substance of <i>Investment Research</i> .
Investment Business	<p>The business of:</p> <p>(A) <i>Arranging Deals in Relevant Investments</i>;</p> <p>(B) <i>Dealing in Relevant Investments as Principal</i>;</p> <p>(C) <i>Dealing in Relevant Investments as Agent</i>;</p> <p>(D) <i>Advising on Relevant Investments</i>;</p> <p>(E) <i>Managing Investments</i>;</p> <p>(F) <i>Providing Custody Services</i>;</p> <p>(G) <i>Arranging the Provision of Custody Services</i>; and</p> <p>(H) <i>Operating a Collective Investment Fund</i>.</p>
Investment Grade	A credit rating applied to debt items in accordance with PIIB Rule A5.2.14.
Investment Manager	<p>A <i>Person</i> who, acting only on behalf of a <i>Client</i>:</p> <p>(A) manages <i>Relevant Investments</i> in an account or portfolio on a discretionary basis under the terms of a discretionary management agreement; or</p> <p>(B) manages <i>Relevant Investments</i> in an account or portfolio on a non-discretionary basis under the terms of a non-discretionary management agreement.</p>

Investment Research	<p>A publication (other than a personal recommendation) which contains:</p> <p>(A) the results of research into a <i>Relevant Investment</i> or its <i>Issuer</i>;</p> <p>(B) analysis of factors likely to influence the future performance of a <i>Relevant Investment</i> or its <i>Issuer</i>; or</p> <p>(C) advice or recommendations based on those results or analysis.</p>
Investment Risk Reserve	<p>Represents the amount that is appropriated out of the income of investment account holders, after allocating the Mudarib's share, in order to meet future losses attributable to investment account holders.</p>
ISFI	<p>The Islamic Finance <i>Rulebook</i>.</p>
Islamic Contract	<p>Any contract designed to comply with Shari'a.</p>
Islamic Financial Business	<p>The <i>Business</i> of carrying on one or more <i>Regulated Activities</i> in accordance with Shari'a.</p>
Islamic Financial Institution	<p>An <i>Authorised Firm</i> whose entire business operations are conducted in accordance with Shari'a.</p>
Islamic Window	<p>An <i>Authorised Firm</i> which conducts <i>Islamic Financial Business</i> as a part of its business operations.</p>
Issuer	<p>(1) (In relation to any <i>Security</i>) other than a <i>Unit in a Collective Investment Fund</i>) the <i>Person</i> by whom it is or is to be issued;</p> <p>(2) (in relation to a <i>Unit in a Collective Investment Fund</i>) the operator of the fund;</p> <p>(3) (in relation to an interest in a limited <i>Partnership</i>), the <i>Partnership</i>; and</p> <p>(4) (in relation to <i>Certificates</i>) the <i>Person</i> who issued or is to issue the <i>Security</i> to which the <i>Certificate</i> or other instrument relates.</p>

**J**


**K**


**L**

Large Exposure	An <i>Exposure</i> , whether in an <i>Authorised Firm's Non-Trading Book</i> or <i>Trading Book</i> , or both, to a <i>Counterparty</i> or <i>Group of Closely Related Counterparties</i> or a <i>Group of Counterparties</i> connected to the <i>Authorised Firm</i> which in aggregate equals or exceeds 10% of the <i>Authorised Firm's Capital Resources</i> .
Licence	An authorisation or licence to incorporate or establish in the <i>QFC</i> or to carry on <i>Permitted Activities</i> in or from the <i>QFC</i> granted in accordance with Article 11 of the <i>QFC Law</i> .
Limited Liability Partnership	A partnership incorporated under the <i>Limited Liability Partnership Regulations</i> or under the law of a country or territory outside the <i>QFC</i> where the liability of each of those partners (in its capacity as a partner) is limited, under the laws of that jurisdiction, to the amount of its capital contribution to the partnership.
Limited Liability Partnership Regulations	The <i>QFC Limited Liability Partnership Regulations 2005</i> .
Liquidity Risk	The risk of loss to an <i>Authorised Firm</i> as a result of inability to meet its obligations as they fall due.
Local Authorities	Government or municipal authorities, which do not operate at a national level.
Local Firm	An <i>Authorised Firm</i> which is a <i>QFC Entity</i> .
Long Term Care Insurance Contract	<p>A <i>Long Term Insurance Contract</i> which:</p> <p>(1) (A) provides (or would at the policyholder's option provide) benefits for the policyholder which are payable or provided in the event that the policyholder's mental or physical health has deteriorated to the extent that he is incapacitated so that he is unable to live independently without assistance, and is not expected to recover to the extent that he can live independently without assistance; and</p> <p>(B) those benefits are payable or provided in respect of:</p> <p>(i) services;</p> <p>(ii) accommodation; or</p> <p>(iii) goods;</p> <p>which are necessary or desirable for the continuing care of the <i>policyholder</i> because of the incapacity referred to in (A); and</p>

	<p>(C) the benefits under the contract are capable of being paid periodically for all or part of the period during which the policyholder is unable to live independently without assistance; or</p> <p>(2) is sold or held out as providing benefits for the policyholder as set out in (1).</p>
Long Term Insurance Business	The business of <i>Effecting Contracts of Insurance</i> or <i>Carrying Out Contracts of Insurance</i> , where the <i>Contracts of Insurance</i> are <i>Long Term Insurance Contracts</i> .
Long Term Insurance Contract	A <i>Contract of Insurance</i> of the type described in Paragraph 10.4 of Part 3 to Schedule 3 to FSR.
Lower Two Tier Capital	Has the meaning given in PIIB section 2.8.



**M**

Managing Investments	The <i>Regulated Activity</i> described in Paragraph 10 of Part 2 of Schedule 3 to the <i>FSR</i> .
Mandate	Any written authority from a <i>Client</i> under which the <i>Authorised Firm</i> may control a <i>Client's</i> assets or liabilities in the course of, or in connection with, the <i>Authorised Firm's Investment Business</i> .
Market Counterparty	<ol style="list-style-type: none"> <li>(1) An <i>Authorised Firm</i> or an <i>Eligible Third Party</i>;</li> <li>(2) a <i>Designated Exchange</i> or <i>Designated Clearing House</i>;</li> <li>(3) a properly constituted government, government agency, central bank or other national monetary authority of any country or jurisdiction;</li> <li>(4) a state investment body, or a body charged with, or intervening in, the management of the public debt;</li> <li>(5) an <i>Associate</i> of an <i>Authorised Firm</i> or an <i>Eligible Third Party</i> if the <i>Authorised Firm</i> or <i>Eligible Third Party</i> consents; or</li> <li>(6) a supranational organisation whose members are either countries, central banks or national monetary authorities.</li> </ol>
Market Risk	The risk of loss that arises from fluctuations in the values of, or income from, assets or in interest or exchange rates.
Market Risk Capital Requirement	The requirement calculated in accordance with PIIB Rule 2.3.4.
Mark-up or Mark-down	<ol style="list-style-type: none"> <li>(1) When an <i>Authorised Firm</i> receives instructions from a <i>Client</i> in relation to a transaction and takes a principal position in a <i>Relevant Investment</i> in order to complete the transaction, the difference, if any, between: <ol style="list-style-type: none"> <li>(A) the price at which the <i>Authorised Firm</i> takes a principal position in the <i>Relevant Investment</i>; or</li> <li>(B) the price at which the <i>Authorised Firm</i> Executes the transaction with its <i>Client</i>; or</li> </ol> </li> <li>(2) when an <i>Authorised Firm</i> Executes a transaction with its <i>Client</i> against its own book and owes a duty of best execution, the difference between:</li> </ol>

	<p>(A) the price at which best execution would be achieved; and</p> <p>(B) the price at which the <i>Authorised Firm Executes</i> the transaction with its <i>Client</i>.</p>
Material Outsourcing	<i>Outsourcing</i> of a process, service or activity of such importance that weakness or failure in the provision of the <i>Outsourcing</i> would cast serious doubt on the <i>Authorised Firm's</i> ability to comply with the firm's obligations under <i>Regulations</i> , the <i>Principles</i> , the conditions and obligations of its <i>Authorisation</i> , its financial performance, its financial position or the continuity of its operations.
Maturity Ladder	A table that ordinarily ranks the maturity time bands and assets and liabilities within them.
Maturity Method	This is an advance approach that an <i>Authorised Firm</i> may use to measure the risk of holding or taking positions in debit Securities and other interest rate-related instruments calculated in accordance with PIIB Rule A5.2.17.
Maturity Mismatch	A difference between the maturity of an asset and the corresponding liability.
Minister	The Minister of Economy and Commerce of the <i>State</i> .
MLRO	(In respect of a <i>Relevant Person</i> ) an individual appointed to act as the money laundering reporting officer of that <i>Relevant Person</i> in accordance with the duty in Article 8 of the <i>AML Regulations</i> .
Modified Duration	The time period calculation for the purposes of the <i>Duration Method</i> in accordance with PIIB Rule A5.2.21.

<p>Money Laundering</p>	<p>The following conduct when committed intentionally:</p> <ul style="list-style-type: none"> <li>(A) any act which constitutes an offence under Article 2 of Law (28) of 2002 on Anti Money Laundering (as amended by virtue of Decree-Law No. (21) of 2003 - O.G. 11/2003);</li> <li>(B) any act which involves <i>Criminal Property</i> and which act constitutes an offence under the Articles of Law No. (11) of 2004 (Penal Code);</li> <li>(C) any act which finances the commission of an offence under the Articles of Law No. (3) of 2004 (Combating Terrorism);</li> <li>(D) the conversion or transfer of <i>Property</i>, knowing that such property is derived from <i>Criminal Conduct</i> or from an act of participation in such conduct, for the purpose of concealing or disguising the illicit origin of the <i>Property</i> or of assisting any person who is involved in the commission of such conduct to evade the legal consequences of his action;</li> <li>(E) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of <i>Property</i>, knowing that such <i>Property</i> is derived from <i>Criminal Conduct</i> or from an act of participation in such conduct;</li> <li>(F) the acquisition, possession or use of <i>Property</i>, knowing, at the time of receipt, that such <i>Property</i> was derived from <i>Criminal Conduct</i> or from an act of participation in such conduct;</li> <li>(G) the provision or collection of lawful <i>Property</i>, by any means, with the intention that it should be used or in the knowledge that it is to be used, in full or in part, for terrorism;</li> <li>(H) any act which constitutes participation in, association with or conspiracy to commit, attempts or incitement to commit an offence specified in paragraph (A), (B) or (C) or an act specified in paragraph (D), (E), (F) or (G); or</li> <li>(I) any act which constitutes aiding, abetting, facilitating, counselling or procuring the commission of an offence specified in paragraph (A), (B) or (C) or an act specified in paragraph (D), (E), (F) or (G).</li> </ul>
-------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Money Laundering Reporting Function	Has the meaning given to it in INDI section 2.1.
Multilateral Development Bank	<p>Any one of the following banks:</p> <ul style="list-style-type: none"> <li>(A) African Development Bank (AfDB);</li> <li>(B) Asian Development Bank (ASB);</li> <li>(C) Caribbean Development Bank (CDB);</li> <li>(D) Council of Europe Development Bank;</li> <li>(E) European Bank for Reconstruction and Development (EBRD);</li> <li>(F) European Investment Bank (EIB);</li> <li>(G) European Investment Fund (EIF);</li> <li>(H) Inter-American Development Bank (IADB);</li> <li>(I) Inter-American Investment Corporation (IAIC);</li> <li>(J) International Bank for Reconstruction and Development (IBRD);</li> <li>(K) International Finance Corporation (IFC); or</li> <li>(L) Nordic Investment Bank (NIB).</li> </ul>
MV	Has the meaning given in PIIB Rule 4.1.2.

N

Netting		A process by which the claims and obligations between two <i>Counterparties</i> are offset against each other to leave a single net sum.
Nominee		A body corporate whose business consists solely of acting as a nominee holder of <i>Relevant Investments</i> or other <i>Property</i> .
Non-Executive Director		A <i>Director</i> who has no responsibility for implementing the decision or the policies of the <i>Governing Body</i> of the <i>Authorised Firm</i> .
Non-Executive Function	Governance	Has the meaning given to it in INDI section 2.1.
Non-FATF Country		Means a country or territory which is not a member of the <i>FATF</i> .
Non-Investment Contract	Insurance	A <i>Contract of Insurance</i> which is a <i>General Insurance Contract</i> or a <i>Pure Protection Contract</i> but which is not a <i>Long Term Care Insurance Contract</i> .
Non-Local Firm		An <i>Authorised Firm</i> which is not a <i>Local Firm</i>
Non-Market-Price Transaction		A <i>Transaction</i> where the dealing rate or price paid by the <i>Authorised Firm</i> or its <i>Client</i> differs from the prevailing market rate or price to a material extent.
Non-Trading Book		Describes positions, exposures and on-and off-balance sheet items, which are not in the <i>Trading Book</i> .
NP		Has the meaning given in PIIB Rule 4.1.2.

O

Objectives	The regulatory objectives of the <i>Regulatory Authority</i> as set out in Article 12(3) of the <i>FSR</i> .
OFAC	The US Treasury Office of Foreign Assets Control.
Operating a Collective Investment Fund	The activity described in Paragraph 12 of Part 2 of Schedule 3 to the <i>FSR</i> .
Option	The <i>Specified Product</i> described in Paragraph 7 of Part 3 of Schedule 3 to the <i>FSR</i> .
Option Risk Capital Requirement	A component of the <i>Market Risk Capital Requirement</i> and calculated in accordance with PIIB section 5.8.
Order	An order or instruction to buy, sell, subscribe for, underwrite or exercise rights under a <i>Relevant Investment</i> .
Original Maturity	(1) The time period between the date an offer is made and the date it expires or lapses.  (2) In relation to <i>Debentures</i> , the interval between its issue date and the date on which it becomes due and payable.
Originator	As defined in PIIB Rule A4.10.1.
OTC	Has the meaning given in PIIB Rule 4.1.2.
Outsourcing	(1) Subject to (2) all forms of arrangement which involve an <i>Authorised Firm</i> relying on a third party service provider (whether a member of the <i>Authorised Firm's Group</i> or otherwise) for the performance of a process, a service or an activity relating to the <i>Regulated Activities</i> carried on by the <i>Authorised Firm</i> that would otherwise be undertaken by the <i>Authorised Firm</i> itself.  (2) The following arrangements do not constitute <i>Outsourcing</i> :  (A) discrete advisory services, such as the provision of legal advice, procurement of specialised training, billing and physical security;  (B) supply arrangements and functions, such as the provision of electricity, water, catering and cleaning;  (C) the purchase of standardised services such as market information services and the provision of prices; and

	(D) the appointment of a <i>Group Employee</i> to perform a <i>Controlled Function</i> on behalf of an <i>Authorised Firm</i> .
Overseas Regulator	A regulatory or governmental authority, body or agency in a jurisdiction outside the <i>QFC</i> (whether in the <i>State</i> or otherwise).
Own Account Order	An <i>Order</i> which relates to an <i>Own Account Transaction</i> .
Own Account Transaction	A transaction executed by the <i>Authorised Firm</i> for its own benefit or for the benefit of its <i>Associate</i> .

**P**

Packaged Product	<p>(1) a <i>Long Term Insurance Contract</i>; or</p> <p>(2) a <i>Unit</i> in a <i>Collective Investment Fund</i>.</p>
Parent Entity	<p>An <i>Entity</i> which, with respect to another <i>Entity</i>:</p> <p>(A) holds a majority of the voting rights in that other <i>Entity</i>;</p> <p>(B) is a member of that other <i>Entity</i> (whether direct or indirect, or through legal or beneficial entitlement) and has the right to appoint or remove a majority of the board of directors of that other <i>Entity</i>;</p> <p>(C) has the right to exercise a dominant influence over the management and operation of that other <i>Entity</i> through:</p> <p style="padding-left: 40px;">(i) provisions contained in the constitutive documents of that other <i>Entity</i>, or</p> <p style="padding-left: 40px;">(ii) any contractual arrangement relating to the management and operation of that other <i>Entity</i>,</p> <p>(D) is a member of that other <i>Entity</i> (whether direct or indirect, or through legal or beneficial entitlement) and alone, or together with one or more <i>Associate(s)</i> holds a majority of the voting rights in that other <i>Entity</i>;</p> <p>or is a <i>Parent Entity</i> of any <i>Entity</i> which is a <i>Parent Entity</i> of that other <i>Entity</i>.</p>
Partnership	Any partnership, including a partnership constituted under the law of a country or territory outside the <i>QFC</i> , but not including a <i>Limited Liability Partnership</i> .
Permanent Share Capital	Ordinary paid-up share capital or similar shareholders' or members' equity, including retained earnings, however called.
Person	Any person and includes a natural or legal person, body corporate, or body unincorporate, including a branch, company, partnership, unincorporated association or other undertaking, government or state.
Personal Account Transaction	A transaction for the account of an <i>Employee</i> or agent of an <i>Authorised Firm</i> .



Personal Data	Any information relating to an <i>Identified Natural Person</i> or an identifiable natural person as set out in the <i>Data Protection Regulations</i> .
PFCE	Has the meaning given in PIIB Rule 4.1.2.
PIIB	The Interim Prudential-Investment, Insurance Mediation and Banking Business <i>Rulebook</i> .
PIIB Category	A prudential grouping of <i>Authorised Firms</i> which determines the application of the <i>Rules</i> in PIIB.
Politically Exposed Persons	Natural persons who may constitute a reputational risk and who are or have been entrusted with prominent public functions, such as Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials; and close family members or close associates of any of those persons.
Potential Future Credit Exposure (PFCE)	An amount calculated by multiplying the nominal principal amount of an OTC derivative contract by a specified percentage dependent on the nature and <i>Residual Maturity</i> of the contract.
PRIN	The Principles <i>Rulebook</i> .
Principle	One of the principles set out in the <i>PRIN Rulebook</i> .
Principles of Conduct	The principles for <i>Approved Individuals</i> set out in the <i>INDI Rulebook</i> .
Profit Equalisation Reserve	Represents the amount appropriated out of the Mudaraba income, before allocating the Mudarib's share, in order to maintain a certain level of investment returns for investment account holders and to increase owners' equity.
Profit Sharing Investment Account	An account, portfolio or fund managed: <ul style="list-style-type: none"> <li>(A) in relation to property of any kind, including the currency of any country or territory, held for or within the account, portfolio or fund;</li> <li>(B) in accordance with Shari'a and held out as such; and</li> <li>(C) under the term of an agreement whereby: <ul style="list-style-type: none"> <li>(i) the investor agrees to share any profit with the manager of the account, portfolio or fund in accordance with a predetermined specified percentage or ratio; and</li> <li>(ii) the investor agrees that he alone will bear any losses in the absence of negligence or breach of contract on the part of the manager.</li> </ul> </li> </ul>

<p>Profit Sharing Investment Account (PSIA)</p>	<p>An account, portfolio or fund managed:</p> <ul style="list-style-type: none"> <li>(A) in relation to property of any kind, including the currency of any country or territory, held for or within the account, portfolio or fund;</li> <li>(B) in accordance with Shari'a and held out as such; and</li> <li>(C) under the term of an agreement whereby: <ul style="list-style-type: none"> <li>(i) the investor agrees to share any profit with the manager of the account, portfolio or fund in accordance with a predetermined specified percentage or ratio; and</li> <li>(ii) the investor agrees that he alone will bare any losses in the absence of negligence or breach of contract on the part of the manager.</li> </ul> </li> </ul>
<p>Project Finance</p>	<p>The financing or refinancing of a large, complex installation including, for example, a power plant, chemical processing plant, mine, transportation infrastructure project, environment project, telecommunications infrastructure project or accommodation infrastructure project.</p>
<p>Project Finance Business</p>	<p>Any of the following <i>Regulated Activities</i> carried on in the context of or in connection with <i>Project Finance</i>:</p> <ul style="list-style-type: none"> <li>(A) <i>Providing Credit Facilities</i>;</li> <li>(B) <i>Arranging the Provision of Credit Facilities</i>;</li> <li>(C) <i>Dealing in Investments</i>;</li> <li>(D) <i>Arranging Deals in Investments</i>; or</li> <li>(E) <i>Advising on Investments</i>.</li> </ul>
<p>Property</p>	<p>Property of any form including:</p> <ul style="list-style-type: none"> <li>(A) money;</li> <li>(B) all forms of property, real or personal, heritable or moveable; and</li> <li>(C) things in action and other intangible or incorporeal property.</li> </ul>
<p>Protected Cell Company</p>	<p>A company incorporated as a <i>Protected Cell Company</i> under the <i>Companies Regulations</i>.</p>
<p>Protection Buyer</p>	<p>The <i>Counterparty</i> to a <i>Credit Derivative</i> contract that wishes to reduce the exposure to <i>Credit Risk</i> by protecting itself from potential loss suffered as a result of deterioration in</p>

	the creditworthiness of the reference assets.
Protection Seller	The <i>Counterparty</i> to a <i>Credit Derivative</i> contract that wishes to take on <i>Credit Risk</i> arises from potential loss suffered as a result of deterioration in the creditworthiness of the reference assets in return for compensation from the <i>Protection Buyer</i> .
Providing Credit Facilities	The <i>Regulated Activity</i> described in Paragraph 6 of Part 2 of Schedule 3 to the <i>FSR</i> .
Providing Custody Services	The <i>Regulated Activity</i> described in Paragraph 8 of Part 2 of Schedule 3 to the <i>FSR</i> .
PSIA	<i>Profit Sharing Investment Account</i>
PSIACOM	<i>Displaced Commercial Rush Capital Requirement</i> .
PSIACOMcredit	Has the meaning given in PIIB Rule 3.4.2.
PSIACOMmarket	Has the meaning given in PIIB Rule 3.4.2.
Public Sector Entities	Bodies owned by central or regional governments or <i>Local Authorities</i> which perform regulatory and other non-commercial functions.
Pure Protection Contract	<p>A <i>Long Term Insurance Contract</i> in respect of which the following conditions are met:</p> <ul style="list-style-type: none"> <li>(A) the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or infirmity;</li> <li>(B) the contract provides that benefits are payable on death (other than death due to an accident) only where the death occurs within ten years of the date on which the life of the person in question was first insured under the contract, or where the death occurs before that person attains a specified age not exceeding seventy years;</li> <li>(C) the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium;</li> <li>(D) the contract makes no provision for its conversion or extension in a manner which would result in it ceasing to comply with any of (A), (B) or (C); and</li> <li>(E) the contract is not a <i>Reinsurance Contract</i>.</li> </ul>

Q

QFC	The Qatar Financial Centre.
QFC Authority	The Qatar Financial Centre Authority established pursuant to Article 3 of the <i>QFC Law</i> .
QFC Entity	A <i>Company</i> incorporated under the <i>Companies Regulations</i> or a <i>Limited Liability Partnership</i> incorporated under the <i>Limited Liability Partnership Regulations</i> .
QFC Law	Law No. 7 of 2005 of the <i>State</i> .
QFC Licensed Firm	An <i>Entity</i> which has been granted a <i>Licence</i> by the <i>QFCA</i> .
Qualifying Holding	Any holding in the capital of a non-financial <i>Undertaking</i> of which the <i>Authorised Firm</i> is a controller.

**R**

Rated	In the case of an instrument or a counterparty, assigned a rating by a <i>Rating Agency</i> in respect of the counterparty credit risk associated with the instrument or counterparty.
Rating Agency	Standard & Poor's, Moody's, AM Best, Fitch Ratings or another agency approved in writing by the <i>Regulatory Authority</i> .
Readily Realisable Investment	<p>(1) A government or public <i>Security</i> denominated in the currency of the country of its <i>Issuer</i>;</p> <p>(2) any other <i>Security</i> which is admitted to official listing on an exchange in a <i>Designated Jurisdiction</i> country or regularly traded on or under the rules of such an exchange or regularly traded on or under the rules of a <i>Designated Exchange</i>; or</p> <p>(3) a newly issued <i>Security</i> which can reasonably be expected to fall within (2) when it begins to be traded.</p>
Reference Asset	The asset against which payments under a <i>Derivative</i> contract are calculated.
Reference Entity	The entity against which payments under a <i>Derivative</i> contract are calculated.
Regulated Activities	<p>Has the meaning set out in Article 23 of the <i>FSR</i> being in summary an activity specified in Part 2 of Schedule 3 to the <i>FSR</i>, namely:</p> <p>(A) <i>Deposit Taking</i>;</p> <p>(B) <i>Effecting a Contract of Insurance</i>;</p> <p>(C) <i>Carrying out a Contract of Insurance</i>;</p> <p>(D) <i>Dealing in Investments</i>;</p> <p>(E) <i>Arranging Deals in Investments</i>;</p> <p>(F) <i>Providing Credit Facilities</i>;</p> <p>(G) <i>Arranging Credit Facilities</i>;</p> <p>(H) <i>Providing Custody Services</i>;</p> <p>(I) <i>Arranging the Provision of Custody Services</i>;</p> <p>(J) <i>Managing Investments</i>;</p>

	<p>(K) <i>Advising on Investments</i>; or</p> <p>(L) <i>Operating a Collective Investment Fund</i></p> <p>each as defined in Part 2 of Schedule 3 to the <i>FSR</i>.</p>
Regulated Financial Institution	A <i>Person</i> who is not an <i>Authorised Firm</i> but who is authorised in a jurisdiction other than the <i>QFC</i> to carry on any financial service by another <i>Overseas Regulator</i> .
Regulations	Regulations enacted by the <i>Minister</i> in accordance with Article 9 of the <i>QFC Law</i> .
Regulatory Authority	The <i>Regulatory Authority</i> of the <i>QFC</i> established in accordance with Article 9 of the <i>QFC Law</i> .
Regulatory System	The arrangements for regulating an <i>Authorised Firm</i> in or under the <i>Rules</i> .
Reinsurance Contract	A <i>Contract of Insurance</i> covering all or part of a risk to which a <i>Person</i> is exposed under a <i>Contract of Insurance</i> .
Relevant Investment	<p>Any of the following <i>Specified Products</i>:</p> <p>(A) a <i>Share</i>;</p> <p>(B) a <i>Debt Instrument</i>;</p> <p>(C) a <i>Warrant</i>;</p> <p>(D) a <i>Securities Receipt</i>;</p> <p>(E) a <i>Unit in a Collective Investment Fund</i>;</p> <p>(F) an <i>Option</i>;</p> <p>(G) a <i>Future</i>;</p> <p>(H) a <i>Contract for Differences</i>;</p> <p>(I) a <i>Long Term Contract of Insurance</i>; or</p> <p>(J) <i>Rights in Investments</i> relating to the above.</p>
Relevant Issuer	In relation to a <i>Relevant Investment</i> that is the subject of a <i>Research Recommendation</i> , the issuer of that <i>Relevant Investment</i> .
Relevant Person	<p>A <i>Person</i> who carries on any <i>Regulated Activities</i> and/or a <i>Person</i> who conducts, and in so far as they conduct, any of the following activities:</p> <p>(A) the business of providing professional services including but not limited to audit, accounting, tax, consulting and legal and notarisational services;</p>

	<p>(B) the provision, formation, operation and administration of trusts and similar arrangements of all kinds; and</p> <p>(C) company services including, the business of provision, formation, operation and management of companies.</p>
Research Recommendation	<p>Research or other information:</p> <p>(A) concerning one or several <i>Relevant Investments</i> admitted to trading on <i>Designated Exchanges</i>, or in relation to which an application for admission to trading has been made, or <i>Issuers</i> of such <i>Relevant Investments</i>;</p> <p>(B) intended for distribution so that it is, or is likely to become, accessible by a large number of <i>Persons</i>, or for the public, but not including:</p> <p>(i) an informal short-term investment personal recommendation expressed to <i>Clients</i>, which originates from inside the sales or trading department, and which is not likely to become publicly available or available to a large number of persons; or</p> <p>(ii) advice given by an <i>Authorised Firm</i> to a <i>Body Corporate</i> in the context of a takeover bid and disclosed only as a result of compliance with a legal or regulatory obligations; and</p> <p>(C) which:</p> <p>(i) explicitly or implicitly, recommends or suggests an investment strategy;</p> <p>(ii) directly or indirectly, expresses a particular investment recommendation; or</p> <p>(iii) expresses an opinion as to the present or future value or price of such <i>Relevant Investments</i>.</p>
Residual Maturity	The period of time until an asset or an off-balance sheet item matures or expires.
Restricted Profit Sharing Investment Accounts	A PSIA in respect of the investment account holder imposes certain restrictions as to where, how and for what purpose his funds are to be invested.
Retail Customer	(1) In respect of <i>Regulated Activities</i> other than in connection with <i>Insurance Business</i> and <i>Insurance Mediation Business</i> , any <i>Person</i> who is not a <i>Market Counterparty</i> or a <i>Business Customer</i> .

	(2) In respect of <i>Insurance Business</i> and <i>Insurance Mediation Business</i> , any <i>Person</i> who is not a <i>Commercial Customer</i> .
Revolving Securitisation	Has the meaning given in PIIB Rule A4.10.1.
Revolving Securitisations	Has the meaning given in PIIB Rule A4.10.1.
Rho	The measure of an <i>Option's</i> sensitivity to a change in interest rates.
Right to Use	In relation to <i>Relevant Investments</i> held by an <i>Authorised Firm</i> as security for a <i>Client's</i> obligations to that <i>Authorised Firm</i> , a right to use those <i>Relevant Investments</i> of the type described in ASET Rule 5.1.1(B).
Rights in Investments	The <i>Specified Product</i> described in Paragraph 12 of Part 3 of Schedule 3 to the <i>FSR</i> .
Risk Management Function	Has the meaning given to it in INDI Section 2.1.
Rule	Any rule made by the <i>Regulatory Authority</i> pursuant to the <i>QFC Law</i> , the <i>FSR</i> or any other <i>Regulation</i> pursuant to which the <i>Regulatory Authority</i> has power to make rules, including, where the context permits, standards, principles and codes of practice.
Rulebooks	The rulebooks issued by the <i>Regulatory Authority</i> pursuant to its powers to issue rules under the <i>FSR</i> .



S

Securities Receipt	The <i>Specified Product</i> described in Paragraph 5 of Part 3 of Schedule 3 to the <i>FSR</i> .
Securities Underwriting Capital Requirement	A component of the <i>Market Risk Capital Requirement</i> and defined in PIIB section 5.9.
Securitisation	Has the meaning given in PIIB Rule A4.10.1.
Security	The following <i>Specified Products</i> :  (A) a <i>Share</i> ;  (B) a <i>Debt Security</i> ;  (C) a <i>Warrant</i> ;  (D) a <i>Securities Receipt</i> ; or  (E) a <i>Unit in a Collective Investment Fund</i> .
Senior Executive Function	Has the meaning given to it in INDI section 2.1.
Senior Management	One or more <i>Senior Managers</i> .
Senior Management Function	Has the meaning given to it in INDI section 2.1.
Senior Manager	In relation to an <i>Authorised Firm</i> , an individual employed by the <i>Authorised Firm</i> or a member of the <i>Authorised Firm's Group</i> who has responsibility either alone or with others for management and supervision of one or more elements of the firm's business relating to <i>Regulated Activities</i> .
Servicer	A <i>Servicer</i> is a Person that administers the securitised items.
Share	The <i>Specified Product</i> described in Paragraph 1 of Part 3 of Schedule 3 to the <i>FSR</i> .
Shari'a Supervisory Board	A board appointed by an <i>Authorised Firm</i> pursuant to ISFI Rule 6.1.1.
Shell Bank	A credit institution incorporated in a jurisdiction in which it has no physical presence, including meaningful mind and management, and which is unaffiliated with a regulated financial group.
Soft Dollar Agreement	An agreement, in any form, under which a <i>Person</i> agrees to pay for the supply of goods or services that a third party provides to an <i>Authorised Firm</i> , in return for an agreed volume of business at an agreed commission rate.
Special Purpose Vehicle	A <i>Body Corporate</i> whose sole purpose, either generally or when acting in a particular capacity, is to carry out one or more of the following functions:  (A) issuing <i>Investments</i> ;

	<p>(B) redeeming or terminating or repurchasing, whether with a view to re-issue or to cancellation, an issue, in whole or par, of Investments; or</p> <p>(C) entering into transactions or terminating transactions involving Investments in connection with the issue, redemption, termination or re-purchase of Investments; and</p> <p>has been explicitly established for the purpose of securitising assets and assessed by a rating agency.</p>
Specific Risk	The risk that losses on an <i>Authorised Firm's</i> net long or short position in an individual equity or <i>Security</i> may arise from a negative or positive price movement of that equity or <i>Security</i> relative to the relevant market generally.
Specified Product	<p>An investment or other type of product set out in Part 3 of Schedule 3 namely:</p> <p>(A) a <i>Share</i>;</p> <p>(B) a <i>Debt Instrument</i>;</p> <p>(C) a <i>Credit Facility</i>;</p> <p>(D) a <i>Warrant</i>;</p> <p>(E) a <i>Securities Receipt</i>;</p> <p>(F) a <i>Unit in a Collective Investment Fund</i>;</p> <p>(G) an <i>Option</i>;</p> <p>(H) a <i>Future</i>;</p> <p>(I) a <i>Contract for Differences</i>;</p> <p>(J) a <i>Contract of Insurance</i>;</p> <p>(K) a <i>Deposit</i>; or</p> <p>(L) <i>Rights in Investments</i>,</p> <p>each as defined in Part 3 of Schedule 3 to the <i>FSR</i>.</p>
Sponsor	An <i>Authorised Firm</i> acts as sponsor when it repackages third party assets directly into a scheme. Where an <i>Authorised Firm</i> repackages non- <i>Investment Grade</i> third party assets, it may fall within the definition of an <i>Originator</i> unless it originates or repackages no more than 10% of the scheme's total assets.

SPV	Special Purpose Vehicle.
State	The State of Qatar.
Stock Lending	The disposal of a <i>Relevant Investment</i> subject to an obligation or right to reacquire the same or a similar <i>Relevant Investment</i> from the same counterparty.
Structured Capital at Risk Investment	<p>An investment, other than a derivative, which provides an agreed level of income or growth over a specified investment period and displays the following characteristics:</p> <p>(A) the customer is exposed to a range of outcomes in respect of the return of initial capital invested;</p> <p>(B) the return of initial capital invested at the end of the investment period is linked by a pre-set formula to the performance of an index, a combination of indices, a basket of selected investments (typically from an index or indices), or other factor or combination of factors; and</p> <p>(C) if the performance in (B) is within specified limits, repayment of initial capital invested occurs but if not, the customer could lose some or all of the initial capital invested.</p>
Subsidiary	An <i>Entity</i> is a “ <i>Subsidiary</i> ” of another <i>Entity</i> if that other <i>Entity</i> is the <i>Parent Entity</i> of the first <i>Entity</i> .
Suspicious Transaction Report	An internal report made in accordance with Article 14(1) of the <i>AML Regulations</i> or an external report made in accordance with Article 14(7)(C) of the <i>AML Regulations</i> .
Synthetic Securitisation	A securitisation which uses <i>Credit Derivatives</i> to transfer the credit risk associated with the underlying assets.

**T**

T	Has the meaning given in PIIB Rule 4.1.2.
TDR Regulations	The <i>QFC</i> Tribunal and Dispute Resolution Regulations 2005
Terms of Business	A statement in writing or printable format of the terms and conditions on which an <i>Authorised Firm</i> will conduct <i>Investment Business</i> with or for a <i>Customer</i> .
Theta	The ratio of the change in an <i>Option</i> price to the decrease in time to expiration. Theta can also be referred to as time decay.
Third Party	A <i>Person</i> other than the data subject, the controller, the processor and the persons who, under the direct authority of the controller or the processor, are authorized to process the data.
Third Party Account	An account with an <i>Eligible Third Party</i> in which <i>Client Money</i> is or is to be held.
Third Party-Related Distribution Event	In relation to a <i>Designated Bank</i> or an <i>Eligible Third Party</i> , the appointment of a liquidator, receiver or administrator, or trustee in bankruptcy, or any equivalent appointment in any relevant jurisdiction in respect of that <i>Designated Bank</i> or <i>Eligible Third Party</i> .
Tier One Capital	Capital referred to as <i>Tier One Capital</i> in the table set out under PIIB Rule 2.6.2.
Tier Two Capital	Capital referred to as <i>Tier Two Capital</i> in the table set out under PIIB Rule 2.6.2.
Total Return Swap	A contract under which two parties exchange their positive or negative returns on a notional amount of a Reference Asset for a specified period of time.
Trading Book	The positions and exposures including, on and off-balance sheet items eligible for inclusion in the <i>Trading Book</i> , as described in PIIB chapter 1.
Transaction	Any transaction, including the giving of advice and any other business or service undertaken by a <i>Relevant Person</i> in the course of carrying on a business in or from the <i>QFC</i> .
Tribunal	The tribunal established or to be established pursuant to the <i>TDR Regulations</i> .

U

UK GAAP	Generally accepted accounting principles the United Kingdom.
Underlying Customer	Has the meaning given in COND Rule 6.4.1.
Underwriting	An arrangement under which a party agrees to buy, before issue, a specified quantity of <i>Securities</i> in an issue of <i>Securities</i> on a given date at a given price, if no other party has purchased or acquired them.
Unit in a Collective Investment Fund	The <i>Specified Product</i> described in Paragraph 6 of Part 3 of Schedule 3 to the <i>FSR</i> .
Unrestricted Profit Sharing Investment Account	A <i>PSIA</i> in respect of which the investment account holder authorises the <i>Authorised Firm</i> to invest the account holder's funds in a manner which the <i>Authorised Firm</i> deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.
Unsettled Transaction	A transaction where delivery of an instrument is due to take place against the receipt of cash but remains outstanding.
US GAAP	Generally accepted accounting principles in the United States.

V

Vega	The measure of an <i>Option's</i> sensitivity to a change in the volatility of the underlying Investment, asset or property.
------	------------------------------------------------------------------------------------------------------------------------------

**W**

Waiver or Modification Notice	The written notice described in Article 16 of the <i>FSR</i> .
Walkaway Clause	A provision which permits a non-defaulting party to make payments, or no payments at all, to the estate of the defaulter, even if the defaulter is a net creditor.
Warrant	The <i>Specified Product</i> described in Paragraph 4 of Part 3 of Schedule 3 to the <i>FSR</i> .

**X**



**Y**

**Z**

Zone 1	Any of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and USA.
Zone 2	Any country which is not in <i>Zone 1</i> .

## Endnotes

### 1 Abbreviation key

a	=	after	om	=	omitted/repealed
am	=	amended	orig	=	original
amdt	=	amendment	par	=	paragraph/subparagraph
app	=	appendix	prev	=	previously
art	=	article	pt	=	part
att	=	attachment	r	=	rule/subrule
b	=	before	renum	=	renumbered
ch	=	chapter	reloc	=	relocated
def	=	definition	s	=	section
div	=	division	sch	=	schedule
g	=	guidance	sdiv	=	subdivision
hdg	=	heading	sub	=	substituted
ins	=	inserted/added			

### 2 Rulebook history

#### Interpretation and Application Rulebook (INAP)

made by

**Interpretation and Application Rulebook Rule Making Instrument No. 7, 2005  
(RM07/2005)**

Made 13 October 2005

Commenced 13 October 2005

Version No. 1