



Date: ٠٤-١١-2020

Circular no.: ٤٧/2020

To: All Banks operating in Qatar

Subject: Issuance of Financial Instruments eligible for additional Tier 1 Capital to be offered in International markets.

Upon banks increased demand on issuing financial instruments eligible for additional tier 1 capital to be offered in the financial markets, and to maintain capital base resilience at banks depending on high quality and more risk resistant financial instruments to avoid any legal and market risks that may negatively affect the Qatari financial sector;

QCB decides the following:

Banks may issue financial instruments eligible for additional tier 1 capital to be offered in the financial markets provide that:

- A- It must be in US dollar.
- B- The total of this instrument must not exceed at any time 50% of the total paid up capital and the retained earnings. The total instruments eligible for tier 1 inside or outside Qatar must not exceed 50% of the total capital base.
- C- The contracts of this instrument must fulfil all Basel Committee requirements so as to be eligible in additional tier 1 capital and must be complaint with QCB's related regulations particularly the following: "QCB is the supervisory authority responsible for determine rules, limits and conditions either to fulfil the liability of this instrument or not as per QCB consideration of the position of the issuing bank and in consistency with QCB law and regulations".
- D- Banks shall consider the expected effect on the US net currency position and the total net currency position as well resulting from issuing this type of instruments, or when they are due in such a way that shall not exceed QCB determined ceilings.



Supervision and Control of Financial Institutions
Division

E- QCB's prior non-objection for each issuance must be obtained after submitting all contracts and documents in Arabic.

Abdullah Bin Saud Al-Thani

The Governor