

**Decree Law No. 15 of the Year 1993
Establishing Qatar Central Bank**

Definitions

Article (1)

In the application of the provisions of this Law, unless the context requires otherwise the following words and phrases shall have the meaning hereby assigned to them.

The Minister: The Minister of Finance, Economy and Trade.

The Bank: Qatar Central Bank.

The Board: The Board of Directors of Qatar Central Bank.

The Governor: The Governor of Qatar Central Bank.

Bank: Any company licensed to carry on Banking Business in Qatar in conformity with the provisions of the Law.

Banking Business: Acceptance of deposits for use in banking operations, such as discounting, purchase or sale of negotiable instruments, granting loans, trading in foreign exchange and precious metals. And generally all that is considered as such by commercial laws or custom.

Financial Intermediaries: Stock-Exchange dealers, brokers for sale and purchase of shares, foreign bonds, management of investment and employment of capitals, whether they are local or agents or representatives of companies or foreign institutions.

Representation Bureaus: Bureau, which represent banks or foreign financial institutions.

Financial Institutions: Any company or enterprise licensed to grant credit or investment of capitals without the right of receiving deposits are subject to specific provisions of the decreed Law No. (15) of the year 1993 establishing Qatar Central Bank stated by QCB promulgation No. (1) of the year 1997.

Offshore Banks: Banks practicing offshore business without right of receiving deposits or investment management for nationals or residents in the State of Qatar or opening accounts withdrawable by cheques. Constitution of these banks should be formed as joint stock companies with their head office in Qatar, or as branches of Qatari national or foreign banks.

Establishment of the Bank and Its Objectives

Article (2)

There shall be established a Central Bank to be known as "Qatar Central Bank". The Bank shall have a body corporate status personality, and shall conduct all operations and transactions necessary to realize its object.

Article (3)

The head office of the Bank shall be located, in Doha, and the Bank may open branches in Qatar and appoint agents and correspondents abroad.

Article (4)

The Bank shall organize and implement the monetary, credit and banking policies in accordance

with the State General Plan, in order to support the national economy and the stability of the currency.

In pursuance of attaining its objective, the Bank shall be empowered to:

1. Direct the monetary policy and banking credit in order to realize the objective of the state economy policy.
2. Exercise the privilege of issuance and circulation of the currency.
3. Take actions necessary to stabilize the value of the currency and is free conversion to other foreign currencies.
4. Supervise and control banks and financial institutions according to the provisions of the Law.
5. Function as banker for the Government within the limits prescribed by this Law.
6. Act as a Bank for all the banks operating in the State.
7. Maintain and employ the reserved funds allocated as cover to the currency.

Capital, Profits and Reserves

Article (5)

1. Capital of the Bank shall be (500,000,000) Five Hundred Million Qatari Riyals to be fully paid by the Government. The capital may be increased on recommendation of the board and the approval of the Council of Ministers.
2. The capital of the Bank shall not be subject to transfer or mortgage nor shall it be reduced except by Law.
3. The Minister shall transfer to the Bank non-negotiable and interest free bonds issued by the Government to meet may capital deficit, whenever the Board decides that the Bank assets are less than the total of its capital and liabilities.

Article (6)

The net profits for each financial year shall be determined after deducting all obligations and current expenses, in particular:

1. Doubtful and bad debts, assets depreciation and the pension fund.
2. Sums necessary for any other purposes decided by the Board and approved by the Minister.

Article (7)

1. The Bank shall have a general reserve fund to which 50% of the annual net profits shall be allocated until the reserve becomes equal to the capital. There after 25% of the annual net profits shall be deducted, until the balance thereof becomes double the capital.
The reserve specified in this paragraph may be increased to the amount and in the ratio to be agreed between the Minister and the Bank.
2. Subject to the provisions of the preceding paragraph, the remainder of the net profits shall be allocated for the redemption of the bonds issued under the provision of paragraph (3) of Article (5).

Management

Article (8)

The Bank shall be managed by a Board of Directors consisting of:

1. The Governor - The Chairman,
2. The Deputy Governor,
3. A Representative of the Ministry of Finance, Economy and Trade,
4. A Representative of the Supreme Council for Planning,
5. Three other members,

All members of the Board shall be of high competence in banking business, and in financial and

economic affairs.

Article (9)

1. The Governor and the Deputy Governor shall each be appointed by Decree, upon the Minister's proposal, for a term of five years, which may be renewable. The Governor shall have the rank of a minister, and the Deputy Governor shall have the rank of an undersecretary.
2. The remaining members of the Board shall be appointed by Decree, upon the Minister's proposal, for a period of three years, which may be renewable, and the Decree shall fix their remunerations.
3. If the office of any member is vacated before the expiry of his term another member shall be appointed in his place with the same instrument to complete the remaining period.

Article (10)

The Governor shall manage the Bank's business and shall be responsible before the Board. He is the legal representative of the Bank and has the authority to sign on its behalf. The Governor may subject to the approval of the Board delegate some of his powers to the Deputy Governor or to other officials of the Bank.

Article (11)

The Board shall have all the powers needed to attain the Bank's objectives, and in particular the power to:

1. Define the Bank's monetary and credit policy as well as the investment policy of foreign assets and supervision of the Bank's proper performance of its functions.
2. Decide the matters pertaining to the issuance of the currency and its withdrawal from circulation.
3. Lay down the internal regulations of the Bank and prepare the administrative and the financial regulations necessary to enable the Bank to conduct its business and exercise its functions.
4. Decide the rules for discounting commercial papers.
5. Fix the rates of discount, interests and commission to be charged by the Bank.
6. Decide the matters pertaining to supervision of banking business and rules of controlling them according to the provisions of this Law.
7. Decide the rules governing the granting of loans and advances to the banks operating in the State, and define the upper limits of such loans and advances, and specify the securities required thereof.
8. Decide the advances to be made to the Government in accordance with the provisions of this Law.
9. Establish clearinghouses and set up a credit risks bureau.
10. Approve the project of the Bank's annual budget and introduce the necessary amendments in the course of the year.
11. Approve the Bank's final balance and the profit and loss account.
12. Approve the Bank's annual report.
13. Lay down the rules pertaining to the affairs of the Bank's personnel, which define their rights and duties and establish a pension fund for them and determine the Bank's contribution to the fund.
14. Appoint, promote and terminate the services of senior officials of the Bank in accordance with the Bank's staff affairs regulations.
15. Deal with all other matters falling within the competence of the Board according to the provisions of this Law.

Article (12)

The Deputy Governor shall replace the Governor temporarily during his absence or during the vacancy of his office.

Article (13)

The Governor and Deputy Governor shall devote their full time to their task in the Bank and neither of them shall, during the term of his office, perform any task or hold any other post or job with or without pay.

The provision of the preceding paragraph, shall not apply to duties and tasks performed in international conferences and in committees, institutions and corporations, formed or controlled the Government. The remaining members of the Board shall be precluded from becoming members of a board of directors or directors' employees in any other bank or financial institution.

Article (14)

The following shall not be eligible for membership of the Board:

1. A person who has been declared bankrupt or has refused to pay his debts.
2. A person who has been convicted of an offence involving moral turpitude or dishonesty unless five years have passed since his conviction or three years have elapsed since the execution of sentence.

Article (15)

Membership of the Board may be terminated by Decree in any one of the following cases:

1. If the member committed a serious breach of his duties or committed grievous mistakes in the management of the Bank.
2. If the member has been absent for three consecutive board meetings without leave of the Board and without any acceptable excuse.

Article (16)

1. The Board shall hold an ordinary meeting at least once each three months.
2. The Chairman of the Board may call the Board to a meeting whenever the need arises.
3. The Chairman of the Board may call the Board to a meeting upon the request of the Minister or the request of at least three of the Board members.

Article (17)

The meeting of the Board shall not constitute a quorum unless it is attended by at least five members one of whom shall be the Governor or the Deputy Governor. The Board shall pass its decisions by the majority of the votes of the members. If the votes are equal the Chairman shall have a casting vote.

Article (18)

The Board may seek, when necessary, the assistance of experts and fix their remunerations and it may invite to its meeting anyone whose advice is required on particular subject, but who shall have no countable vote in the deliberations.

Article (19)

1. No members of the Board, employees, account auditors or agents of the Bank shall disclose any statements or information concerning the affairs of the Bank, its customers or the affairs of other banks or financial institutions which are subject to the Bank's control acquired by them by reason of performing their duties except in cases authorized by Law or in compliance with a judicial order or judgment.
2. Without prejudice to any penalty prescribed by another law which is more severe, whoever contravenes the provision of the preceding paragraph shall be punished with imprisonment for a term not exceeding one year and with fine not exceeding Ten Thousand Riyals, or with either one of them, and in all cases an order terminating his membership or service shall be passed.

Article (20)

The Bank shall not pay to its employees or to their benefit any wages, salaries, fees, allowances or gratuities calculated on the basis of profits realized by the Bank.

Currency

Article (21)

The currency unit is the Qatari Riyal, which divided into (100) hundred Dirhams.

Article (22)

Subject to the provisions of international monetary agreements concluded or acceded to by Qatar, the basis and rate of exchange of the Riyal shall be defined by Decree upon the Bank's proposal and approval of the Minister.

Article (23)

Subject to the provisions of the preceding article, the Bank may, with the object of maintaining the value of the Riyal, abroad:

1. Buy and sell international convertible currencies on terms to be determined and announced by the Board.
2. Fix and announce from time to time the price for which it will purchase or sell gold and any foreign currencies.

Article (24)

1. The issuance of currency is a state privilege exercised by the Bank exclusively.
2. The Bank shall:
 - a. Take the necessary measures for printing currency notes and the minting coins and all matters relating thereto such as the safe keeping of such notes and coins and plates and dies.
 - b. Issue and re-issue, redeem and, at its discretion, exchange currency notes and coins at its Head Office and at banks, offices and agencies which it may establish or designate.
 - c. Whoever contravenes the provisions of this article, shall be punished with the penalties defined by the Penal Code for counterfeiting of currency or forgery of coins.

Article (25)

1. Currency notes issued by the Bank shall be of the following denominations:
One Riyal, Five Riyals, Ten Riyals, Fifty Riyals, One Hundred Riyals, and Five Hundred Riyals. Currency notes of other denominations may be issued by Decree upon the Board's recommendation and the Minister's proposal.
Currency notes issued after the coming into force of this Law shall bear the signature of the Governor and the Minister.
2. Coins issued by the Bank shall be of the following denominations:
One Dirham, Five Dirhams, Ten Dirhams, Twenty-Five Dirhams, Fifty Dirhams.

Article (26)

Currency notes and coins issued by the Bank shall be in such forms, designs and specifications as shall be approved by the Council of Ministers upon the proposal of the Minister and the recommendation of the Bank.

Article (27)

1. Currency notes issued by the Bank shall be legal tender for the payment of any amount in

2. Qatar provided that amount shall not exceed their face value.
3. Coins issued by the Bank shall be legal tender for payment of any amount not exceeding (10 ten Riyals).
4. Whoever refuses to accept to its value as legal for payment Qatari currency as provided for in this Law, shall be punished with a fine not exceeding Three Thousand Riyals.

Article (28)

Subject to the provisions of paragraphs (1), (2) of the preceding article, the Board may, upon the approval of the Minister, decide to withdraw from circulation any currency notes or coins of any denomination against payment of their face value. Such decision shall be published in the Official Gazette and announced to the public by the appropriate means of publication. The decision of withdrawal shall specify a period for exchange of the withdrawn currency notes and coins. Such period shall not be less than 90 days in ordinary circumstances, and fifteen days in extraordinary circumstances. Currency notes and coins not presented for exchange before the expiry of the period specified in the preceding paragraph shall cease to be legal tender and shall not be negotiated, but holders thereof shall have the right to redeem such currency notes at their face value from the Bank within ten years from the date the withdrawal decision comes into force. Currency notes not exchanged on the expiration of the ten years period shall be excluded from circulation and their value shall be added to the account referred to in Article (35) of this Law.

Article (29)

1. The Bank shall be under no obligation to pay the value of lost or stolen currency.
2. The Bank shall pay the value of mutilated or imperfect currency pursuant to the instructions issued by it in this respect. The currency that does not meet such requirements shall be withdrawn from circulation without consideration.

Article (30)

Whoever, without lawful authority, mutilates the currency, whether by cutting, tearing, defacing, perforation, writing, printing, drawing or stamping thereon or by attaching or affixing thereto anything shall be punished with imprisonment for a term not exceeding six months and with a fine not exceeding Three Thousand Riyals, or either one of the two penalties.

Currency Cover

Article (31)

1. Bank shall retain at all times a reserve of assets to meet the currency in circulation subject to the conditions laid down by the Board. These assets shall be constituted of all or some of the following elements:
 - a. Coins or gold bullion.
 - b. Deposits under demand or for a term in convertible currencies deposited in the local banks, or deposited abroad in Central Banks or in State Safes or in the Bank for International Settlements or in the International Monetary Fund or in the commercial banks.
 - c. Foreign securities, bonds, notes or certificates issued or guaranteed by foreign governments, or by international financial or monetary institutions, provided that all such instrument be considered as first class and are denominated in convertible currencies and readily negotiable in financial markets.
 - d. Commercial papers with the exception of shares denominated in a convertible foreign currency and acceptable to the foreign commercial banks.
 - e. Notes and bonds issued or guaranteed by the Government and advance granted by the Bank to the Government's treasury..
 - f. Domestic commercial papers discounted by the Bank, and bonds and advances

- granted to the local banks against adequate securities.
2. The reserve assets stipulated in paragraph (1) of this article shall not be less than 100% of the value of the currency in circulation.

Dealing in Foreign Currency and Gold

Article (32)

The Bank according to the banking rules may perform the following:

1. Buy, sell and deal in gold coins, gold bullion, as well as any other precious metals.
2. Buy, sell and deal in foreign currencies in accordance with the banking rules in force.
3. Buy and sell treasury notes and any other bonds issued or guaranteed by guaranteed by foreign governments or international financial institutions.
4. Buy and sell treasury notes and any other bonds issued by the Government or its financial institutions (in foreign currencies).
5. Open and maintain accounts abroad.
6. Open and maintain accounts and act as correspondent for foreign banks, foreign governments or foreign government financial institutions.
7. Open and maintain accounts and act as agent or correspondent for the Government or its public corporations.

Article (33)

The Board shall specify the bodies with whom the Bank can exercise the operations stipulated in the preceding article.

The Bank shall only exercise the said operations with such specified bodies.

Article (34)

The Bank shall implement the laws and regulations concerning the control of foreign exchange.

Article (35)

The Bank shall open in the name of the Government a special account entitled revaluation of the reserve.

1. The following shall be entered in the credit side:
 - a. The profits arising from change in the value of the Bank's assets and liabilities in gold or foreign currencies or special drawing rights as a result of alteration of the rate of parity or the basis of exchange.
 - b. Profits arising from withdrawing currency notes and coins pursuant to paragraph three of Article (28).
2. In the side of the special account's debit side, the Bank shall enter the losses incurred at the end of the financial year as a result of revaluation of the Bank's assets and liabilities in gold or foreign currencies or special drawing rights in consequence of alteration of the rate of parity and the basis of exchange in relation to the value of the Riyals.
3. Should the account show a net credit balance at the end of the financial year, such balance shall not be included in the Bank's profits. In case the account show a net debit balance, the Government shall cover it from its share in the Bank's profits if any, or by issuing non-interest bearing negotiable treasury bonds, which shall in turn be returned out of any net profits realized in subsequent years.

Relations with Banks, Financial Institutions, and Offshore Banks

Article (36)

The Bank may open accounts for banks operating in Qatar, and accept deposits from them under

such terms and conditions as the Board may determine from time to time.

Article (37)

The Bank may:

1. Purchase from, sell to, discount and rediscount for banks promissory notes and bills of exchange drawn or made for commercial, or agricultural purposes and signed by at least one solvent person, and payable within 92 days from the date their acquisition by the Bank.
2. Grant loans to banks for periods not exceeding 92 days provided that such loans are secured as follows:
 - a. Promissory notes and bills of exchange as stipulated in paragraph (1) of this article.
 - b. Warehouse warrants or documents providing actual possession of primary commodities or other goods duly insured, provided that the bank shall determine, from time to time, the maximum percentage of advances in relation to the current price of such commodities or goods.
 - c. Assets held by banks which the Bank is permitted to buy, sell or deal in under paragraph 1, 2, 3 of Article (32).
 - d. Bonds and other documents of indebtedness issued or guaranteed by the Government, its institutions, or agencies.
3. Grant loans not fully secured or secured by assets other than those mentioned in the preceding paragraph, when such loans are necessary to prevent the bankruptcy of the borrowing bank, or its failure to pay its obligations, or in emergency cases, under the terms and conditions prescribed by the Board.
4. Guarantee the funds deposited by one bank with another with the purpose of supporting it in case its liquidity or solvency is endangered. Such guarantee shall be decided by the approval of the Council of Ministers upon the submission of the Minister in coordination with the Governor.

Article (38)

The Bank shall determine the conditions under which credits to be extended to banks in general and shall declare from time its rates for discounts, rediscounts, loans and advances.

Article (39)

1. The Bank shall require from the banks operating in Qatar to maintain amounts of reserves against deposits and the bank may pay interests to the banks against such reserves according to the prescribed rates as regulated by the Bank.
Offshore banks are excluded.
2. The Bank may impose a fine on any bank which fails to maintain the required reserve in the prescribed ratios pursuant to the provisions of this article, at an annual rate as announced by the bank according to Article (38) of this Law, computed on each amount of shortfall of the reserve, the fine shall be for each day of default.
3. The fine shall be imposed by decision of the Board after hearing the explanation of the defaulting bank.

Article (40)

1. The Bank may issue instructions to the banks prescribing the conditions or ratios to which all banks shall indiscriminately adhere in order to ensure their liquidity and solvency, and in particular the ratios to be maintained between the following elements:
 - a. Interest rates payable by banks on deposits, and the rates of interest and commissions chargeable on credit facilities, management of customers' accounts and the bank's services to them.
 - b. Amounts to loans, advances and other credit facilities, their types, purposes and conditions.
 - c. The maximum that the bank may lend to one person natural or juristic, in proportion to the property rights.

- d. The maximum that the Bank can offer in terms of credit facilities to a member of the Board of Directors or to occupants of key-posts therein, with the kind and proportion of the securities required.
 - e. The minimum that customers are bound to pay in cash to cover the operations of opening letter of credit.
 - f. The ratios of deposits and shareholders' right bound to be invested in the local market.
 - g. The ratio of the property rights to overall assets.
 - h. The ratio of the current debit to overall securities.
 - i. Any other ratio considered by the Bank to be necessary for conducting the monetary policy, and securing the right of depositors.
2. The instructions issued under this article shall apply to all banks, and shall come into force after the lapse of thirty days from the date of notice thereof to the banks in writing.
3. Any bank, which contravenes the provisions of this article, shall pay to the Bank for each contravention a sum not exceeding five thousand Riyals for each day of contravention. In this respect, the provisions of paragraph (3) Article (39) shall apply.

Article (41)

1. Each bank shall send to the Bank from time to time a list of the banks or financial institutions with which it desires to deal through depositing or investing part of its assets.
No bank shall deal with any one of these institutions if the Bank objects to such dealing.
2. The instructions issued by a bank owning the assets to the external banks and financial institutions, shall not be carried out unless approved by its executive director or by the official of the branch whom he deputies, provided the Bank is advised with the names of the deputies authorized to sign within 48 hours from the date of issue of such instructions.
3. The Bank may at anytime request from the Bank having an external deposit to furnish him with full particulars about such deposit.
4. Whoever violates the preceding provisions, shall be punished with a fine of not less than thousand Riyals.

Article (42)

The Bank may organize a clearinghouse at the appropriate time and, place.

Control of Banks

Article (43)

1. No person shall carry on banking business or off-shore banking business in Qatar, or use the term bank, banker or any other expression denoting practicing banking business or off-shore banking in documents, correspondences, advertisements or any other means without having first obtained a license from the Council of Ministers issued on the recommendation of the Bank. The license shall be issued pursuant to the conditions prescribed by the Bank.
2. The bank may permit the national banks to establish branches to practice offshore banking business according to the regulations and conditions prescribed. The Bank may also, with the approval of the Council of Ministers, grant license to some branches of foreign banks to practice off-shore banking business in Qatar in accordance with the prescribed bank's regulations and conditions.
3. Subject to the provisions of the Commercial Companies Law, all banks and offshore banks with the exception of foreign banks branches and foreign offshore banks licensed to operate in Qatar, shall take the form of joint stock companies, and offer their shares for public subscription.
4. Off-shore foreign banks and branches of national and foreign banks licensed to practice off-shore business are not permitted to practice any other business except off-shore banking business prescribed in Article (1) of the definition of the Law wherefore the Bank may permit

these banks and their branches to receive deposits and manage investments to Government institutions and private sectors if such investments deemed to be appropriate and reasonable for development and economical requirements or to help in extending a requisite banking services whereat banks will be subjected to the provisions of Article (39) of this Law.

5. Without prejudice to any heavier penalty provided by any other law, whoever contravenes the provisions of items (1), (3) and (4) of this article, shall be punished with imprisonment for a term not exceeding six months and with a fine not exceeding fifty thousand Riyals or by either one of the two penalties. In all cases the court shall order the closing of the office where the contravention was committed.

Article (44)

1. Any company desirous of practicing banking in Qatar shall apply to the Bank for license in the specified form prepared by the Bank containing the required information.
2. The Bank shall study the application for license and make sure as to the sufficiency of the required information and compliance with the prescribed conditions.
The application shall be referred to the Minister together with the Bank's written opinion for submission to the Council of Ministers.
3. The applicant for license whose application has been refused may apply to the Council of Ministers for revision of its decision within thirty days from receipt of notice of refusal. The decision of the Council of Ministers of respect of this application shall be final and not subject to any revision by any other body.

Article (45)

Each bank or branch of a bank practicing banking business in Qatar at the time when this law comes into force shall be deemed to be licensed under the provisions of this Law. The Bank may grant any such bank or branch a period of grace not exceeding six months to reconcile its position with the provisions of this Law.

Article (46)

1. The license granted to a bank by decision of the Council of Ministers upon the recommendation of the Bank may be revoked in the following cases:
 - a. At the request of the Bank.
 - b. If the bank deliberately violated or repeated the violation of any of the provisions of this Law or regulations issued under it.
 - c. If the bank failed to commence business within one year from the date of issuance of its license.
 - d. If the bank ceased to carry on business in Qatar or of its liquidity or solvency is endangered.
 - e. If a decision of liquidation or winding-up of the bank is issued for any other reason.
2. No revocation of any bank's license shall be made under the provision of items b, c, d, e of para one of this article, before it has been notified of the Bank's recommendation and given time to submit its remarks thereon.
3. In case of revocation of the license, the Bank shall grant a period of time to the bank to terminate its business, provided that it shall not accept deposits or grant loans after issue of the decision of revocation.
4. Any bank in respect of which a decision revoking its license has been issued shall be liquidated and the decision shall regulate the mode of liquidation.

Article (47)

Any bank, which intends to cease carrying on business in Qatar, shall notify the Bank in advance and the period of notice shall not be less than six months. The Bank may approve the reduction of the period of notice if satisfied that the right of the depositors are secured, and shall verify that the bank willing to cease business has satisfied all its obligations towards the depositors and any other creditors. Such verification shall be according to the rules and procedures prescribed by the Bank in

this respect.

Article (48)

No bank shall open a new branch or close an existing branch or change its location without the prior approval of the Bank.

Article (49)

No licensed bank shall merge or consolidate with another bank without prior approval of the Bank.

Article (50)

1. Qatari banks shall not be granted a license unless its paid-up capital is not less than twenty million Qatari Riyals. And for a branch of a foreign bank the capital maintained or assigned for business in Qatar shall not be less than ten million Qatari Riyals. National branches of offshore banks are exempted from this condition. The Bank may exempt some foreign offshore banks according to the Bank's regulations.
2. Every bank shall maintain a reserve for its capital, and shall transfer from the net profits to such reserves a sum not less than 20% annually until the reserve maintained reaches 100% of the paid-up or assigned capital.
3. The Bank shall determine the method of computing the amount and form of the paid-up or assigned capital and the reserve account, and advise the banks thereof.

Article (50) Repeated

All offshore banks and the branches of national and foreign banks are exempted from income taxes imposed on net profits.

Article (51)

1. No person shall, without the authorization of the Bank, become a member of the board of directors of any bank or have any direct or indirect relationship with its management in the following cases:
 - a. If he has been a member of the board of directors of a bank, which its license have been revoked under the provisions of paragraph (1) of Article (46) of this Law or has been liquidated by a decision of the court.
 - b. If he has been sentenced to imprisonment in any country for committing an offence involving moral turpitude or dishonesty unless five years have passed since the date of issue of judgment or three years have passed after the date of execution of the sentence.
 - c. If he has been declared bankrupt or has suspended payment of his debts.
The opinion of the Bank shall be taken before the appointment of the senior officials in the banks operating in Qatar.
2. Whoever contravenes the provisions of the preceding paragraph shall be liable to a fine not exceeding five thousand Riyals.

Article (52)

1. Every bank shall have a chartered auditor registered in Qatar, who shall be appointed upon the approval of the Bank. The auditor shall submit to the shareholders a report on the master budget and the annual profit and loss accounts. In such report the auditor shall state whether, in his opinion, the budget and the bank's accounts are correct and correspond to the true statement of affairs. He shall state whether he has obtained all the explanations and information he considers necessary for the satisfactory performance of his assignment, and whether the operations of the bank are in conformity with the provisions of the Commercial Companies Law, the system of such bank, the provision of the Law of the bank and the decisions and regulations enforcing it.
2. The report of the auditor shall read together with the report of the board of directors of the

bank in the annual meeting of the shareholders if the bank is a Qatari bank, and shall be sent to the head office if it is a foreign bank, and a copy of the report shall be submitted to the Bank.

3. If a bank fails to appoint an auditor approved by the Bank, the Bank may appoint an auditor to such bank a fixed remuneration, which shall be paid by such bank.
4. The auditor appointed for auditing the bank's accounts shall not be member of the board of directors of such bank neither shall he be one of its employees nor one who carried out advisory tasks for the benefit of the bank.
5. The auditor shall not obtain loans with or without security, or guarantees furnished by the bank whose accounts he is auditing.

Article (53)

1. The Bank may at any time conduct inspection of any bank if it considers such inspection necessary, to ensure that the bank is in a sound financial position and is complying with the provisions of this Law in the management of its business.
2. Every bank shall produce for inspection to the inspector appointed by the Bank all books, accounts, records and documents relating to its business in Qatar, and shall provide him with the information concerning such business at his request on the dates specified by him.
3. The Bank may request any bank to furnish it with a copy of the reports submitted by the auditor.
4. If it appears to the Bank that one of the banks is conducting its business in an unlawful manner, or its liquidity and solvency are endangered as a detrimental to the right of the Bank, then the Bank may request that the bank to take urgently the necessary measures prescribed by it to rectify such situations.

The Bank may directly take one or more of the following measures:

- a. Prevent that bank from performing certain operations, or out restraints on its business practice.
- b. Suspend any member of its board of directors or any of the senior officials responsible for the management.
- c. Issue instructions to such bank in respect of the measures to be taken for rectifying its situation by appointing an auditor or more at the expense of the bank.
- d. The Bank may assume for a fixed term - subject to extension - the management of that bank by the method which he considers appropriate, and the Bank shall decide after that whether such bank shall resume management of its business, or recommends revocation of the license granted to it and liquidation of such bank pursuant to the provisions of Article (46) of this Law.

Article (54)

During the period of the Bank's management of any bank referred to in para (3) of the previous article, no attachment of, or privilege rights be decided on the assets and property of that bank.

Article (55)

1. Every bank shall publish in one of the daily newspapers statement of its balance sheet and the loss and profit account certified by the auditor within four months from the expiry of the financial year, and shall present a copy thereof to the Bank.
2. Any bank, which contravenes the provisions of the preceding paragraph, shall be liable to a fine not exceeding ten thousand Riyals.

Article (56)

1. All banks - according to the approval of the Bank - shall specify the time for conducting business with the public.
2. The Bank may in exceptional circumstances issue notice to all banks to suspend their business for a period to be specified in the notice.

3. Whoever contravenes the provisions of this article shall be punished with a fine not exceeding five thousand Riyals.

Article (57)

1. Every bank shall provide the Bank with any information or statements, which the Bank considers necessary for the proper performance of its functions in the manner and time specified by it.
2. The Bank may publish in whole or in part the information furnished by the banks under the preceding paragraph, provided that such publication shall not lead to the disclosure of the financial affairs of a customer of any bank unless such publication has been agreed to in writing by both the bank and the customer.

Article (58)

The members of the board of directors and the directors shall be personally liable for the loss and damages suffered by the bank or by others as a result of their negligence or default in performing their duties. The bank shall be jointly liable with them for the loss and damages suffered by other.

Article (59)

Banks shall not practice non-banking business, and in particular:

1. Practicing trade or industrial activities or acquiring and trading in goods for their own benefits unless such acquisition is in settlement of debts due to them, in which case the goods must be disposed of within the period specified by the Governor.
2. Purchasing immovable property for their own benefit. Subject to the provisions of the laws concerning acquisition of immovable property, the banks may acquire such property in the following cases:
 - a. Immovables required for conducting their business or for accommodation of their officials.
 - b. Immovables acquired in settlement of debts in which case the immovables shall be sold within three years from the date of their acquisition, such period may be extended by a decision of the Governor.
3. Holding or dealing in their own shares, unless such shares are acquired in settlement of a debt in which case they must be sold within two years from the date of their acquisition.
4. The provisions of this article shall not apply to Islamic and specialized banks. The Bank shall determine the basis and rules, which conform with the nature of these banks.

Article (60)

The Bank may, after the approval of the Council of Ministers, apply what it considers appropriate provisions of this Law to certain categories of financial institutions by a notice to be published in the official Gazette.

Article (61)

1. The bank's member of the board of directors, personnel, auditors and advisers shall not disclose any information concerning any customer except with his prior written consent, or pursuant to a provision of the Law, or upon an order or decision of the court. The bank shall advise the customer as soon as disclosure of the information is made indicating the body receiving it.

This prohibition shall remain effective after the termination of the services of the persons referred to.
2. The prohibition stipulated in the preceding paragraph shall to the above mentioned persons whose services was terminated before the date on which this Law comes into force.
3. Without prejudice to any heavier penalty provided by another law, whoever contravenes this prohibition shall be punished with imprisonment for a term not exceeding a year and with a fine not exceeding ten thousand Riyals or with either of the two penalties.

Relationship with the Government

Article (62)

1. The Bank shall advise the Government in matters pertaining to monetary, credit and banking policies and the Government may seek its advice in these matters.
2. The Government and its institutions may deposit their funds with the Bank.
3. The Bank shall perform the banking operations and services requested by the Government and its institutions.
4. The Minister may entrust the Bank with the management of the Government's assets deposited with international financial institutions of which Qatar is a member.
5. The Bank may, upon the request of the Minister, manage the public loans and take the necessary measures for the issue of, payment of interest on, and the redemption of notes, bonds and other securities issued by the Government.

Accounts

Article (63)

The financial year of the Bank begins on the first day of January and ends on the thirty first day of December each year.

Article (64)

The State Audit Bureau shall audit the accounts of the Bank in accordance with the provisions of the Law. In addition to that the Bank may contract with an external auditor to audit its accounts.

Article (65)

1. The Bank shall submit to the Minister at the end of every three months, statement showing its assets and liabilities as they are at the end of the last working day of the three months.
2. The Bank shall submit within four months from the end of each financial year an annual report to the Minister about its loss and profit, or an interim statement thereof if it was not possible to submit such report within the time specified.

Transitional and Miscellaneous Provisions

Article (66)

The profit, operation capital, property and documents of the Bank shall be exempted from all fees and taxes.

Article (67)

The Bank's debts shall enjoy similar privilege as the Government's debts enjoy over its debtors' property, and shall be collected by the same means prescribed for collection of the state funds.

Article (68)

The Bank shall not be liquidated except by a provision of law, which determines the procedure, and time of liquidation.

Article (69)

The Qatar Monetary Agency shall, at the date of entry into force of this Law, liquidate its business and accounts, prepare its final accounts for the last accounting period and prepare a detailed report of its assets and liabilities and other aspects which reveal its financial position.

Article (70)

1. All assets and liabilities of Qatar Monetary Agency shall devolve to the Bank, and in case the assets exceed the liabilities, the excess shall be transferred to the reserve account of the Bank.
2. The Bank shall take over from Qatar Monetary Agency the whole stock of currency notes and coins which has not been put in circulation as well as all equipments, machines and patterns relating to printing of notes and minting of coins.
3. All employees of Qatar Monetary Agency shall be transferred to the Bank with their full job-rights.

Article (71)

The currency notes and coins issued by Qatar Monetary Agency shall be considered to be issued by the Bank.

Article (72)

Notwithstanding the provisions of Article (63) of this Law, the first financial year of the bank shall begin from the date this Law comes into force until the thirty first day of December of the same year or the following year as decided by the Minister upon the recommendation of the Bank.

Article (73)

Ministries, Government organizations, institutions, public corporations and state owned companies shall submit to the Governor all information and statistics required for the Bank's studies.

Article (74)

The Board shall prepare the internal regulations for the management of the Bank's operations. Such regulations shall come into force after approval by the Council of Ministers upon submission by the Minister.

Article (75)

The Governor shall issue the decisions necessary for the implementation of this Law.

Article (76)

The Law No. (7) of the year 1973 establishing Qatar Monetary Agency and any other provision contrary to the provisions of this Law are hereby abrogated.

Until the regulations and decisions referred to in Articles (74), (75) are issued, the regulations and decisions organizing the management of Qatar Monetary Agency shall remain in force to the extent they do not contradict with the provisions of this Law.

Article (77)

All competent authorities concerned, each within its own competence, shall implement this Law, which shall come into force after sixty days from the date of its publication in the Official Gazette.

**Hamad Bin Khalifa Al-Thani
Amir of the State of Qatar
Issued in the Amiri Diwan on 17/02/1414 H
Corresponding to 05/08/1993 AD**

Decree Law No. (15) of the Year 1993
Establishing Qatar Central Bank
As amended by the Law No. (19) of the Year 1997

We Jassim Bin Hamad Al – Thani , Deputy Amir of the state of Qatar, having reviewed the amended provisional Constitution and in Particular Articles (22) , (23), (34), and (51) thereof ,
And the Company Law No. (11) of the year 1981
And the Decreed Law No. (11) of the year 1993 organizing the Income Tax
And the Company Law No. (15) of the year 1993 establishing Qatar Central Bank
And the proposal of the Minister of Finance, Economy and Trade
And the Draft Law submitted by the Council of Ministers
And the Proposal of Shura Council
Have Decided the following Law:

Article (1)

The following two texts shall be added to Article No. (1) of the Decreed Law No. (15) of the year 1993 above.

Offshore Banks: Banks practicing offshore business and shall be formed either as joint stock companies having their head offices in the State of Qatar or branches of Qatari or foreign banks.

Offshore Bank's Business: All banking business except receiving deposits or investment management for nationals or residents in the state of Qatar or opening accounts withdrawal by cheques.

Article (2)

Article No. (39), (43), (50) of the Decreed Law No. (15) of the year 1993 above shall be substituted as follows:

Article (39)

1. The Bank shall require from the banks operating in Qatar to maintain amounts of reserves against such reserves according to the prescribed rates and as regulated by the Bank. Offshore banks are exempted from this provision.
2. The Bank may impose as fine on any bank which fails to maintain the required reserve in the prescribed ratios pursuant to the provisions of this article, at an annual rate not exceeding Three Times the discount rate as announced by the Bank according to Article (38) of this law, computed on each amount of shortfall of the required reserve, the fine shall be for each day of default.
3. Such fine shall be imposed by a decision of the board after hearing the plantain of the defaulting bank.

Article (43)

1. No person shall carry on banking business or offshore banking business in Qatar, or use the term bank, banker or any other expression connoting practicing banking business or offshore banking in documents, correspondence, advertisements or any other means without first obtained a license from the council of Ministers issued recommendation of the Bank. The license shall be issued pursuant to the conditions prescribed by the Bank.
2. The bank may grant licenses to the Qatari banks to establish branches to practice offshore banking business according to the regulations and conditions prescribed. The Bank may also, after obtaining the approval of the council of ministers, grant license to some branches of foreign banks to practice offshore banking business in Qatar in accordance with the prescribed bank's regulations and conditions.
3. Subject to the provisions of the Commercial Companies Law, all banks and offshore banks with the exception of foreign banks branches and foreign offshore banks licensed to operate

in Qatar shall take the form of joint stock companies and offer their shares for public subscription.

4. Offshore foreign banks and branches of national and foreign banks licensed to practice offshore business are not permitted to practice any other business except the offshore banking business defined in Article 1 herein. However, the Bank may permit these banks and branches to receive deposits and manage investments to Government institutions and private sector if such investments are deemed to be appropriate for economic development requirements of to help in extending a definite banking operation. In such cases, banks will be subjected to the provisions of the Article (39) of this Law.
5. Without prejudice to any greater penalty provided by any other law, whoever contravenes the provisions of items (1), (3) and (4) of this article shall be punished with imprisonment for a terms not exceeding six months and with a fine not exceeding fifty thousand Riyals of by either one of the two penalties.

In all cases the court shall order the closing down of the office where the contravention was committed.

Article (50)

1. As a condition precedent, Qatari banks shall not be granted a license unless its paid-up capital is not less than twenty million Qatari Riyals, and for a branch of a foreign bank, the capital maintained or assigned for business in Qatari Riyals.
2. National branches of offshore banks are exempted from this condition and the Bank may exempt some foreign offshore banks according to the rules and procedures prescribed by the Banks.
3. Every bank shall maintain a reserve for its capital, and shall transfer from the net profits to such reserves a sum not less than 20% annually until the reserve maintained reaches 100% of the paid-up or assigned capital.
4. The Bank shall determine the method of computing the amount and form of the paid-up or assigned capital and the reserve account, and advice the banks thereof.

Article (3)

New article shall be added to the Decreed Law No. (15) of 1993

Article (50) Repeated

All offshore banks and the branches of national and foreign banks license to practice the offshore banking business are exempted from income taxes imposed on their net profits.

Article (4)

All competent authorities, each within its own competence shall implement this law, which shall come into force after sixty days from the date of its publication in the official gazette.

Jassim Bin Hamed Al-Thani
Deputy Amir of the State of Qatar
Issued on 01.04.1418 H
Corresponding to 04.08.1997 A.D.