Part Seven

Instructions of Supervision and Control
Definitions

QCB : Qatar Central Bank

Board : Board of the QCB

Bank : Any legal person licensed pursuant to the provisions of this law123, to conduct all or some banking, investment and development activities in the State.

Islamic bank : Bank licensed, pursuant to the provisions of this law124, to conduct all or some banking, investment and development activities pursuant to Islamic Sharia principles.

Specialised bank : Bank licensed, pursuant to the provisions of this law125, to conduct all or some banking, investment and development activities mainly in specified economic sectors.

Banking activities : Taking deposits and other recoverable funds, granting credit facilities, deducting, purchasing and selling securities, trading in currency and money instruments, foreign exchange and precious metals, issuing cheques, credit cards, and other payment instruments, issuing guarantees and securities, and any other activities determined by the QCB.

Islamic financing activities : Conducting short, medium or long term financing activities that are Shari’a compliant; such as Murabaha, Musawama, Mudaraba, Diminishing Musharaka, Istisna, or other direct and indirect Islamic financing activities or by issuing Sukuk (on syndicated basis),

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123 Refer to the Law of the QCB and the Regulation of Financial Institutions (Law no. (13) of 2012).
124 Refer to the Law of the QCB and the Regulation of Financial Institutions (Law no. (13) of 2012).
125 Refer to the Law of the QCB and the Regulation of Financial Institutions (Law no. (13) of 2012).
including all types of direct and indirect financing facilities whether to individuals, other financial and economic sectors or governments including financing projects, foreign trade and any other financing purposes.

**Investment activities**: Investment for third parties, mediation and financial mandate, organising public subscription, maintenance and trust services, contributing in the issuance of shares and other securities, managing portfolios and investment funds, trading in money and currency instruments, foreign exchange and precious metals, providing consultancy with regards to capital markets and services related to merging, purchasing, and selling of companies, and any other activities determined by the QCB.

**Customers**: Individuals, companies, private institutions, or government institutions and bodies.

**Person**: Physical or legal person, as the case may be.

**Customer**: Any physical or legal person who receives or deals in any financial services with financial institutions. A Customer is every person that commences receiving or dealing in any financial services, with financial companies.

**Financing international Murabaha transactions of commodities and metals**: Islamic financing through international market for purchasing commodities and metals using Murabaha Transaction, whether through international banks or agencies abroad against bank guarantees.

**Government**: All ministries, bodies, departments that are administratively and financially owned by the State of Qatar.

**Government**: All institutions and organizations that are fully owned...
institutions: by the State of Qatar and financially and administratively independent, with independent financial position.

Semi-government institutions: Institutions in which the government owns 50% or more.

External unit: Any investment company, or a branch of a foreign investment company, any bank or branch of a Qatari or foreign bank, licensed, pursuant to the provisions of this law, to conduct all or some banking or investment activities in the State, without taking deposits.

Representation offices: Offices which activities are limited to representing foreign banks and investment companies in the State, without having the right to take deposits or to conduct banking, investment, or money exchange activities.


Consultancy institutions: Institutions which offer consultations with regards to securities, or any other investment or financial tools licensed by the QCB.

Currency: Coins, paper money, digital money, and other money forms decided by the QCB.

Financial services: Activities conducted by the financial institutions, including Islamic financial institutions, which are determined and regulated following a decision by the QCB.

Deposits: Money deposited with or without interest or return after agreement to be paid upon request or for a specific term or in the cases agreed upon. It includes the deposits compliant with Islamic Sharia principles.

Credit information: Information related to a person’s credit solvency and its reputation, pursuant to the regulations and decisions.
issued by the QCB.

**Financial institutions**: Any bank, Insurance Company, Reinsurance Company, Investment Company, Finance Company, Exchange House, Representation Office, or External Unit, and other financial institutions specified and regulated pursuant to a QCB decision, and licensed pursuant to the provisions of this law, to conduct all or some banking activities, Insurance and Reinsurance activities, investment and financing activities, money exchange activities, and other financial services and activities specified by the QCB.

**Islamic financial institutions**: Banks, insurance companies, reinsurance companies, investment companies, finance companies, and other financial institutions, specified and regulated pursuant to a QCB decision, and licensed pursuant to the provisions of this law, to conduct all or some banking activities, Insurance and Reinsurance activities, investment and financing activities, and other financial services and activities specified by the QCB pursuant to Islamic Sharia principles.

**Bank's capital and reserves**: Capital and reserves which are a base for calculating prudential ratios and indicators, if any herein,

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126 This definition has been amended as per circular no. (86/2013) dated 8/10/2013, concerning the capital base for calculating the prudential ratios and indicators, stating the following:

1- The capital base for calculating the prudential ratios and indicators shall compromise of the following:
   - Total capital account as in item no. (209) in the monthly balance sheet.
   - Minus net positive fair value reserve as in item no. (20906) in the monthly balance sheet.

2- When calculating ratios and ceilings of the investment concentrations that are revalued at fair value, the investments shall be calculated at the book value as in the monthly balance sheet (fair value), and the whole capital base as in item no. (209) should be taken into account, without deducting the net positive fair value reserve. As per the investments that are not revalued at the fair value (such as; subsidiaries and associates or any other investments), the capital base shall be calculated as per the paragraph no. (1).

3- When calculating the credit ratio, the net equities in the denominator shall be calculated after deducting the fixed assets and the investments by taking the book value of the investments (fair value), and the the whole capital account as in item no. (209) should be taken into account, without deducting the net fair value reserve.

4- These instructions are effective as from the date of issue of this circular, and any instructions contradictory to these ones shall be annulled.
consisting of:

- Capital account as in the monthly balance sheet;
- Less risk reserve;
- And less the positive fair value reserve.