

Banks' Relation with QCB

Third: License, Registration and Fees - Banks

1- License for Banks

1/1 Banking License Application Forms

In accordance with QCB Law Article no. (80/81/82/ & 83), following forms enclosed to circular no. (180/2007) dated 4/9/2007 shall be used for applying to QCB for obtaining licenses to commence business for banks and their local and outside branches according to the requirement stated in forms in annex no. (25).

- License Application Form - National Bank (Form (A) - Banks), annex no. (25).
- License Application Form - Foreign Bank's Branch in Qatar - (Form (B) - Banks), annex no. (25).
- License Application Form - Branch inside Qatar – (Form (C) - Banks), annex no. (25).
- License Application Form - National Bank's Expansion outside Qatar – (Form (D) - Banks), annex no. (25).

1/2 Granting or Rejection of licensing application

- As per Article no.(82) of QCB Law, The Governor shall issue his decision to grant the license within sixty days from the date of fulfillment of all the conditions provided for in this law and the regulations and decisions issued in implementation thereof, according to the public interest requirements and the national economy need.
- As per Article no.(83) QCB Law, The Governor shall issue a grounded decision rejecting the licensing in the event it does not fulfill the conditions provided for. The applicant shall be notified of the issued decision regarding the application's rejection and the reasons thereof. The notification shall be delivered to the applicant's residence, or office. Notification may also be made in any means which ensures the knowledge of the decision. Applicant may appeal against the decision before the "Dispute Resolution Committee" established under Article (190) of QCB Law within 15 days from the date of receiving the notification.

1/3 The competent administration (Supervision and Control Dept.) shall promulgate the decision to grant the license in the Official Gazette and in two local newspapers,

one issued in Arabic and the other in English .The licensee (the bank) shall permanently display an accredited copy of the license in a visible area in its place of work in the State as per article (85).

1/4 The QCB may license foreign financial institutions to open branches in the State according to the conditions and controls issued by the Board in accordance with Article (87) of QCB Law .

1/5 In accordance with Article (88) of QCB Law, the financial institution shall commence conducting the licensed services, businesses or activities within six (6) months from the date of issuance of the license. The QCB may extend this period for another similar period.

In the event of the elapse of this period without starting to conduct the licensed services, businesses, or activities, the license shall be deemed as if not issued.

1/6 Amending Licensing conditions

QCB may amend the license conditions upon the request of the financial institution in any of the following cases:

A- Addition of any controlled financial services, operations, or activities to those licensed to be offered.

B- Amending or cancelling one or more condition from the conditions specified in the license.

C- Cancelling any services, operations, or activities licensed to be offered.

The QCB may not amend the licensing conditions pursuant to the provision of the previous paragraph, unless after checking the financial institution's ability to fulfill its obligations under the amended licensing conditions, as per Article (89) of QCB Law .

1/7 License Renewal:

Banking licenses shall be automatically renewed if the bank continues its operations in accordance with QCB Law.

2- Fees Received by QCB

2/1 In accordance with Article (222, 84) of QCB Law, and banking instructions on licensing rules, the fees received by QCB for licenses and approvals granted for banks shall be paid as shown in the table in annex no. (26) as from 1/1/2008:

2/2 Method of Collecting the Annual Fees:

The annual fees would be collected from banks within the first week of January each year:

- The annual fees would be directly deducted from the clearing accounts maintained at QCB.
- Banks will be notified by telex regarding this deduction.

3- Bank's Articles of Association and Incorporation

3/1 If any bank desires to make any amendments relating to any of the items of the bank's establishment contract or articles of incorporation, it must obtain QCB prior approval before moving these amendments, together with the reasons for amendment.

3/2 As some banks may restructure their establishment contracts and articles of incorporation, in accordance with the articles of the commercial companies law no. (5) of year 2002, all banks must ensure to take into account, that while they restructure reconstructing their establishment contracts and articles of incorporation, that there are no contradictions between the amended items and the Articles of QCB Law .

4- ²²³Main Data for Bank's Registration

Banks should provide QCB with the main data for registration according to the form attached to annex no. (119) both in softcopy and hardcopy using excel sheet to update banks' data and for annual renewal of the banking activities license within one month maximum as given in page no. (533) in Part for Periodical Data, in accordance with QCB Law, article no. (86).

Banks should be accurate while filling in the required data, a financial fine shall be imposed on banks providing QCB with incorrect data by virtue of Article (210) of QCB Law . As per article (86) of the law, a register shall be established in the competent administration under the name of "Register of financial institutions licenses" maintaining license applications presented by financial institutions and the procedures taken in that regard, as well as all related data and information or any changes to the status thereof, are registered.

²²³ Refer to circular no. (88/2010) dated 4/11/2010 (all banks), circular no. (95/2012) dated 17/10/2012 and circular no. (88/2011) dated 15/11/2011 (all banks).

5- Opening Branches and ATMs

All licenses, granted to open branches, install automatic teller machines (ATM), will be valid for six months from the date of approval. QCB may renew for additional six months period on lapse of the second period and if the licensed business has not commenced yet, the license shall be cancelled in accordance with article no. (88) of QCB Law, and as per mentioned in item 1/5 in page no. (373).

6- Data for Starting Branch Activity and Operating ATMs

Some banks obtain QCB's approval for opening branches and installing ATM's according to the article no. (118) of QCB Law. In order to achieve QCB's objectives, it is recommended that banks to fill in the forms indicted below and forward them to the Supervision and Control Department at QCB while starting the operation at the branch or the ATM.

- Form annex no. (60), regarding commencement of activity at branch (b) - branch (c).
- Form annex no. (61), regarding operationalization of the ATM.

7- Revoke or Cease License

The Governor may issue a decision to revoke or cease the license for a specified period, as the case may be in any of the cases stated in Article (90) Of the Law.