

# **General (Controller and Miscellaneous) Amendments Rules 2014**

**QFCRA Rules 2014-1**

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The Board of the Qatar Financial Centre Regulatory Authority makes the following rules, and gives the following guidance, under the *Financial Services Regulations*.

Dated 14 January 2014.

Abdulla Saoud Al-Thani  
Chairman

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QATAR FINANCIAL CENTRE

**REGULATORY  
AUTHORITY**

# **General (Controller and Miscellaneous) Amendments Rules 2014**

**QFCRA Rules 2014-1**

made under the

*Financial Services Regulations*

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**1.1.1 Name of rules**

These rules are the *General (Controller and Miscellaneous) Amendments Rules 2014*.

**1.1.2 Commencement**

These rules commence on 1 February 2014.

**1.1.3 Amendments**

These rules amend the *Rules* in schedule 1 and schedule 2.

**1.1.4 Explanatory notes**

An explanatory note in these rules is not part of these rules.

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## **Schedule 1      Amendments of General Rules 2005 (GENE)**

(see r 1.1.3)

### **Part S1.1      Amendments relating to controllers**

#### **[1.1]      Chapter 8**

*substitute*

### **Chapter 8      Controllers**

#### **Part 8.1      General provisions**

##### **8.1.1      Introduction**

This chapter is about controllers and the obligations, procedures, systems, controls and reports related to first becoming a controller and increasing, decreasing, ceasing and changing control. Under rule 2.3.1, the connection of an applicant or authorised firm with its controllers is one of the matters to be considered in determining its fitness and propriety.

##### **8.1.2      Application of pt 8.1**

This part applies to an authorised firm that is a QFC entity. It does not apply to a firm that is a branch unless a condition of the firm's authorisation states otherwise.

##### **8.1.3      Meaning of *controller*, *types of control* and *first becomes a controller***

- (1) ***Controller***, of an authorised firm, is a person who (whether alone or together with 1 or more associates) has acquired control over the

firm through any of the following *types of control* described in FSR, article 37 (1):

- (a) holding 10% or more of the shares in the firm;
- (b) being entitled to exercise, or control the exercise of, 10% or more of the voting power in the firm;
- (c) holding 10% or more of the shares in a parent entity of the firm;
- (d) being entitled to exercise, or control the exercise of, 10% or more of the voting power in a parent entity of the firm;
- (e) being able to exercise significant influence over the management of the firm or a parent entity of the firm because of the person's shareholding or voting power, or by contractual or other arrangements;

**Guidance**

Other arrangements include trusts, agreements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights. These arrangements could comprise a number of arrangements that would not individually enable the person to exercise a type of control over the authorised firm but would do so if they were taken together.

- (f) being able to exercise, or control the exercise of, 10% or more of the voting power in the firm because of the person's shareholding or voting power in a third party that holds 10% or more of the shares of the firm;
  - (g) being able to exercise significant influence over the management of the firm because of the person's shareholding or voting power in a third party that holds 10% or more of the shares of the firm.
- (2) In determining whether a person is a controller of an authorised firm, any shares, voting power or rights to acquire shares or voting power that the person holds in the firm (whether alone or together with 1 or more associates) must be disregarded if:
- (a) the shares are held for the sole purpose of clearing and settling within a short settlement cycle;

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- (b) the shares are held as custodian or nominee and the voting power attached to the shares is exercised only in accordance with written instructions given to the person; or
  - (c) the person is an authorised firm and it:
    - (i) acquires shares as a result of an underwriting of a share issue or a placement of shares on a firm commitment basis;
    - (ii) does not exercise the voting power attached to the shares or otherwise intervene in the management of the issuer; and
    - (iii) retains the shares for less than 1 year.
- (3) A person *first becomes a controller*:
- (a) when the person becomes a controller of the firm for the first time; or
  - (b) if the person is not a controller of the firm but had previously been such a controller—when the person again becomes a controller of the firm.

#### **8.1.4 Meaning of *increases control***

- (1) A controller *increases control* over an authorised firm if:
- (a) the controller (whether alone or together with 1 or more associates) acquires a different type of control over the firm;
  - (b) the controller becomes a parent entity of the firm;
  - (c) the percentage of shares held by the controller (whether alone or together with 1 or more associates) in the firm or in a parent entity of the firm increases from, or below, a level mentioned in subrule (2) to above that level; or
  - (d) the percentage of voting power that the controller (whether alone or together with 1 or more associates) is entitled to exercise, or control the exercise of, in the firm or in a parent

entity of the firm increases from, or below, a level mentioned in subrule (2) to above that level.

- (2) The levels for increased control are 24%, 49% and 74%.

#### **8.1.5 Meaning of *decreases control***

- (1) A controller *decreases control* over an authorised firm if:
- (a) the controller (whether alone or together with 1 or more associates) loses a type of control over the firm;
  - (b) the controller ceases to be a parent entity of the firm;
  - (c) the percentage of shares held by the controller (whether alone or together with 1 or more associates) in the firm or in a parent entity of the firm decreases from above a level mentioned in subrule (2) to, or below, that level; or
  - (d) the percentage of voting power that the controller (whether alone or together with 1 or more associates) is entitled to exercise, or control the exercise of, in the firm or in a parent entity of the firm decreases from above a level mentioned in subrule (2) to, or below, that level.
- (2) The levels for decreased control are 74%, 49% and 24%.

#### **8.1.6 Meaning of *voting power and control***

- (1) *Voting power* of a person in an authorised firm or a parent entity of the firm means the total rights of the person to vote, or take part in any decision-making, about any of the following:
- (a) the distribution of capital or profits of the firm to its shareholders;
  - (b) the articles of association, partnership agreement or similar document constituting the firm or governing its activities;
  - (c) any variation of the share capital of the firm;
  - (d) any appointment of a director (however called) of the firm;
  - (e) the overall policy of the firm.
- (2) A person's voting power includes:
- (a) voting power held by a third party with whom the person has concluded an agreement that obliges the person and the third

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- party to adopt, by concerted exercise of the voting power they hold, a lasting common policy towards the management of the firm or parent entity;
- (b) voting power held by a third party under an agreement concluded with the person providing for the temporary transfer, for consideration, of the voting power;
  - (c) voting power attaching to shares that are lodged as collateral with the person, if the person controls the voting power and declares an intention to exercise it;
  - (d) voting power attaching to shares in which the person has a life interest;
  - (e) voting power that is held, or may be exercised in any of the ways described in paragraphs (a) to (d), by a subsidiary of the person;
  - (f) voting power attaching to shares deposited with the person that the person has discretion to exercise in the absence of specific instructions from the shareholders;
  - (g) voting power held in the name of a third party on behalf of the person; and
  - (h) voting power that the person may exercise as a proxy where the person has discretion about the exercise of the voting power in the absence of specific instructions from the shareholders.
- (3) **Control** (of the exercise of voting power) includes direct and indirect control, and control that is exercisable as a result, or by means, of arrangements or practices:
- (a) whether or not having legal or equitable force; and
  - (b) whether or not based on legal or equitable rights.
- (4) If the percentage of total rights to vote or participate in decision-making differs as between different types of voting or decision-

making, the highest of those percentages applies for the purposes of this rule.

- (5) If a firm or parent entity:
- (a) is limited both by shares and by guarantee; or
  - (b) does not have a share capital;

this rule has effect as if the members or policy holders of the firm or parent entity were shareholders.

*Note* FSR, art 37 (3) (B) states that *voting power*, in relation to an authorised firm or relevant parent entity which does not have general meetings at which matters are decided by the exercise of voting rights, means the right under the constitution of the authorised firm or relevant parent entity to direct the overall policy of the authorised firm or relevant parent entity or alter the terms of its constitution.

## **Part 8.2                      Seeking approval to change control—QFC entities**

### **8.2.1            Application of pt 8.2**

This part applies to an authorised firm that is a QFC entity.

### **8.2.2            Approval to change control—QFC entities (FSR, art 35 and 38)**

A person must not first become a controller or increase or decrease control over an authorised firm without the Regulatory Authority's approval.

### **8.2.3            Controller notice seeking approval to change control—QFC entities**

- (1) An authorised firm must give a controller notice in the approved form to the Regulatory Authority before a person becomes a controller of the firm or increases or decreases control over the firm. The controller notice serves as an application for the approval required under rule 8.2.2.

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- (2) If the firm does not know of the matter or does not have sufficient information to give the controller notice, the notice must be given by the person proposing to first become a controller or increase or decrease control.
  - (3) If the firm has reasonable grounds to suspect that any of the matters mentioned in subrule (1) exists, the firm must make appropriate inquiries to satisfy itself about the matter and decide whether it should give a controller notice.

*Note* Under FSR, art 36 (3), an authorised firm that does not have sufficient information to enable it to give the controller notice must notify the person proposing to acquire or change control about the person's obligation to give the controller notice to the authority.

- (4) A controller notice must be given:
  - (a) at least 30 days before the person first becomes a controller or increases or decreases control; or
  - (b) if it is not practicable to give the notice in accordance with paragraph (a)—immediately after the firm or person required to give the notice becomes aware of the matter.
- (5) A controller notice may be withdrawn at any time before the authority decides on the application for approval.
- (6) If, at any time before the authority makes its decision, the firm or person making the proposal becomes aware of a change that is reasonably likely to be material to the Regulatory Authority's decision, the firm or person must notify the authority about the change without delay.

#### **8.2.4 Additional requirement—letter of comfort**

- (1) A controller notice in relation to a person that seeks:
  - (a) to increase control from, or below, 49% to above that level; or
  - (b) to increase control from, or below, 74% to above that level;must be accompanied by a letter of comfort from the person.

*Note* In issuing a letter of comfort the person signifies its willingness and commitment to support the firm in case of unforeseen contingencies that may affect its ability to maintain adequate capital and liquidity levels to meet its obligations and regulatory requirements.

- (2) The Regulatory Authority may require a letter of comfort from a person that seeks to increase control from, or below, 24% to a level up to 48.99%.
- (3) A letter of comfort must be in a form acceptable to the authority and must state that the person:
  - (a) has adequate financial resources to fulfil its commitments under the letter;
  - (b) will support the firm:
    - (i) to conduct its business under the applicable laws, regulations and rules; and
    - (ii) to enable it at all times to meet its obligations in accordance with standards of prudence generally accepted for the firm's business; and
  - (c) will notify the authority immediately of any significant change in its relationship with the firm.

**Guidance**

The Regulatory Authority expects the following to be part of the letter in addition to the matters in rule 8.2.4 (3):

- acknowledgment of its purpose
  - clear statement of the relationship between the firm and the controller or proposed controller, and the type and level of control to which the letter relates
  - the nature and extent of the commitments to support the firm.
- (4) A letter of comfort given by a person ceases to have effect if:
    - (a) the person's level of control subsequently decreases to 49% or less; and
    - (b) on application by the person, the Regulatory Authority is satisfied (after considering the person's financial capability, capital adequacy and risk profile and any evidence offered by the person) that the letter should cease to have effect.

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- (5) The Regulatory Authority will notify the person in writing of its decision. If the authority is satisfied that the letter of comfort should cease to have effect, the notice must state the date when the letter so ceases.
  - (6) A letter of comfort from a person that is not an individual must also state that it is made under a resolution of the governing body of the person. The person must give a copy of the resolution to the Regulatory Authority if the authority requires it.
  - (7) A firm that is the beneficiary of a letter of comfort must immediately notify the authority of any cancellation or variation of the letter.

#### **8.2.5 Approval process (FSR, art 38)**

- (1) If the Regulatory Authority receives a controller notice in relation to a proposal for a person to first become a controller of a firm or to increase or decrease control over a firm, the authority may:
  - (a) approve the proposal without conditions;
  - (b) approve the proposal subject to such conditions as the authority considers appropriate;
  - (c) refuse to approve the proposal; or
  - (d) object to the proposal and then decide whether to approve or refuse to approve it.

*Note 1* Under FSR, art 38 (2), the Regulatory Authority shall seek to make its determination within 30 days of receipt of all the required information and shall notify the authorised firm (or if the controller notice has been submitted by another person, both the firm and that other person) of its determination promptly.

*Note 2* Under FSR, art 38 (4), the Regulatory Authority may grant unconditional approval only if it is satisfied that:

- the person acquiring or increasing the control is a fit and proper person to have the control in question;
- the conditions in article 29 (5) (A) and (B) (Close Links) have been met; and

- granting such approval would be consistent with the regulatory objectives.
- (2) Nothing in this rule prevents the authority from taking any other action against a person who has failed to comply with these rules or any other *Rules* or law applying in the QFC.

*Note* Under FSR, art 38 (6), the Regulatory Authority's power to approve or refuse to approve a proposal remains even if no controller notice seeking approval is given to the authority.

### 8.2.6 Objection process

- (1) If the Regulatory Authority objects to a proposal for a person to first become a controller or to increase or decrease control, the authority must, as soon as practicable after it receives the controller notice, letter of comfort and any additional information it requires, give the authorised firm and the person written notice:
- (a) stating the reasons for its objection; and
  - (b) giving the firm and person an opportunity to make representations within 14 days after receipt of the notice or a longer period fixed by the authority.

#### **Example**

The Regulatory Authority may object to a proposal if it considers that the letter of comfort accompanying the application is not acceptable taking into consideration the financial capability, capital adequacy and risk profile of the proposed controller or controller and the authorised firm.

- (2) The authority must, as soon as practicable after the expiry of the period for making representations, consider any representations and:
- (a) withdraw its objection and approve (with or without conditions) the proposal; or
  - (b) refuse to approve the proposal.

*Note* Under r 5.2.2 (2), the Regulatory Authority may require a person to give additional information in relation to any document given to the authority.

### 8.2.7 When approved proposal lapses

- (1) A proposal for a person to first become a controller or to increase or decrease control that has been approved (with or without condition) must be acted on by the person:

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- (a) by the date specified by the Regulatory Authority in its approval; or
  - (b) if there is no date specified—within 6 months after the date of the approval.
- (2) The approval lapses if the person does not become a controller or does not increase or decrease control by that date or period, unless the Regulatory Authority gives an extension in writing.

## **Part 8.3 Giving notice about changes in control—branches**

### **8.3.1 Application of pt 8.3**

This part applies to an authorised firm that is a branch if this part applies to it under a condition of its authorisation.

### **8.3.2 Controller notice about changes in control of branches (FSR, art 36)**

- (1) An authorised firm must give a controller notice in the approved form to the Regulatory Authority if the firm knows that:
- (a) a person is proposing to first become a controller of the firm;
  - (b) a controller is proposing to increase control over the firm;
  - (c) a controller is proposing to decrease its level of control over the firm from more than 50% to 50% or less;
  - (d) a controller is proposing to cease control.
- (2) The notice must be given immediately after the firm becomes aware of the matter.

- (3) If the firm has reasonable grounds to suspect that any of the matters in subrule (1) exists, the firm must make appropriate inquiries to satisfy itself about the matter and decide whether it should give a controller notice.

*Note* A firm that is a branch must have systems and controls to monitor changes in control; it must also give to the authority annual reports on controllers (see rr 8.5.2 and 8.5.3).

## **Part 8.4 Giving notice about controllers— QFC entities and branches**

### **8.4.1 Application of pt 8.4**

This part applies to an authorised firm that is a QFC entity. It does not apply to a firm that is a branch unless a condition of the firm's authorisation states otherwise.

### **8.4.2 Significant changes in controllers**

- (1) An authorised firm must give notice to the Regulatory Authority if any of the following matters happen in relation to a controller:
- (a) the controller is the subject of a legal proceeding or an investigation that calls, or might call, the controller's integrity into question;
  - (b) there is a significant deterioration in the controller's financial position;
  - (c) there is any significant change in the conduct or circumstances of the controller that might reasonably be considered to diminish the fitness and propriety of the firm or its ability to conduct its business soundly and prudently;
  - (d) if the controller is not an individual—the controller undergoes a substantial change or series of changes in its governing body;

*Note* **Governing body** is defined in the glossary.

#### **Examples for para (d)**

- 1 for a firm incorporated under the Companies Regulations—removal or replacement of a majority of the members of the board of directors in a single event or a series of connected events

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- 2 for a firm that is a partnership constituted under the Partnership Regulations 2007—removal of all, or a majority of, the members of the body (whatever it is called) that, under the firm’s constitutional document, has the responsibility of overseeing the firm’s business in or from the QFC
  3. for a firm that is a branch that has for its governing body a committee of management given the responsibility of overseeing the firm’s business in or from the QFC—abolition or change of the committee.
- (2) The notice must be given in the approved form immediately after the firm becomes aware of the matter.
  - (3) If the firm has reasonable grounds to suspect that any of the matters in subrule (1) may happen or has happened, the firm must make appropriate inquiries to satisfy itself about the matter and decide whether it should give notice.

**Guidance**

The test of reasonable grounds for suspicion applies to the firm’s obligation to make inquiries for itself (and thereafter decide whether or not to give notice). The grounds for making inquiries based on the suspicion must be that a reasonable person would, in the circumstances, be expected to make those inquiries.

- (4) If there is a legal or regulatory restriction on a firm’s complying with subrule (1), (2) or (3), the firm must immediately notify the Regulatory Authority of the specific nature of the restriction. On being notified, the authority will direct the firm as to what action the firm must take to comply with this rule.

## **Part 8.5 Systems, controls and reports**

### **8.5.1 Application of pt 8.5**

This part applies to an authorised firm that is a QFC entity. It does not apply to a firm that is a branch unless a condition of the firm’s authorisation states otherwise.

### **8.5.2 Systems and controls to monitor changes (FSR, art 36 (4))**

The systems and controls that an authorised firm is required to have under FSR, article 36 (4) must enable it to be notified of, and to monitor:

- (a) any change or proposed change of its controllers;
- (b) any significant change in the conduct or circumstances of its controllers that might reasonably be considered to diminish the fitness and propriety of the firm or its ability to conduct its business soundly and prudently; and
- (c) any other change required to be notified to the Regulatory Authority under these rules.

#### **Examples of how to monitor**

A firm may monitor changes about controllers using regulatory disclosures, press reports, public announcements, share registers and entitlements to vote, or the control of voting power, at general meetings

*Note* Matters referred to in para (a) will be reported to the Regulatory Authority under pt 8.2, 8.3 or 8.4, as appropriate. Matters referred to in para (b) will be reported under r 8.4.2 (1) (c).

### **8.5.3 Annual report on controllers (FSR, art 40)**

The annual report on controllers that an authorised firm is required to give to the Regulatory Authority under FSR, article 40 must include:

- (a) the name of each person who was a controller of the firm at any time during the financial year;
- (b) the type of control held by each controller;
- (c) if applicable, the level of control (expressed as a percentage) held by each controller;
- (d) for each controller that is an individual—his or her date and place of birth; and
- (e) for each controller that is a body corporate—its place of incorporation, address and registered number.

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**Explanatory note**

This amendment substitutes a new chapter 8 to define controllers and clarify the obligations, procedures, systems, controls and reports related to first becoming a controller and increasing, decreasing, ceasing and changing control.

**[1.2] Rule 10.7.1 (2) (a)**

*substitute*

(a) rules 8.2.3, 8.3.2, 8.4.2, 8.5.3 and 9.4.1;

**Explanatory note**

This amendment updates the citation of rules relating to controller notices and reports.

**[1.3] Schedule 2, item 2.1**

*substitute*

**2.1 Annual report on controllers**

- r 8.5.3

**Explanatory note**

This amendment updates the citation of the rule on annual report on controllers.

## Part S1.2 Consequential and technical amendments

### [1.4] After rule 1.1.1

*insert*

#### 1.1.2 Glossary

The glossary at the end of these rules is part of these rules.

*Note 1* There are also relevant definitions in the INAP glossary. If a term defined in INAP is used in these rules, the appearance of the term in these rules is normally in italics (but not in bold italics).

*Note 2* For the application of definitions, see INAP, r 2.1.8 (Application of definitions).

*Note 3* A note in or to these rules is explanatory and is not part of the rules (see INAP, r 2.1.6 (1) and r 2.1.7). However, examples and guidance are part of these rules (see INAP, r 2.1.4 (1) (b) and (2)).

*Note 4* An example is not exhaustive, and may extend, but does not limit, the meaning of these rules or the particular provision of these rules to which it relates (see INAP, r 2.1.5).

*Note 5* Under FSR, art 17 (4), guidance is indicative of the view of the Regulatory Authority at the time and in the circumstances in which it was given.

#### Explanatory note

This amendment inserts a glossary provision with notes. The glossary will facilitate the use of definitions that apply only to these rules and will enable definition usage to be rationalised.

### [1.5] Sections 3.3 and 3.4 (including guidance)

*omit*

#### Explanatory note

This amendment omits 2 sections that are not in use.

### [1.6] New glossary

*insert after Appendix 4*

## Glossary

(see r 1.1.2)

*approved form* means a form approved under rule 5.3.1.

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**approved individual** means an individual approved under FSR, article 41 to perform 1 or more controlled functions.

**associate**, of a person (X) holding shares in an authorised firm (or a parent entity of an authorised firm) or entitled to exercise, or control the exercise of, voting power in an authorised firm (or a parent entity of an authorised firm), means:

- (a) a trust controlled or administered by X;
- (b) a legal person of which the governing body is accustomed to act in accordance with the instructions of X;
- (c) if X is an individual:
  - (i) the spouse, child or stepchild of X;
  - (ii) any other person with whom X has an agreement or arrangement:
    - (A) for the acquisition, holding or disposal of shares or other interests in the authorised firm (or a parent entity of the firm); or
    - (B) under which they undertake to act together in exercising their voting power in relation to the authorised firm (or a parent entity of the firm); or
- (d) if X is a legal person:
  - (i) a subsidiary of X;
  - (ii) an entity in the same group as X;
  - (iii) any person in accordance with whose instructions the governing body of X is accustomed to act; and
  - (iv) a director or employee of X, or a director or employee of a subsidiary of X, if the director or employee is under an obligation to act in accordance with the instructions of X in relation to the shares or voting power in the authorised firm (or a parent entity of the firm).

**authorisation** means an authorisation granted under FSR, part 5.

**authorised firm** (or **firm**) means a person that has an authorisation.

**body corporate** means a company or limited liability partnership incorporated in or outside the QFC.

**branch** means a legal entity incorporated in a jurisdiction outside the QFC. A firm that is a branch is the local office in the QFC of a company or limited liability partnership incorporated in a jurisdiction outside the QFC.

**business day** means a day that is not a Friday, Saturday, or a public or bank holiday in Qatar.

**control** (of the exercise of voting power)—see rule 8.1.6 (3).

**controlled function** has the meaning given by FSR, article 41 (2).

*Note* See CTRL, ch 3 for the functions that are controlled functions.

**controller**—see rule 8.1.3 (1).

**contravene** includes fail or refuse to comply with.

**CTRL** the *Governance and Controlled Functions Rules 2012*.

**decrease control**—see rule 8.1.5.

**director**, of a firm, means a person appointed to direct the firm's affairs, and includes—

- (a) a person named as director; and
- (b) any other person in accordance with whose instructions the firm is accustomed to act.

**document** means a record of information in any form (including electronic form) and includes, for example:

- (a) anything in writing or on which there is writing;
- (b) anything on which there are figures, marks, numbers, perforations, symbols or anything else having a meaning for individuals qualified to interpret them;
- (c) a drawing, map, photograph or plan; and
- (d) any other item or matter (in whatever form) that is, or could reasonably be considered to be, a record of information.

**employee**, of a person, means an individual:

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- (a) who is employed or appointed by the person, whether under a contract of service or for services or otherwise; or
  - (b) whose services are, under an arrangement between the person and a third party, placed at the disposal and under the control of that person.

**entity** means any kind of entity, and includes for example, any person.

**firm** (or **authorised firm**) means a person that has an authorisation.

**first become a controller**—see rule 8.1.3 (3).

**fitness and propriety**, of an authorised firm or applicant, means the criteria described in FSR, article 29 and in chapter 2.

**FSR** means the *Financial Service Regulations*.

**function** includes authority, duty and power.

**governing body** means:

- (a) in the case of a firm that is a QFC entity or a partnership constituted under the Partnership Regulations 2007—its board of directors or the body (whatever it is called) that, under the firm’s constitutional document, has the responsibility of overseeing the firm’s business in or from the QFC; and
- (b) in the case of a firm that is a branch—
  - (i) that part of the board of directors of the firm that has the responsibility of overseeing the firm’s business in or from the QFC; or
  - (ii) if the firm does not have that part of the board described in subparagraph (i)—that part of the firm’s membership, committee of management or other body (whatever it is called) that has the responsibility of overseeing the firm’s business in or from the QFC; or
  - (iii) if the firm does not have that part of the board or body described in subparagraphs (i) and (ii)—the person or

persons delegated by the board, membership, committee or other body with the responsibility of overseeing the firm's business in or from the QFC.

**group**, in relation to a legal person (**A**) means the following:

- (a) A;
- (b) any parent entity of A;
- (c) any subsidiary (direct or indirect) of any parent entity of A.

**INAP** means the *Interpretation and Application Rules 2005*.

**increase control**—see rule 8.1.4.

**legal person** means an entity (other than an individual) on which the legal system of a jurisdiction confers rights and imposes duties, and includes, for example, any entity that can own, deal with or dispose of property.

**Examples**

- 1 a company
- 2 any other corporation
- 3 a partnership, whether or not incorporated
- 4 an association or other undertaking, whether or not incorporated

**parent entity** of a legal person (**A**) means any of the following:

- (a) a legal person that holds a majority of the voting power in A;
- (b) a legal person that is a member of A (whether direct or indirect, or through legal or beneficial entitlement) and alone, or together with 1 or more legal persons in the same group, holds a majority of the voting power in A;
- (c) a parent entity of any legal person that is a parent entity of A.

**person** means—

- (a) an individual (including an individual occupying an office or position from time to time); or
- (b) a legal person.

**QFC** means the Qatar Financial Centre.

**QFC entity** means a company incorporated under the Companies Regulations or a limited liability partnership incorporated under the Limited Liability Partnership Regulations.

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**regulated activity** means an activity that is a regulated activity under FSR.

**regulated exchange** means an exchange—

- (a) that is incorporated or otherwise established in a jurisdiction outside the QFC; and
- (b) that is regulated as an exchange by an overseas regulator in that jurisdiction.

**Regulatory Authority** means the Regulatory Authority of the QFC.

**shares** in relation to a controller has the meaning given in FSR, article 37 (3).

**subsidiary**—a legal person (**A**) is a subsidiary of another legal person (**B**) if B is the parent entity of A.

**type of control** means any of the types of control in rule 8.1.3 (1).

**voting power**—see rule 8.1.6 (1).

**writing** means any form of writing, and includes, for example, any way of representing or reproducing words, numbers, symbols or anything else in legible form (for example, by printing or photocopying).

**Explanatory note**

This amendment includes a new glossary for GENE. The glossary includes, in particular, definitions only used in GENE or that have a different meaning in GENE.

**[1.7] Further amendments—terms no longer defined in INAP for these rules**

provisions	omit	substitute
all	<i>approved individual</i>	approved individual
all	<i>Approved Individual</i>	approved individual
r A1.2, guidance 8 (c)	<i>Approved Individuals</i>	approved individuals

<b>provisions</b>	<b>omit</b>	<b>substitute</b>
r 4.1.1 (3) (f)	<i>approved individual's</i>	approved individual's
all	<i>authorisation</i>	authorisation
all	<i>Authorisation</i>	authorisation
all	<i>authorised firm</i>	authorised firm
all	<i>Authorised Firm</i>	authorised firm
all	<i>authorised firms</i>	authorised firms
all	<i>Authorised Firms</i>	authorised firms
all	<i>authorised firm's</i>	authorised firm's
all	<i>Authorised Firm's</i>	authorised firm's
r 2.4.1	<i>Body Corporate</i>	body corporate
r 4.1.1 (3) (d)	<i>branch</i>	branch
all (except r 5A.2.5 (5))	<i>business day</i>	business day
all	<i>business days</i>	business days
r 5.4.1 (3) and (4) (c)	<i>contravene</i>	contravene
r 5.3.2 (4) (d) (iii)	<i>contravenes</i>	contravenes
all	<i>contravention</i>	contravention
all	<i>controlled function</i>	controlled function
r 3.4 (3)	<i>Controlled Function</i>	controlled function
r 3.4 (3)	<i>Controlled Functions</i>	controlled functions
r.8.4.7	<i>controller</i>	controller
all	<i>Controller</i>	controller
r 4.1.3 (2) (F) Example	<i>controllers</i>	controllers
all	<i>Controllers</i>	controllers
r A1.2, guidance 3 (c)	<i>Controller's</i>	controller's

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<b>provisions</b>	<b>omit</b>	<b>substitute</b>
all	<i>CTRL</i>	CTRL
r 5.2.1 (7) and r 5.4.1(2) (b) Example	<i>director</i>	director
r 5.4.1 (4) (d)	<i>directors</i>	directors
r A.1.2 (3)(c)	<i>Directors</i>	Directors
all	<i>document</i>	document
r 5.4.1 (1)	<i>documents</i>	documents
r 5.4.1 (4) (d)	<i>employees</i>	employees
r 4.1.4 (2) (a)	<i>Employee</i>	employee
all	<i>Employees</i>	employees
r 2.4.2 (d)	<i>entity</i>	entity
r 4.1.3 (2) (a) and r A1.2, guidance 9	<i>fitness and propriety</i>	fitness and propriety
all	<i>Fitness and Propriety</i>	fitness and propriety
r 2.1.1, guidance 1	Article 29 of the Financial Services Regulations provides	FSR, article 29 provides
r 2.2.1	Pursuant to Article 29 of the <i>FSR</i>	Under FSR, article 29
r 2.3.1 (A)	the <i>FSR</i>	FSR
r 3.5.1	Article 18 of the <i>FSR</i>	FSR, article 18
r A1.1, guidance 1	Article 29 of the <i>FSR</i>	FSR, article 29
r A1.2, guidance 1	Further to Article 29 of the <i>FSR</i> and chapter 2 of	In addition to FSR, article 29 and chapter 2,

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<b>provisions</b>	<b>omit</b>	<b>substitute</b>
	this rulebook,	
all	<i>FSR</i>	FSR
all	the FSR	FSR
all	<i>Financial Services Regulations</i>	FSR
r 5.4.1 (7) (b) and (9) (b); rr 7.1.2 and 7.1.3; ch 11, note; r 11.1.2	the <i>Financial Services Regulations</i>	FSR
r 6.1.1, note 2; r 9.1.1, guidance 3	The <i>Financial Services Regulations</i>	FSR
r 7.1.1	<i>the Financial Services Regulations (FSR),</i>	FSR
r 5.2.2 (2) (d)	<i>its functions;</i>	its functions;
all	<i>Group</i>	group
r 5.1.3, note; r 11.1.2, guidance	<i>INAP</i>	INAP
r 2.3.1 (E)	<i>Parent Entity</i>	parent entity
r A1.2, guidance 5	<i>Parent Entity's</i>	parent entity's
all	<i>person</i>	person
all	<i>Person</i>	person
all	<i>person's</i>	person's
all	<i>persons</i>	persons
all (except r 10.6.1)	<i>Persons</i>	persons
all	<i>QFC</i>	QFC
rr 9.6.1 and	<i>QFC entity</i>	QFC entity

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provisions	omit	substitute
9.6.2		
r 9.6.1	<i>QFC entity's</i>	QFC entity's
r A4.2.1 (1) (a)	<i>regulated activity</i>	regulated activity
r A4.2.1 (1) and 1(a)	<i>regulated activities</i>	regulated activities
all	<i>Regulated Activities</i>	regulated activities
all	<i>regulated exchange</i>	regulated exchange
all	<i>Regulatory Authority</i>	Regulatory Authority
all	<i>Regulatory Authority's</i>	Regulatory Authority's
all	<i>writing</i>	writing

**Explanatory note**

This amendment removes unnecessary italics and capitals for terms that are now defined in the glossary to GENE.

**[1.8] Further amendments—terms not required to have initial capitals**

provisions	omit	substitute
all	<i>Applicant</i>	<i>applicant</i>
all	<i>Applicant's</i>	<i>Applicant's</i>
r A4.3.1 (a) and (B)	<i>Applicant Firm</i>	<i>applicant firm</i>
all (except at the beginning of a sentence)	Article	article

<b>provisions</b>	<b>omit</b>	<b>substitute</b>
r A1.2, guidance 2, 3 and 4	<i>Close Links</i>	<i>close links</i>
r 9.3.3 (including guidance)	<i>Islamic Financial Business</i>	<i>Islamic financial business</i>
r 9.3.2	<i>Islamic Financial Institution</i>	<i>Islamic financial institution</i>
r 9.3.3	<i>Islamic Window</i>	<i>Islamic window</i>

**Explanatory note**

This amendment removes unnecessary initial capitals for terms used in GENE.

**[1.9] Rule 9.5.1 (2) (b)**

*omit*

Islamic financial business

*insert*

*Islamic financial business*

**Explanatory note**

This amendment italicises a term that is defined in INAP.

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## **Schedule 2      Amendments of Interpretation and Application Rules 2005 (INAP)**

(see r 1.1.3 )

### **[1.10]      Glossary**

*omit the following definitions*

Controller

Control Notice

#### **Explanatory note**

This amendment removes definitions that are only used in GENE.