Chapter Nine

Other Banking Issues
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1- Embezzlement Crimes

1/1 Each bank must immediately notify QCB upon occurrence of any embezzlement of the bank's funds, including the name of the accused persons. However, such notification will not absolve the bank of its responsibility, and banks should abide by the effective relevant laws, and inform the competent enforcement agencies.

1/2 To avoid risk of theft, we recommend the following:
   - Prompting customers to use other (non cash) means of payment of the large value transactions, and extensively to use automatic teller machine (ATM).
   - Special places for customers who withdraw large amounts to avoid robberies.

2- Activities Designed to be Conducted Abroad (National Banks)

To maintain cooperation and consultation between home and host supervisory authorities, it is decided that each bank, before initiating any communication with the banking or financial supervisory authorities in other countries, shall notify QCB and obtain its prior written approval of any plans or activities that the bank desires to perform abroad such as opening or closure of any branch, representative office, off-shore unit or subsidiary.

3- Cash

A written internal management policy must be adopted regarding currency circulation, custody, and quasi-cash.

4- Contracts Signed with Customers

Arabic is the official language for all banks' dealings and contract entered with customers. In case contracts are signed in foreign language, or bilingual, i.e. in Arabic and English, the Arabic translation should be attached to the text and Arabic will be the official language for interpreting the provisions of these contracts.

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5- Insurance
Upon implementing insurance procedures in favor of the bank, banks should deal with the locally registered Insurance companies in Qatar. Banks should make adjustments according to these instructions.

6- Gathering information relating to Basel II Framework
As data base and information are considered basic elements for the implementation of Basel II, particularly the advanced models, banks should accurately gather historical qualitative and quantitative data related to Basel II Framework and operational risk and save such data in information systems in a manner that they can be easily retrieved, as from the beginning of 2000.

7- The Sole Official Document for Personal Identification
According to the Council of Ministers (Cabinet) resolution no. (6) of year 1995 regarding the identification card or personal number, "all banks operating in the State of Qatar must verify the identification card number or personal identification number written on the birth certificate, as it is the sole official document to prove identity, for all bank transactions relating to Qatari individuals and must not accept any other identification document. Any bank employee, who violates the above mentioned obligations, will be administratively responsible and subjected to appropriate disciplinary action in accordance with applicable legal laws.

8- Automatic Enrolment
It has been noted that some banks automatically enroll customers in services and programs such as deferring loans installments and insurance premiums. Each bank must obtain customer approval prior to his enrollment in to such programs and services.

9- Arab Union for the Blind
9/1 In view of the significant role of the Arab union for the Blind to shelter individuals with special needs (Blinds) in the Arab world, and continuing the leading role played by the banking system to support citizens’ social issues, QCB calls on banks operating in Qatar to adopt the necessary measures to support the activities of
the Arab Union for the Blind chaired by Dr. Khaled Ali Al Noaamy, in conformity with the letter enclosed to circular 9/2008 on 20/1/2008.

9/2 Referring to the letter of the chairman of Arab union for the blind, chairman of the Gulf Association for Human Rights No. (า/3/34/2010) on 17/1/2010 stating that the Arab Union for the Blind is considered the technical advisor whom banks can depend upon in Braille printing technical issues in Qatar, said Letter is attached hereto in circular 9/2010 on 25/1/2010, banks should adhere to instructions in the said circular from 25/1/2010.

9/3 Referring to the letter of the chairman of Arab union for the blind No. (า/3/34/2010) on 17/1/2010 stating that the Arab Union for the Blind is considered the technical advisor whom banks can depend upon in Braille printing technical issues in Qatar, said Letter is attached hereto in circular 9/2010 on 25/1/2010, banks should adhere to instructions in the said circular from 25/1/2010.

9/4 With reference to instructions to banks mentioned in item 9 above and item 22 herein, all banks operating in Qatar comply to the following:
1. Provide modern certified devices to serve the disable customers.
2. A special code and account number should be given to the disabled customers to facilitate any service provided for them whether phone or direct service.
3. No witness is required to accompany the blind, but two of the bank’s staff may be present when a transaction is conducted and signed by the blind. Banks are given three month allowance period to implement these instructions, otherwise penalties shall be imposed against any violating bank.

10- Warning of Banking Electronic System Breaches

A. Banks

QCB draws banks’ attention to the report that is published in an information technology security website:

QCB calls upon all banks to take sufficient precautionary measures, and check their electronic systems to avoid such breaches. Circular no. (19/2011) dated 27/2/2011.

266 Refer to circular no. (57/2011) dated 29/7/2013.
Note: Dealing with Blind customers is mentioned in page no. (342), item (Fifth).
B. Other Financial Institutions:

With reference to a letter from the manager of the Criminal Investigation Dept. of the Ministry of Interior - public security no. (5379) dated 14/11/2012 stating the following; (On 8th, Nov. 2012 the Criminal Investigation Dept. received a complaint from a manager of an exchange company operating in Qatar, stating that he has received an email from a person named (Carlos Firrara) claiming that he conducted money transfer for his daughter at his home country but she could not receive it. He added that a file was attached to the same mail and he tried to open it but he could not. On 9th November, 2012, (16) transactions of money transfer were illegally conducted via the computer through which the manager received the said email, while the company’s staff where not there on the company premises at the time of transfer. As such the file attached to the mail turned out to be a spam. Each transfer was of (1000) US Dollar. The company managed to cancel all the fraudulent transfers, expect one in Russia, as the transferred money was received by the beneficiary. This is a clear breach of the systems in the financial services institutions operating in Qatar enabling spam to fraudulently transfer money through electronic means. Therefore, QCB emphasizes that all banks should be very careful and cautious in handling any attached electronic files and fully comply with QCB instructions, particularly those relating to security systems and modern technology risks to avoid these types of risks. QCB also emphasizes the banks responsibility to follow the applicable laws and report to the security authority of any such embezzlement crime or attempts including crimes committed via the internet.

11- Shareholders General Assembly (National Banks)

In accordance with provisions of article no. (133) of QCB law; each bank should obtain QCB’s non-objection on the issues listed in the shareholders general assembly’s agenda prior to announcing or holding the general assembly meeting of shareholders.

12- ATM Robbery through Electronic Devices

With reference to the State Security Bureau letter no. (د/م 20/1/179) on 22/3/2006 regarding information on ATM robbery in The Kingdom of Bahrain, and

267 Refer to circular no. (115/2012) dated 30/12/2012.
QCB circular no. (34/2004) regarding individuals accused of using new ways to deceive banks by installing pinhole cameras on ATM machines to steal customers' banking cards data, QCB stresses that all banks should take sufficient precautions by constantly checking cameras installed on ATMs to detect for any strange devices connected or placed in the surrounding space.

13- Naming Contingency Officers
Within its plans to face emergency cases and to mitigate risk, QCB has formed a team responsible to work in coordination with banks operating in Qatar, ministries, and governmental bodies during emergency circumstances. QCB calls on all banks to name a primary and a secondary contingency officer so as to cooperate in completing contingency plan required. A circular with the names of contingency officers at banks and QCB shall be issued later.

14- ATM Fraud
Any fraud or attempted fraud at the ATM or sale points may be reported to the Ministry of Interior immediately on detection hotline no. (5466373) available 24 hours.
For further assistance with representatives of the Ministry of Interior use the following Email addresses: eacd@moi.gov.qa or msalah@moi.gov.qa

15- Fraud Attempts
A- Please be informed that QCB has been informed of a fraud attempt by a bank operating in the State of Qatar. A forged LC issued by National Financial Bank for the benefit of Multi Trade Investment Services was submitted to the reporting bank. The Multi Trade services' representatives informed the Qatari bank that their company is registered in Qatar and has investments in energy, properties, and diamonds. The Qatari Bank has contacted the Abbey bank which informed QCB that the LC is false and this document has been frequently used recently. As such, QCB draws banks' attention to be on alert and take the necessary precautionary measures to investigate and check all documents to avoid any probable fraud transactions.

B- Fraud attempt in national bank using swift

One national bank received swift (form no 760) to issue collaterals sent from Banque central of Djibouti which were detected as fake form. Banks should be alert and careful for such fraud attempts and report QCB immediately if any.

16- Licensed Exchange Houses operating in Syria

With reference to Syria Central Bank’s Governor’s letter No. 19/100/1/1797 on 12/1/2010 on restricting all financial institutions in Qatar to conduct any money transfer to and/or from Syria through any institution other than those licensed to operate in Syria as per Law No 24 of the year 2006.

Attached herewith is an amended list of names of exchange houses authorized to conduct business with in Syria, annex no. (139).

17- Banks using holy names and places in Kingdom of Saudi Arabia

With reference to the Saudi Arabian Monetary Agency’s Governor’s letter no. 2229/m/z/m/a/s on 18/11/2008 regarding the use of holy names and places by certain banks for marketing purposes, such as using the names and pictures of the Two Holy Mosques on ATM cards,

QCB calls upon all banks to comply with these instructions and not to use any name or picture of holy places for marketing purposes.

18- Other Account Receivables within the Credit Facilities

It has been noticed that some banks include the account receivables within other assets due to transactions related to selling one of their assets (such as investments, fixed assets or others) or to any other transactions and these account receivables are not recorded under the credit facilities.

All banks should include these account receivables within the credit facilities. Accordingly, these account receivables should be subject to QCB’s instructions on credit facilities; the banking risk, credit risk, credit concentrations, credit facilities classification and other related instructions.

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270 Refer to circular no. (51/2011) dated 7/7/2011, all banks.
19- **Special Places for QCB Inspectors**

All banks should arrange for special places equipped with necessary materials as desks, computer devices, lockers, telephone, and fax...etc, for the use of QCB inspectors only. This place should be ready upon inspection time and must be spacious for at least 4 persons.

20** Qatarization of Posts in the Banking System:**

20/1 Qatarization of the Human Resources Post: Pursuant to article (128) of QCB law, all banks must nationalize the human resource manager post within maximum one year from the date of issuing this circular. Banks should stop employing non-Qataris in the said post as from 20/1/2010.

20/2 Qatarization Ratio in the Banking System:

Banks shall provide QCB with the number of the Qatari and non-Qatari employees at the end of May 2012. All banks must provide the said data periodically at the end of each year.

21- **Changing deposits, CDs and Transactions among Banks**

It was noticed recently that some banks change deposits, certificates of deposits CDs, and transactions with the same maturity, interest rate, and amounts which indicates that they do not intend to make any benefit other than influencing their financial position and supervisory ratios and ceilings (Window dressing). QCB is stressing that these kind of transactions are entirely prohibited. Any bank that may conduct such kind of transaction shall be penalized and the effect of this transaction will be excluded from the calculation of supervisory ratios.

22- **ATMs for Persons with Special needs**

A- As Qatar pays attention to persons with special needs and wishes to improve the banking services offered to them, banks shall comply with the following:

1- Providing ATMs with new technology for persons with special needs (who are using the wheelchair and blind and vision impaired persons). Banks should

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276 Refer to circular no. (45/2012) dated 7/6/2012.
take into consideration the height of ATMs, the track for movement of the wheelchair, Braille Alphabet and voice software technology to enable the persons with special needs to access ATMs easily and smoothly.

2- Providing one ATM per each 20 ATMs of the bank (i.e. 5% of the ATMs) or one ATM if the total ATMs of the bank is less than 20 ATMs.

3- Choosing proper locations for installing these ATMs so that they can be appropriately distributed in malls, tourism places, airports, hospitals and other services locations.

4- Complying with QCB’s previous instructions on controls and standards of security precautions in banks and ATMs while installing these ATMs.

Banks should comply with and implement the above-mentioned instructions within 6 months as from the issuance date.

For any inquiry, please contact Mr. Abdel Hadi Ahen, Head of Financial Institutions Inspection Committee, Tel: 44456371/44456254 Email: ahena@qcb.gov.qa.

B. 279 Refer to circular no. (79/2011) dated 4/10/2011 on ATM’s for individuals with special needs. All banks should place the slogan of (Qatar Society for Rehabilitation of Special Needs) and abide by the shape and the color of the slogan.

23- 280 Reporting On Stolen Currency Notes:

With reference to the above subject, attached to circular no. (81/2012) copy of letter from (Studio AVV. Giovanni M. Piras) Lawyer office in Milan, Italy which indicates that some currency notes were stolen by some persons and were circulated in some Gulf Countries. Please review the said letter and take the precautionary actions to avoid dealing with these notes.

24- 281 Presence of Companies Representatives inside Banks:

With reference to the above subject and in light of existence of some companies representatives inside banks which may expose these banks to legal or goodwill risks and responsibilities not related to their licensed activities, it has been decided that

279 Refer to circular no. (113/2012) dated 19/12/2012 (all banks)
280 Refer to circular no. (81/2012) dated 9/9/2012 (all banks)
281 Refer to circular no. (99/2012) dated 23/10/2012 (all banks)
no existence or representation of any local or foreign company are allowed inside banks headquarters of its branches by any means at all. Banks are required to modify to comply with these regulations as from 23/10/2012.

25-Debt Securities Issuance:
Instructions are mentioned in page no. (433).