



وزارة التجارة والصناعة

Ministry of Commerce and Industry



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ON THE ACTIVITIES OF THE MINISTRY OF
COMMERCE & INDUSTRY IN COMBATTING
MONEY-LAUNDERING, FINANCING OF
TERRORISM AND THE PROLIFERATION OF
ARMAMENTS

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INTRODUCTION

The Ministry of Commerce and Industry is responsible for overseeing commercial and industrial activities in the State of Qatar and directing these activities in accordance with the requirements of national development. The Ministry's mandate includes business development, contributing to attracting investments, as well as supporting and developing exports. Other responsibilities are developing methods and procedures for providing public services to the business and investment sector, regulating the practice of trade professions, registering commercial and investment establishments, issuing the necessary licenses to carry out their activities, and supervising the regulation and control of markets in its area of competence. The Ministry is additionally responsible for taking the necessary measures to protect consumers, combat commercial fraud, safeguard competition, and prevent monopolistic practices, as well as protect intellectual property rights. Moreover, the Ministry seeks to devise general policies to promote industrialization and national industries, develop and exploit the existing industrial zones, and propose the establishment of new ones¹.

The Ministry of Commerce and Industry is among the regulatory authorities² overlooking Article 65 of the Executive Regulations of Law No. 20 of 2019 related to promulgating the Law on Combating Money Laundering (AML) and Financing of Terrorism (CFT). The Ministry undertakes monitoring, following up, and supervising certified accountants, traders of precious metals or gemstones, trust fund service providers, and companies; it also ensures their compliance with the AML & CFT requirements.

Moreover, the Ministry is the competent authority to establish commercial companies and grant commercial licenses in the State of Qatar. It works to develop the legal and institutional framework for the purpose of instilling transparency and preventing the exploitation of legal persons for criminal purposes related to money laundering and financing of terrorism.

The Ministry of Commerce and Industry is represented by a member of the National AML and CFT Committee (NAMLC)³, concerned with coordinating efforts between the various competent authorities and devising a national strategy to combat money laundering, financing of terrorism, and the spread of weapons of mass



1. Article 11 of Emiri Resolution No. 16 of 2014 specifying the functions of the Ministries
2. Law No. 20 of 2019 relating to AML & CFT defined the regulatory authorities as the authorities competent to license financial institutions, designated non-financial businesses and professions (DNFBPs), and non-profit organizations, to supervise them, or to ensure their compliance with the AML & CFT requirements, as determined by the regulation.
3. Article 29 of Law No. 20 of 2019 stipulates the composition of NAMLC. It shall be composed of the Deputy Governor of the Central Bank as its president and the membership of:
 - Two representatives of the Ministry of Interior, one of whom is to be chosen from among Directors of the Ministry's competent Departments to act as the Vice-Chairman of the Committee.
 - A representative of the Ministry of Foreign Affairs.
 - A representative of the Ministry of Justice.
 - A representative of the Ministry of Commerce and Industry.
 - A representative of the Public Prosecution.
 - A representative of the State Audit Bureau.
 - A representative of the Bank.
 - A representative of the State Security Bureau.
 - A representative of the General Secretariat of the Council of Ministers.
 - A representative of the Qatar Financial Markets Authority.
 - A representative of the General Tax Authority.
 - A representative of the General Tax Authority.
 - A representative of the Qatar Financial Center Regulatory Authority.
 - General- Director of the Regulatory Authority for Charitable Activities; and
 - Unit head.

FIRSTLY: ADMINISTRATIVE (ORGANIZATIONAL) AND HUMAN FRAMEWORK

(The AML & CFT Section and its staff)

destruction in the country based on the outputs of the national risk assessment, in line with international standards. The Committee also follows up on the implementation of this strategy.

The Ministry of Commerce and Industry is working to implement the provisions of the AML & CFT action plan, prepared by NAMLC, which is summarized in the main axes:

- Developing an electronic system that automatically screens the names registered at the Ministry and provides the required statistics for NAMLC through the Qannas system.
- Providing the necessary human resources to carry out the supervisory tasks entrusted to the Ministry of Commerce and Industry.
- Defining activities and entities subject to the control and supervision of the Ministry in terms of the AML & CFT field.
- Conducting a sectoral assessment of the risks of money laundering and financing of terrorism for the designated non-financial businesses and professions (DNFBPs) subject to the supervision of the Ministry of Commerce and Industry.
- Conducting office and field monitoring and supervision operations to ensure that the DNFBPs subject to the supervision of the Ministry of Commerce and Industry comply with the requirements of the AML and CFT Law.
- Raising awareness of the risks of money laundering and financing of terrorism among the employees of the Ministry and the entities subject to its supervision.
- Complying with the requirements of the Financial Action Task Force (FATF) recommendations nos. 24 and 25 on transparency and beneficial ownership of legal persons and legal arrangements and obtaining basic and related information from the beneficial owners of the entities established under the Ministry of Commerce and Industry.



Within the framework of Qatar's preparation for the joint evaluation by the FATF and the Middle East and North Africa (MENA) FATF, and to enable the Ministry of Commerce and Industry to carry out its oversight role on AML and CFT activities, a new section in the Companies Affairs Department was established in 2019, with the aim of monitoring the compliance of entities licensed by, or subject to the oversight of the Ministry of Commerce and Industry with the requirements of the AML & CFT system. This new section was created by virtue of the Minister of Commerce and Industry Decision No. 95 of 2019 dated December 10, 2019.

The aforementioned decision assigned the established section the following functions:

1. Following up on the implementation of the provisions of AML & CFT legislation, and proposing legislative amendments in this regard that are related to the Ministry's competencies, taking into account international recommendations, the results of mutual evaluations, and best practices.
2. Following up and coordinating with NAMLC, providing it with the required data and information, and participating with it in conducting the National Risk Assessment pertaining to money laundering, terrorism financing, and financing the proliferation of weapons of mass destruction, as well as implementing its outcomes.
3. Coordinating with the National Counter Terrorism Committee (NCTC) in matters related to targeted financial sanctions, screening names against UNSC lists daily, and taking the necessary measures accordingly.
4. Coordinating with the competent Departments at the Ministry regarding the implementation of transparency obligations.
5. Collecting, classifying, and analyzing AML & CFT data and statistics to create a database that is updated periodically.
6. Preparing sectoral assessments of the risks of money laundering, financing terrorism, and the proliferation of weapons of mass destruction related to legal persons registered at the Ministry, and to the DNFBPs subject to its control; supervising conducting the risk assessments, as well as analyzing, documenting, circulating, and updating their results.
7. Drafting the necessary AML & CFT instructions, rules, guidelines, recommendations, and guiding principles, and providing them for DNFBPs subject to the supervision of the Ministry.
8. Preparing the necessary training programs to develop the AML and CFT capabilities of the employees at the Ministry and DNFBPs subject to its control.
9. Overseeing, supervising, and inspecting chartered accountants, traders of precious metals and gemstones, trust fund service providers, and companies to ensure their compliance with the AML & CFT requirements; as well as accessing available documents and information deemed necessary to carry out supervisory activities.

SECONDLY: TRAINING PLAN

10. Proposing financial and administrative sanctions against certified accountants, traders of precious metals and gemstones, trust fund service providers and companies found in breach of the provisions of the AML & CFT Law and its implementing regulations, as well as any relevant decisions or directives, and informing the Qatar Financial Information Unit (QFIU) of the procedures taken in this regard.
11. Collaborating with the competent authorities, the supervisory authorities, and the QFIU, and exchanging information with them to implement the requirements of the AML & CFT Law and its Implementing Regulations, and all relevant decisions or directives, in addition to establishing the necessary penalties for reporting suspicious transactions.
12. Representing the Ministry of Commerce and Industry in national, regional, and international AML & CFT meetings and activities.
13. Drafting an annual report on the Ministry's activity in the field of AML, CFT, and financing the proliferation of weapons of mass destruction, including proposals and recommendations in this regard, in preparation for submitting them to the Minister of Commerce and Industry and NAMLC.

It is worth noting that the year 2019 featured issuing Emiri Decree No. 12 of 2019 on the organizational structure of the Ministry of Commerce and Industry. It explicitly states that the Companies Affairs Department is responsible for a number of tasks, including following up on the implementation of AML & CFT legislation within the scope of its competence and after coordination with the relevant concerned authorities in the State.

It is hoped that the newly created AML & CFT Section at the Ministry of Commerce and Industry will contribute to strengthening the supervisory role played by the Ministry regarding DNFBPs subject to its control, especially conducting inspections, imposing appropriate penalties on violators, and preparing statistical data that are greatly important to preparing the national and sectoral risk assessment, and to the work of NAMLC.

Work is currently underway, in coordination with the Human Resources Department, to define the functional competencies of the AML & CFT Section employees, as well as to define the Section's needs in terms of assigning other employees. It should also be noted that the NAMLC has assigned, since early 2019, experts with various legal and technical specializations to provide technical assistance to the Ministry's employees in everything related to the implementation of the AML & CFT action plan. There are currently three NAMLC experts at the AML & CFT Section in the Ministry of Commerce and Industry.

Training is a key element in the AML & CFT system, as it ensures the development of human capabilities to ensure proper, correct, and unified application of the AML & CFT requirements. Training subsequently contributes to better understanding the risks of money laundering, thus reducing and limiting this phenomenon.

Moreover, the effectiveness of the measures imposed on DNFBPs in the AML & CFT framework is closely related to the extent of knowledge and awareness of the entities subject to control and their employees of the seriousness of this criminal act and is also linked to the extent of their knowledge of their obligations and responsibilities in this regard. Employees working in these professions (especially those who meet and communicate directly with the customer or who carry out transactions) can constitute a strong and impenetrable barrier against money laundering and financing of terrorism. Training is also an essential element to raise DNFBPs' awareness of the need to engage in the AML & CFT system, and to raise awareness of the risks of this scourge that threatens the integrity of the country's economy and financial systems.

As it is convinced of the importance and necessity of training as an effective AML & CFT mechanism, and a prerequisite for the effectiveness of the system to combat this criminal phenomenon, the Ministry of Commerce and Industry participated in many training programs for the benefit of its employees in coordination with NAMLC. The Ministry has also devised an integrated plan for basic and specialized training, as represented in the following:

- **Basic training:** It includes the basic AML & CFT concepts, and the obligations assumed by the Ministry as a supervisory authority. It targets the Ministry's employees in Departments other than the AML & CFT Section, for example:
 - Employees working in other sections of the Companies Affairs Department are responsible for examining and reviewing the Articles of Incorporation, as well as the Companies Control Section, and the Accounts Auditors Section.
 - Employees working in the Commercial Registration and Licenses Department, especially that the beneficial owners are documented in the Commercial Registry.
 - Single Window Platform employees, or front office employees who directly receive requests for administrative services related to companies from the public.
 - The employees currently working on the manual screening system for the names included in the national or international lists, and who will work later on the screening system called the Case Management System. The Case Management System is one of the systems that has the property of retaining all matching names, investigations, and conclusions, as well as all the documents pertaining to the investigation.
 - Staff who will work on the statistics system.

- **Specialized training:** mainly targets the AML & CFT Section employees and is based on legal and practical mechanisms to conduct control over the compliance of the subject entities with the AML & CFT requirements.

The Ministry also completed training courses for the DNFBPs subject to its control (certified accountants and dealers of precious metals and gemstones) during varying periods, which included all accounting offices and firms working in Qatar, as well as some dealers of precious metals and gemstones, according to the following table:

■ **First: The courses by the NAMLC in cooperation with the Financial Integrity Network (FIN):**

COURSE	DATE
Global AML & CFT standards and the framework training program in the field of combating illicit financing in Qatar provided by the public sector	March 4-5, 2019
Components of an effective anti-illicit financing system: Supervisory training for the business sector and DNFBPs	April 14-18, 2019
Components of an effective anti-illicit financing system: Oversight of charities and non-profit organizations	April 30 - May 2, 2019
Understand Qatar's country-level risk assessment process for public sector participants	June 19-20, 2019
FATF Mutual Evaluation Training for Public Sector Participants	June 23-27, 2019
FATF effectiveness training for public sector participants	July 7-9, 2019

■ **Second: Courses by Qatar Finance and Business Academy in cooperation with the Ministry of Commerce and Industry for the benefit of the Ministry's employees:**

COURSE	DATE
AML & CFT for the Ministry of Commerce and Industry	October 20-21, 2019
Supervisory authority obligations, control mechanisms, and the required sanctions and penalties	October 22-24, 2019

■ **Third: Courses that have been completed for the benefit of the entities subject to 2019 decisions**

Third 1- Courses given for the benefit of traders of precious metals and gemstones by the Ministry and the QFIU:

COURSE	DATE
Private Sector Forum Course on AML & CFT Rules and Guidelines for Traders of Precious Metals and Gemstones	April 21, 2019

Third 2- Seminars targeting accountants, conducted in cooperation with the QFIU:

COURSE	DATE
Role of Accountants in AML and CFT	June 30, 2019

THIRD: ACTIVITY RELATED TO LEGISLATIVE ASPECTS

Third 3- Courses given for accountants in cooperation with the Qatar Finance and Business Academy:

COURSE	DATE
AML & CFT for Certified Public Accountants (Group I)	November 25-28, 2019
AML & CFT for Certified Public Accountants (Group II)	December 1-4, 2019
AML & CFT for Certified Public Accountants (Group III)	December 8-11, 2019
AML & CFT for Certified Public Accountants (Group IV)	Scheduled to take place on January 5-8, 2020
AML & CFT for Traders of Precious Metals and Gemstones (Group V)	Scheduled to take place on January 12-15, 2020

In general, the training program supervised by the Ministry for the benefit of the DNFBPs subject to its control included the following basic issues:

- Concept of money laundering and financing of terrorism.
- Money laundering procedures.
- Money laundering methods and types.
- Negative consequences of money laundering at the level of financial sector development and integrity.
- AML & CFT international standards and the bodies charged with drafting them.
- Elements of money laundering and financing of terrorism.
- Preventive measures: Customer identification, due diligence and record keeping.
- Reporting suspicious transactions.
- QFIU: Definition and Role.
- Evaluation of AML & CFT System: Technical commitment and efficacy; and
- Risk-based approach: Understanding and assessing risks to reduce them and for better allocation of financial and human resources.

The efficacy of the AML & CFT system is largely linked to the existence of advanced legislation that is in line with international standards, especially the FATF recommendations.

The year 2019 witnessed the issuance of a basic and pivotal law in the AML & CFT field, namely Law No. 20 of 2019 on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). Many of the provisions of the law in question are inspired by international standards related to AML and have corrected the shortcomings in the old Law No. 4 of 2010.

Law No. 20 of 2019 is considered a framework or reference law in the AML field. However, the implementation of this law and its application in practice requires the introduction of some legislative amendments to the laws in force, the enactment of laws, or the issuance of new decisions.

This aspect has attracted the attention of the Ministry, which has been preparing several necessary legal texts to develop the AML & CFT system, with the assistance of the NAMLC legal experts.

The most significant proposals for legal texts prepared by the Ministry, based on the AML & CFT Action Plan, and the requirements of Law No. 20 of 2019, include the following draft laws and decisions:

01

A draft law on the Unified Economic Register (approved by the Council of Ministers on 4/12/2019): This draft law aims to develop a national mechanism that guarantees the transparency and governance of economic and financial transactions by collecting information, data, and documents related to economic practitioners and actors from economic establishments, legal arrangements, non-profit organizations, and self-employed persons in a unified database called the Unified Economic Register, to be maintained and made available to the competent parties and public authorities, in accordance with the requirements of the said law.

The rules included in this draft law can be summarized in the following points:

1. Providing a unified, secure, reliable, and up-to-date database for all economic actors, to be made available to public parties and authorities, based on the obligation to link databases maintained by the competent registration or licensing authorities to the Unified Economic Register, to ensure the latter remains transparent and up to date.
2. Using a unified economic number that is mandatory for entering and updating data related to economic practitioners and actors, in a way that enables electronic instant info, data, and document exchange between the Unified Economic Register and all records kept by the competent authorities, in the framework of linking databases. This process puts an end to the dispersion of information resulting from using more than one number.
3. Requiring economic establishments, legal arrangements, non-profit organizations, and freelance professions to declare the identity of the beneficial owners when applying for registration, licensing, amendment, or renewal in accordance with the standards and means stipulated

by the executive regulations of the said law. The request shall not be accepted if it is not accompanied by a declaration of the beneficial owners or if it is incomplete. The competent department shall collect all the information related to the beneficial owners referred to it by the competent authorities in the unified beneficial owners register. In turn, the Department shall verify that it is accurate and as recent as possible by relying on linking databases. This process would contribute to addressing the phenomena of money laundering, shell companies, and concealment of the beneficial owners.

4. Putting in place administrative penalties and various, deterrent penal measures that would discourage criminals from exploiting legal persons and legal arrangements in money laundering or financing of terrorism.

A draft decision by the Minister of Commerce and Industry was also prepared stipulating issuing the executive regulations for the Unified Economic Register draft law, which was referred to the General Secretariat of the Council of Ministers, and it included the following issues:

- Defining basic concepts such as the unified economic number, the required information about the beneficial owners, and their register.
- Determining the entities to which the provisions of the law and the regulation will apply, namely, economic establishments, non-profit organizations, legal arrangements, and freelance professions, whether these professions are practiced within individual offices, civil, or commercial professional companies, or global offices, except for companies listed on the stock exchange, companies permanently owned by the State, and other public bodies and institutions.
- Establishing a secure information system by the competent Department, such that the system links it with the competent authorities and allows including updated electronic versions of the records. The aforementioned information system also allows instant electronic synchronization and exchange of information, data, and documents between the Unified Economic Register and all records kept by the competent authorities, in addition to communicating any update that occurs to them within the framework of linking databases.
- The competent department shall grant the competent authority through the information system a unified economic number for each person who is licensed or registered by that authority to be approved upon entering and updating their data and information. The competent authority shall include the unified economic number in its records and in the licenses, it issues for those it licenses or registers. It shall immediately send to the competent Department a copy of the basic information record(s), and of the beneficial owners' register.
- The databases of the General Tax Authority and other government agencies to be determined in a decision by the Minister may be linked to the information system of the Unified Economic Register.
- How the beneficial owner is determined in commercial companies is to be clarified. (In principle, the ben-

eficial owner is the natural person(s) who directly and/or indirectly owns a controlling shareholding equal to or greater than 20% of the company's capital or voting rights). In non-profit organizations, (in principle, the beneficial owner is the natural person who exercises actual or legal supervision or control over the non-profit organization by any direct or indirect means). In legal arrangements; (direct trusts and similar arrangements).

- Each competent authority shall record the basic information of the person it is licensing or registering in the register or the records it maintains, in a manner that enables it to identify the data of the applicant for registration in the register, as well as keep track of all the amendments or changes that occur to the registration, as per the deadlines and methods determined by the running legislation regulating each authority, and based on the unified economic number. It also undertakes to enter all the required information about the beneficial owners, update it, and keep it in the beneficial owner register, based on the unified economic number.
- The required information to be included in the beneficial owner declaration shall be stated and kept in its own record.
- The information required in the beneficial owner declaration must be announced in a correct, accurate, and up-to-date manner.

In light of the contents of the draft executive regulations, work is currently underway, in coordination with the Commercial Registration and Licensing Department, the Single Window Platform, and the Information Technology Department, to prepare the beneficial owner form and include it in the Ministry's information system.

02

Draft law to amend some provisions of the Commercial Companies Law: Commercial companies are subject to Law No. 11 of 2015, which includes the general provisions related to commercial companies, in addition to the special rules applicable to other forms of commercial companies in terms of establishment, management, shares, rules for the conduct of general assemblies, rights of partners, and responsibilities of managers. The revision of the Commercial Companies Law has become necessary following passing Law No. 20 of 2019, the eighth chapter of which addresses Transparency of Legal Persons and Legal Arrangements. This is aimed at aligning the legislation applicable to commercial companies with the AML & CFT requirements.

Therefore, a draft law was prepared regarding the revision of Law No. 11 of 2015 Promulgating the Commercial Companies Law, and it includes the following provisions:

- Announcing the texts that must be contained in the company's articles of incorporation, and obligating companies to maintain in an adequate, accurate, and up-to-date manner the basic information related to the company, as well as the information related to the beneficial owners. It shall also be compulsory that companies appoint a natural person who is authorized by the company and responsible before the competent department regarding providing all the basic information, as well as the available information about the beneficial owners.

FOURTH: NATIONAL COORDINATION MECHANISMS

- Prohibiting appointing or nominating nominal managers who are registered as company managers, but who run the company via an agreement made with the persons who run it, directly or indirectly, and are the ones who give instructions.
- Obliging each company to maintain a Partners Register, which includes the names of partners or shareholders, their nationalities, domiciles, professions, the share of each of them in the company's capital, the number of shares owned by each shareholder or partner, and the share classes, in addition to the nature of the voting rights associated with them, and any changes thereof. The company manager shall be responsible for this record, the correctness of its data, and updating the latter. The management, partners, and anyone with an interest shall have the right to view it.
- Preventing the issuance of shares to the bearer and preventing the existence of nominal shareholders who are registered at the company as shareholders, while they dispose of the said shares based on an agreement with another person who practices the actual and real control over them.
- Acknowledging the obligation of the liquidator to keep information and records related to the liquidation activities for a period of no less than 10 years from the date of dissolving the company.

03

Draft decision by the Minister of Commerce and Industry to regulate the obligations of chartered accountants, dealers of precious metals and gemstones, trust fund service providers, and companies in terms of the requirements of combating money laundering and financing of terrorism: A draft decision by the Minister of Commerce and Industry regarding the obligations of chartered accountants, traders of precious metals and gemstones, trust fund service providers, and companies with regard to AML & CFT measures in light of Law No. 20 of 2019 on Combating Money Laundering and Terrorism Financing, in coordination with the QFC Regulatory Authority, and NAMLC. This decision shall undo the AML & CFT rules for professions, real estate agents, and dealers of precious metals or gemstones issued on 08/25/2011.

04

Draft decision by the Minister of Commerce and Industry adopting a supervision and control framework regarding AML & CFT: A consultative office is currently being assigned to prepare the framework for supervision and control over the DNFBPs subject to the supervision of the Ministry of Commerce and Industry in the field of AML & CFT. The office in question shall officially be established as per a decision by the Minister of Commerce and Industry.

Cooperation and coordination between the competent government agencies in terms of AML & CFT is one of the requirements of this area. This was confirmed by FATF's second recommendation: "Countries should ensure that policymakers, the financial intelligence unit (FIU), law enforcement authorities, supervisors, and other relevant competent authorities, at the policymaking and operational levels, have effective mechanisms in place which enable them to cooperate, and, where appropriate, coordinate and exchange information domestically with each other concerning the development and implementation of policies and activities to combat money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction."

In this regard, we note that the Ministry of Commerce and Industry has signed several MoUs with:

- **The Ministry of Justice**, considering it is the supervisory authority specialized in monitoring, following up, and supervising the compliance of lawyers, authorized notaries, and real estate brokers with the requirements of AML, CFT, and the proliferation of arms. It is also the body responsible for registering private institutions that serve the public interest.
- **Qatar Financial Center Regulatory Authority**, considering it is the supervisory body for the implementation of AML & CFT-related obligations, with regard to authorized financial service and professional service firms at the QFC such as lawyers, auditors, accountants, trust fund service providers, and corporations classified as DNFBPs.
- **Regulatory Authority for Charitable Activities**, considering it is the supervisory authority concerned with supervising and controlling charitable and humanitarian works carried out by private charitable associations and institutions and other bodies authorized to practice charitable and humanitarian works. Additionally, it is the authority responsible for issuing AML & CFT-related rules and instructions for private charitable associations and institutions, as well as other entities authorized to engage in charitable and humanitarian activities.
- **Qatar Financial Information Unit (QFIU)**, considering it is the national center competent to receive reports of suspicious transactions from financial institutions and DNFBPs, as well as receive other information related to money laundering, predicate crimes, and financing of terrorism, analyzing this information, and referring the analysis results to the competent authorities automatically or upon request.
- **Qatar Central Bank**, considering it is the authority competent to regulate, control, and supervise financial services, business, and activities in Qatar.
- **General Authority of Customs**, considering it is the authority competent to monitor the physical transfer of funds through customs ports.

The signed MoUs underlined the commitment of all parties thereof to coordinate and cooperate in identifying, understanding, analyzing, and evaluating the sectoral risks of money laundering, financing of terrorism, and proliferation of arms associated with the entities subject to its control, benefiting from the sectoral risk assessment reports completed by both parties, in addition to devising policies, procedures, controls, and

guidelines based on the existing approach based on the risks directed to the entities subject to the control of the two parties. This aims at managing and reducing the risks and developing joint guides, instructions, and directives to be applied by the entities subject to the control of the two parties regarding the implementation of the obligations in terms of AML, CFT, and the proliferation of arms, in addition to coordination, cooperation, and exchange of experiences and expertise among them, in terms of designing and implementing the regulatory and supervisory rules for the two parties related to AML, CFT, and the proliferation of armaments; as well as unifying their efforts to circulate them to the entities subject to the control of the two parties; exchanging basic information and information related to the beneficial owners for entities registered or licensed by each competent authority with the competent Department at the Ministry Commerce and Industry, in accordance with what is determined by the law regulating the Unified Economic Register; enhancing cooperation in the field of awareness and training; holding joint training courses, seminars and workshops on AML, CFT, and the proliferation of armaments; upgrading the level of human cadres working in the two parties and with the entities subject to them, in coordination with the NAMLC, so as to avoid duplication of efforts; ensuring good allocation of resources, and the exchange of information, data, statistics and feedback between the two parties for the purpose of exercising oversight work, and developing AML & CFT policies; and notifying each other of the administrative and financial penalties taken in the event that the audited entities breach their AML & CFT obligations, as well as of their follow-up results.

The agreements also stipulated the formation of a joint working group between the two parties, comprising representatives from the Departments concerned with AML & CFT, to establish effective mechanisms for applying each MoU, and following up on its implementation. In this regard, it should be noted that meetings of the joint working groups referred to in the MoUs signed by the Ministry were held as follows:

01 The meeting of the joint working group between the Ministry of Commerce and Industry and the QFIU on July 23, 2019, during which information was exchanged regarding the suspicious reports submitted by, or of, the entities subject to the supervision of the Ministry, in addition to the strategic analyses carried out by the QFIU regarding DNFBPs, and any other strategic risk analyses. The meeting also featured coordinating with the QFIU regarding its participation in the training courses that the Ministry intended to organize for the entities subject to its control, as well as regarding the guideline and the Gold Reporting Form.

02 The meeting of the joint working group between the Ministry of Commerce and Industry and the General Authority of Customs has taken place on two occasions, the first on 26/05/2019 and the second on 22/7/2019; During these meetings, the two parties agreed on the information they desired to urgently exchanged in the framework of preparing for the sectoral risk assessment of money laundering and financing of terrorism in the precious metals and gemstones sector.

03 Meeting of the joint working group between the Ministry of Commerce and Industry and Qatar Central Bank in October 2019, during which the latest developments of the two sides and the mechanism of joint work were discussed, in addition to looking into the information on the sectoral assessment requested by the Ministry from the Bank.

04 The meeting of the joint working group between the Ministry of Commerce and Industry and the Regulatory Authority for Charitable Activities on 04/07/2019 and 11/19/2019; During the two meetings, the draft executive regulations for the Unified Economic Registry were discussed regarding the scope of competence of the Regulatory Authority for Charitable Activities.

It should be noted that preparations are currently underway to conclude MoUs with other government agencies charged with monitoring or enforcing the law in the AML & CFT field, such as the Economic and Cybercrimes Combating Department at the Ministry of Interior's General Directorate of Criminal Investigations and the Public Prosecution. The MoUs signed or prepared by the Ministry within the framework of its commitment to the requirements of FATF's second recommendation, and its implementation of the provisions of the AML & CFT Action Plan are as follows:

Entity Name	Status of the Memorandum
QFIU	Signed
General Authority of Customs	Signed
Regulatory Authority for Charitable Activities	Signed
Qatar Central Bank	Signed
Ministry of Justice	Signed
Qatar Financial Center Regulatory Authority	Signed
Public Prosecution	Under review by the second party
Ministry of Interior (Economic and Cybercrimes Combating Department)	Under review by the second party
Qatar Financial Center	Under review by the second party
Qatar General Organization for Standards and Metrology	Under preparation
General Authority of Customs	Under preparation
Administrative Control and Transparency Authority	Under preparation

FIFTH: SECTORAL ASSESSMENT OF MONEY LAUNDERING AND FINANCING OF TERRORISM RISKS

Sectoral risk assessment is one of the key components of the AML & CFT system. Knowledge, identification, and assessment of risks are essential for taking measures to reduce them. The sectoral risk inventory helps regulatory authorities in prioritizing the inspection strategy and effectively allocating financial and human resources.

There are two levels of risk assessment: a comprehensive national level represented by a national risk assessment based on the identification and assessment of risks to the State as a whole, and a sectoral assessment limited to the analysis and understanding of risks related to a particular field or sector. The completion of risk assessments at these two levels (the first one being comprehensive and public, and the second one being sectoral and private) allows a thorough and complete understanding of the risks of money laundering and the financing of terrorism, making it possible to deal with these phenomena more effectively.

However, there is a need to recognize the existence of a continuum or integration between the two levels; the national assessment is based on sectoral data and statistics, whereas the sectoral assessment considers the output of the national assessment. This continuum or integration was explicitly enshrined in article 30 of the AML Law No. 20 of 2019, which stipulates that the Committee is responsible for preparing, documenting, disseminating, updating, and supervising the completion of the national assessment of money laundering, financing of terrorism, and the proliferation of weapons of mass destruction. The competent authorities are committed to provide the Committee with the data and information it requests, and to participate in the completion of the assessment and implementation of its outputs.

The Ministry of Commerce and Industry has contributed to the preparation of the National Report on Risks Related to Money Laundering and the Financing of Terrorism by providing NAMLC with all the statistics and information it has concerning DNFBPs subject to its control and all the data it has on the activity of the Ministry in the AML & CFT field. The outputs of the said national assessment will be considered in the preparation of the sectoral risk assessment of money laundering and the financing of terrorism, in addition to directing oversight actions to high-risk activities and entities in conformity with the outputs of the national risk assessment, in addition to allocating appropriate human resources to the said entities and activities.

As for the Ministry of Commerce and Industry, it has begun completing its sectoral risk assessment by sending questionnaires as of August 2019 to all the 107 offices and chartered accountants working in the State, and to the 20 largest gold companies. The said questionnaire was detailed and comprehensive in that it contained many questions related to the obligations of the said professionals under the AML & CFT system. These questions have been prepared in a systematic and progressive manner (drawing from general provisions towards private matters) and have been formulated in simple and clear terms that can be understood by the targeted people, in an objective manner covering all the aspects of the obligations carried over by the Ministry of Commerce and Industry under the AML & CFT system.

The response rate of chartered accountants was satisfactory. 60 chartered accountants responded; warnings were issued in conformity with Article 39 of Law No. 20 of 2019 to those who failed to answer the questionnaires. As for the traders of precious metals and gemstones, the Ministry of Commerce and Industry only received the response of 5 companies and gave 15 companies warnings. Regarding other traders of precious

metals and gemstones, the Ministry intends to put them in groups not exceeding 30 companies each and to invite them to an incentive day at the Ministry. During the said day, there will be an explanation of the AML & CFT requirements, and distribution of a simplified questionnaire to be prepared for this purpose. As for trust fund and corporate service providers, no questionnaires have been issued, as the Ministry is still in the process of supervising companies engaged in activities covered by Article 1 of Law No. 20 of 2019.

Concerning the preparation of the sectoral risk assessment, the Ministry of Commerce and Industry has sent correspondence to all competent regulators and authorities, such as the Qatar Central Bank, QFIU, the Public Prosecutor's Office, the Ministry of the Interior, the General Authority of Customs, and the General Authority for Standardization and Metrology and other stakeholders by sector, to request all available information and that can be used in the context of sectoral risk assessment. Since the response of the aforementioned authorities to the request for information was relatively limited because no answers have been received for the purpose, despite the dispatch of reminders, the Ministry has sought to remedy this matter by activating the joint task forces developed under the aforementioned MoUs to receive the necessary information for the completion of the sectoral evaluation. Information has been obtained from the QFIU and the General Authority of Customs in the context of exchanging information provided in the MoUs signed by both parties.

In September 2019, the Ministry of Commerce and Industry contracted with the Deloitte Advisory Office to prepare the Ministry of Commerce and Industry's internal oversight, control, and policy framework as a sectoral assessment of the risks related to money laundering and financing of terrorism for the following sectors:

- Preparation of the sectoral risk assessment for legal persons established by the Ministry of Commerce and Industry based on the requirements of FATF Recommendation No. 24, Criterion 2 on Transparency of Legal Persons and Identification of the Beneficial Owners in order to identify the legal forms of businesses vulnerable to abuse in money laundering operations.
- Preparation of the sectoral risk assessment for precious metals and gemstones traders, chartered accountants, and the sector of trust fund and corporate service providers. On November 3, 2019, the Advisory Office began collecting the necessary data to conduct the sectoral risk assessment by focusing on a joint working group of representatives of the Section and representatives of the Deloitte Office at the Ministry's headquarters.

SIXTH: ADOPTING AN AUTOMATED NAME-CHECKING SYSTEM

The Ministry of Commerce and Industry is competent to supervise commercial and industrial activity, to register and record commercial and investment companies, and issue necessary licenses for the activity thereof.

The proper functioning of the Ministry requires it to monitor established or to be established legal persons, and to verify that the names of its founders, contributors, directors, signatories, and beneficial owners are not included in the national and international sanctions lists.

Currently, the names of companies, partners, signatories, and responsible managers are manually checked via the World-Check search provider from Thomson Reuters by retrieving data from the Ministry's system (BSS Comprehensive service package system) and placing names in the Thomson Reuters software.

In order to improve the monitoring process through the use of sophisticated techniques to respond to the AML & CFT requirements in the region, the Ministry has undertaken the following:

01 Development of an electronic name-checking system: The Ministry of Commerce and Industry has contracted with SAS Al-Manaai to develop a name-checking and risk classification system in an attempt to provide it with a sophisticated and user-friendly web-based program comprising of four components: name-checking, periodic auditing, risk classification and reports.

An opening meeting was held on October 2, 2019, between representatives of the Ministry and representatives of SAS, during which the project implementation phases, and proposed follow-up task forces were presented, along with the Action Plan to be adopted in the next six months and the identification of a Leadership Committee that will supervise the proper implementation of the project. During the period between October 20 and October 24, 2019, intensive meetings of the assigned task force to follow up the project were held to draft the BRD. In November, work was carried out on the English and Arabic versions of the working requirements document to be signed before December 15, 2019.

According to the plan that the Ministry and the Service Provider Company agreed on, the official launch date of the project will be October 20, 2019, and all phases will be completed by the end of April 2020.

The proposed Action Plan for the project stipulates that phase I will be dedicated to the name-checking system, and phase II will include the risk classification system and statistical models requested by the National Committee. Meetings have been held with the Thomson Reuters Task Force to link available data to the Thomson Reuters software related to national and international listings with the SAS system.

This advanced system gives the Ministry greater flexibility in monitoring its activities thereof and classifying the risks of legal entities in an automated environment, in addition to the possibility of investigating the identity of legal persons associated with the BSS application, and ensuring that their names are not included in the national and international sanctions lists.

02

/ Development of a system to adequately provide the required statistics from the Committee: Following the first training workshop organized by the National Committee on the Assessment and Statistics Network System of Qatar in terms of AML & CFT on November 7, 2019, the Ministry of Commerce and Industry formed the assigned Task Force for monitoring the Statistics System and prepared a draft resolution by the Minister of Commerce and Industry to designate representatives of the various sections of the Ministry as the Task Force.

The Task Force held meetings with the Department of Information Systems to explore the possibility of e-linking the system to the SAS system, and to verify that all information requested by the Commission is available at the Ministry of Commerce and Industry.

SUGGESTIONS AND RECOMMENDATIONS

Creating the AML & CFT Section at the Ministry of Commerce and Industry is a positive event that will support the Ministry's efforts in terms of combating the money laundering phenomenon. However, given the newness of this Section, it is necessary to support and develop it through the following:

- Supporting the human resources of the AML & CFT Section through assigning staff members within the specializations it needs.
- Using expertise in the AML & CFT field to benefit from their training and knowledge to improve the performance of the Section.
- Allocating the necessary financial resources to upgrade the performance of the Section, in view of the importance of needs (media equipment, modern and sophisticated programs, specialized references, etc...).
- Establishing a database of best practices in AML pertaining areas.
- Disseminating and simplifying the information for the benefit of the subject entities and the Section's affiliates through publishing legislative guides concerning, for example, the concept of the beneficial owner, the concept of money laundering, or due diligence measures.
- Allocating competencies to follow up on developments in AML & CFT international standards, and also study best practices and the results of periodic evaluations carried out by the FATF.
- Exchanging experiences with counterpart Ministries located in countries recognized for achieving positive results in the AML & CFT field to benefit from these successful experiences.
- Clarifying and strengthening the supervisory role entrusted to the Ministry of Commerce and Industry in the AML & CFT field.
- Contributing to developing statistical systems capable of showing the risks of the subject entities and the weaknesses in the AML system.



Address

Twin Towers, Lusail

Phone

16001

Website

www.moci.gov.qa

Thank You.
