

## **Revised Qatar Financial Centre Regulatory Authority Individual Rulebook 2005. Clifford Chance seminar series – QFC Law and Regulation.**

The QFCRA Individual Rulebook 2005 ("**INDI**") now includes additional training and competency provisions for individuals applying to perform or who are performing controlled functions.

**Over the summer Clifford Chance will be running a series of seminars in Doha covering the QFC law and regulatory framework to assist authorised firms and individuals undertaking controlled functions in meeting their initial and ongoing competency requirements. Please register your interest now.**

In an effort to enhance standards of competence among Authorised Firms and individuals undertaking Controlled Functions, the QFCRA supplemented its INDI with the Training, Competency and Miscellaneous Amendments Rules 2011, which came into effect on 1 January 2012.

### **Initial competencies**

#### **Firms must assess**

Prior to making an application to the QFCRA for an individual to be approved to perform one or more controlled functions, an authorised firm must be satisfied that the individual has the competencies required and is a fit and proper person to perform each function.

Depending on the controlled function or functions to be performed, INDI prescribes specific and self-contained competency requirements that are

based on the combination of skills (what the individual ought to be able to do), knowledge (what the individual ought to know or to have by way of qualifications) and experience (what the individual has previously done).

The competency requirements for each controlled function are set out in Schedules 1 and 2 to INDI.

#### **Mandatory qualification requirements**

What is particularly noteworthy in the QFCRA's training and competency regime is its reinforcement of the "knowledge" element by incorporating mandatory qualification requirements for certain controlled functions; namely the Compliance Oversight Function, the Money Laundering Reporting Officer ("**MLRO**") Function and the Retail Customer Facing Function.

In 2010, the QFCRA developed together with the Chartered Institute for Securities and Investment ("**CISI**")

the "Investment Business in the QFC – Rules and Regulations" examination ("**CISI Regulatory Qualification**"). This is a Certificate qualification in respect of QFC Law and Financial Services Regulations and QFCRA Rules, the passing of which is considered by the QFCRA to be the minimum requirement to be able to demonstrate an understanding of the QFC regulatory framework. As part of the competency requirements for individuals seeking to perform one or all of the compliance oversight function, the MLRO function or the retail customer facing function, the individual must have the CISI Regulatory Qualification. Otherwise, the authorised firm must be able to demonstrate to the satisfaction of the QFCRA that the proposed individual either holds an equivalent qualification or does not require the CISI Regulatory Qualification to perform the controlled function in question.

With respect to the competency requirements for individuals undertaking the retail customer facing function, an authorised firm is afforded the flexibility to make an application for "conditional approval". This permits an authorised firm to make an application notwithstanding that the relevant individual may not necessarily have the competencies required by the QFCRA to perform that function, provided that such competencies will be achieved within a period of 12 months and in the interim the individual is appropriately supervised in their activities.

Other controlled functions are required to have a level of knowledge appropriate for the role, which may be demonstrated by having appropriate qualifications.

## Continuing competency

Following approval of an individual to undertake a controlled function, an authorised firm is required to ensure that each approved individual continues to have the competencies required to perform the controlled function in question.

Authorised firms are therefore required to design, implement and maintain an appropriate ongoing training and competency programme in respect of their authorised individuals. To this end, the authorised firm must ensure that individuals performing controlled functions undertake sufficient training and continuing professional development. This may take the form of in-house training, an external training programme (academic or professional) or less formal courses of study.

In terms of record keeping, an authorised firm is required to prepare a document describing its training and competency programme, how the authorised firm satisfies itself that each approved individual has and continues to have, the competencies required to perform controlled functions and how it intends to review and evaluate the authorised persons' training needs.

## Clifford Chance comment

The initial and ongoing competency requirements of INDI clearly demonstrate the QFCRA's belief that individuals within the financial services industry must acquire and maintain knowledge and experience to be able to operate successfully within the QFC.

The mandatory CISI Regulatory Qualification requirement attaching to some controlled functions has been introduced by the QFCRA to provide a standard which individuals can test themselves against the professional standards needed to conduct business in the QFC.

The ultimate aim of the QFCRA being to ensure the quality of its financial services personnel rival that of internationally renowned financial centres. This is a worthy ambition and fits neatly within the QFCRA's objectives and Principles of Good Regulation.

Clifford Chance has a specialist team of contentious and non-contentious regulatory lawyers who regularly advise on QFC law and regulation.

In order to assist authorised firms meet the initial and ongoing competency requirements of INDI, Clifford Chance is running a series of seminars in Doha this summer covering the QFC regulatory framework as follows:

- QFC Law and Financial Services Regulations
- Companies, Partnerships and Trusts
- Other QFC Regulations
- Industry Protection Rules and Regulations
- Client's Assets
- Conduct of Business
- Other QFCRA Rulebooks

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