



وزارة التجارة والصناعة
Ministry of Commerce and Industry
دولة قطر • State of Qatar

Annual Report 2021

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 & Industry is responsible for overseeing commercial and industrial activities for the State of Qatar and directing these actions in accordance with the requirements of national development. The Ministry's mandate includes developing businesses and attracting investments, as well as supporting and promoting 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 the commercial and investment establishments (issuing the necessary licenses to carry out their activities), taking the necessary measures to protect consumers, combating commercial fraud, safeguarding competition and preventing monopolistic practices, as well as protecting intellectual property rights, developing general policies to promote industrialization and national industries, developing and exploiting its existing industrial zones, and proposing the establishment of new zones¹.

The Ministry of Commerce & Industry is among the Qatari Supervisory Authorities² by virtue of Article No. 59 of the Executive Regulation of Law No. 20 of 2019 establishing the Anti-Money Laundering and Financing of Terrorism Law, issued by virtue of Ministerial Decree No. 41 of 2019³ as amended by the Cabinet Resolution No. (14) of 2021. It shall monitor, follow up, and supervise accountants or dealers in precious metals and stones, as well as trust and company service providers, to ensure their compliance with Anti-Money-Laundering (AML) and Combatting the Financing of Terrorism (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.

1- Article 11 of the Emiri Decision No. 16 of 2014 on assigning functions and duties of the Ministries.

2- Law No. 20 of 2019 relating to combating money laundering and financing of terrorism defined the regulatory authorities as the authorities competent to license financial institutions, DNFBPs and non-profit organizations, to supervise them, or to ensure their compliance with the requirements of combating money laundering and financing of terrorism, as determined by the regulation.

3- Official Gazette, Issue No. 26, year 59, dated December 29, 2019.

The Ministry of Commerce & Industry is a member of the National Anti-Money-Laundering and Financing of Terrorism Committee (NAMLC)⁴, which coordinates efforts between the various competent authorities, and devises a national strategy to combat money-laundering, financing of terrorism, and the spread of weapons of mass 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 national strategy on combatting money laundering, financing of terrorism and the proliferation of weapons for 2020-2025 reflects the strategic goals that the State of Qatar has developed to safeguard the integrity of the national financial sector, to keep it effective and prosperous, and to promote security and economic growth in line with international standards and the best practices in illicit financing. To achieve these objectives, the NAMLC has set the following six (6) strategic goals:

- Strategic Goal 1: **Maintaining strategic investigations on domestic and international financial flows and reduce associated risks.**
- Strategic Goal 2: **Combating illicit financing through investigations, strict prosecutions, and confiscation of crime proceeds.**
- Strategic Goal 3: **Combating illicit financing through effective oversight and law enforcement.**
- Strategic Goal 4: **Enhancing transparency regarding the real beneficiary.**
- Strategic Goal 5: **Promoting the collection and analysis of statistics at the national level.**
- Strategic Goal 6: **Capacity building to combat illicit financing.**

Article 29 of Law No. 20 of 2019 stipulates the composition of the National AML and CFT Committee. It shall be composed of the Deputy Governor of the Central Bank as its president, and the membership of:

- 1- 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.
- 2- A representative of the Ministry of Foreign Affairs.
- 3- A representative of the Ministry of Justice.
- 4- A representative of the Ministry of Commerce & Industry.
- 5- A representative of the Public Prosecution.
- 6- A representative of the State Audit Bureau.
- 7- A representative of the Bank.
- 8- A representative of the State Security Bureau.
- 9- A representative of the General Secretariat of the Council of Ministers.
- 10- A representative of the Qatar Financial Markets Authority.
- 11- A representative of the General Tax Authority.
- 12- A representative of the General Tax Authority.
- 13- A representative of the Qatar Financial Center Regulatory Authority.
- 14- General-Director of the Regulatory Authority for Charitable Activities.
- 15- Unit head.

The national strategic plan is based on the outputs of the national risk assessment in defining strategic priorities to combat illicit financing, reduce threats and risks related to money-laundering, financing of terrorism, and the proliferation of armaments, in addition to enhancing efforts and increasing effectiveness to address the challenges discovered during the national risk assessment.

To support the achievement of the objectives set in the strategy, the Ministry of Commerce & Industry, in coordination with NAMLC, has developed an action plan that reflects the main initiatives that must be taken to ensure the achievement of the general strategic objectives approved by the NAMLC and its member bodies. This action plan includes the first phase of implementing the national strategy and then the actions to be taken until the end of 2021. The plan is also based on updating and amending previous action plans issued by the committee.

The Ministry is working to implement the AML/CFT action plan items through the following main objectives:

- To limit the use of cash, especially in transactions related to high-value goods.
- To follow up on the implementation of all entities subject to supervision and control of their obligations and responsibilities to combat illicit financing and reduce the risks associated with money-laundering and financing of terrorism, as well as work in accordance with the results of the national risk assessment.
- To develop a unified methodology for law enforcement and control authorities, impose penalties, and publish the actions taken.
- To strengthen risk-based supervision and control, with a focus on trust fund service providers and companies.
- To develop and focus a secure Unified Economic Register, which includes basic information and required data about the beneficial owner, such that the material is sufficient, accurate, and current, while ensuring the possibility of quick access to said information by the competent authorities.
- To apply appropriate and deterrent penalties and measures to anyone who is licensed or registered in the event of non-compliance with providing basic information and required data about the beneficial owner to the authorities concerned with registration or licensing and any changes that may occur therein.
- To coordinate and cooperate to help the competent authorities with implementing measures needed to collect the required information on the beneficial owners.
- To hold workshops for designated non-financial businesses and professions (DNFBPs) to inform them of the results of the risk assessment of legal persons and legal arrangements.
- To follow up on the DNFBPs and ensure that they collect and verify information about the beneficial owner in accordance with legal and regulatory requirements.
- To enhance the ability of the concerned authorities to contribute by providing the necessary data for the Qannas system, and to ensure the quality and consistency of such data with all concerned authorities.
- To strengthen efforts to engage the public and private sectors and raise awareness of society in general in the AML/CFT field.
- To hold workshops for the competent authorities and the private sector regarding the amendments made to the AML/CFT system and the new laws and regulations issued in this regard.
- To increase the number of specialists in the AML/CFT field working in the public and private sectors, and to provide the necessary number of employees in proportion to need and the degree of risk.
- To develop Qatari cadres in the AML/CFT field, through developing effective training programs for skill enhancement.
- To guarantee the full application of the Qannas system as a platform for providing national statistical data in terms of AML/CFT.
- To introduce technological solutions that contribute to enhancing the ability to analyze data and combat illicit financing.

The Ministry of Commerce & Industry shall provide the NAMLC monthly updates on the action plan, in accordance with the follow-up mechanism of the action plan of the authorities concerned with implementing the national strategy to combat money-laundering, financing of terrorism, and the spread of arms. For this purpose, it appointed liaison coordinators to prepare a monthly follow-up report (via Excel spreadsheet), that is sent to the NAMLC at the end of each month. The report shall include the progress made in completing each procedure with supporting evidence, and the challenges encountered that prevented task completion within the required timeframe.

Within the framework of this report, the main aspects of the activity of the Ministry of Commerce & Industry during the year 2021 related to the implementation of the aforementioned action plan items in the AML/CFT field will be presented, given that it is, on the one hand, the supervisory authority on some DNFBPs, and on the other, the authority concerned with establishing the Unified Economic Register.

The preparation of this report falls within the framework of implementing Clause 13 of Article 2 of the Minister of Commerce & Industry Decision No. 95 of 2019, establishing the AML/CFT Section in the Company Affairs Department of the Ministry of Commerce & Industry, which assigned the aforementioned task of preparing an annual report on the Ministry's anti-laundering activity in the field of anti-money-laundering, funds, financing of terrorism, and financing the proliferation of weapons of mass destruction, including proposals and recommendations in this regard, shall be submitted to the Minister of Commerce & Industry and the NAMLC.

Additionally, it will be implemented in terms of the work plan of the Ministry of Commerce & Industry, that an executive summary of the annual report of the Ministry is published on its official website at the following link: The AML/CFT Section: The Ministry of Commerce & Industry (www.moci.gov.qa) (Reports)

First Axis: Structural Organization and Human Resources

1. Enhancing the Human Resources of the AML/CFT Section

Pursuant to Minister of Commerce & Industry Decision No. (95) of 2019 dated December 10, 2019, the AML/CFT Section in the Company Affairs Department was established in aims at monitoring the compliance of the designated non-financial businesses and professions licensed by, or subject to the oversight of the Ministry of Commerce & Industry, in line with the requirements of the AML /CFT system.

Decision No. (95) of 2019 assigned the AML/CFT Section with the following functions:

- To follow up on the implementation of the provisions of AML/CFT legislations, and to propose legislative amendments related to the Ministry's competencies, taking into account international recommendations, the results of mutual evaluations, and the best practices.
- To follow up and coordinate with the NAMLC, providing it with the required data and information, and to collaborate in conducting the National Risk Assessment regarding money laundering, financing of terrorism, and bankrolling the proliferation of weapons of mass destruction, as well as implementing its outcomes.
- To coordinate with the National Counter Terrorism Committee (NCTC) in matters related to targeted financial sanctions by screening names against United Nations Security Council (UNSC) lists on a daily basis and proceeding accordingly.
- To coordinate with the competent departments at the Ministry regarding the implementation of transparency obligations.
- To collect, classify, and analyze AML/CFT data and statistics to create a database that is updated periodically.
- To prepare sectoral assessments of the risks of money-laundering, financing of 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; To supervise the conduct of risk assessments, and analyze, document, circulate, and update their results.
- To draft the necessary AML/CFT instructions, rules, guidelines, recommendations, and guiding principles for AML/CFT, and to provide them for DNFBPs subject to the supervision of the Ministry.
- To prepare the necessary training programs to develop the AML/CFT capabilities of the employees at the Ministry and DNFBPs subject to its control.
- To oversee, supervise, and inspect chartered accountants, dealers of precious metals and gemstones, trust fund service providers, and companies to ensure their compliance with the AML/CFT requirements; To be able to access available documents and information deemed necessary to carry out supervisory activities.
- To propose financial and administrative sanctions against certified accountants, dealers of precious metals and gemstones, trust fund service providers, and companies found in breach of the provisions of the AML/CFT Law and its regulations, as well as any relevant decisions or directives, and informing the Qatar Financial Information Unit (QFIU) of the procedures taken in this regard.
- To collaborate with the competent authorities, the supervisory authorities, and the QFIU, exchanging information and carrying out 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.
- To represent the Ministry of Commerce & Industry in national, regional, and international AML/CFT meetings and activities.
- To draft 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 submission to the Minister of Commerce & Industry and the NAMLC.



Within the framework of Qatar's preparation for the joint evaluation by the Financial Action Task Force (FATF) and the Middle East and North Africa (MENA FATF), and to enable the Ministry of Commerce & Industry to effectively oversee AML and CFT before the assessment team's field visit⁵, the AML/CFT Section was developed in 2021 by hiring seven additional full-time employees within the organizational structure of the Section. These employees meet the criteria, as well as the academic and professional qualifications specified in the job description, so as to implement the tasks entrusted to them, pursuant to the aforementioned Decision No. (95) of 2019.

Following the decision of the Assistant Undersecretary for Commerce Affairs issued on August 19, 2020, the structural organization and supervision and control framework for the AML/CFT Section was approved, comprising the work teams shown in the following organizational map:

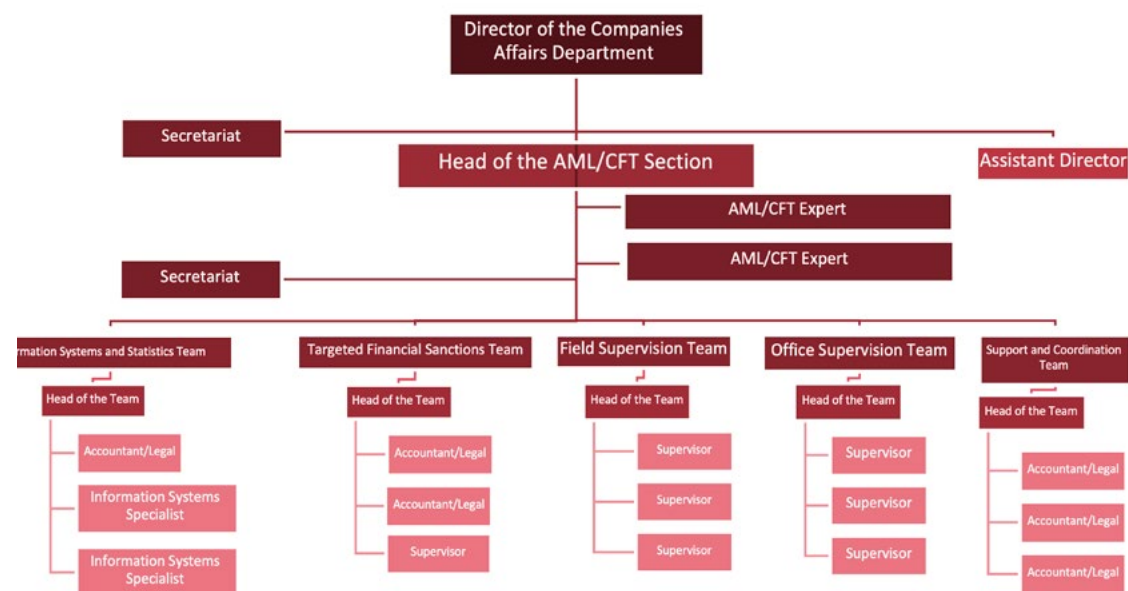
- 1) Coordination and Support Team.
- 2) Office Oversight Team.
- 3) Field Monitoring Team.
- 4) Targeted Financial Sanctions Working Group.
- 5) Information Systems and Statistics Work Team.

According to the decision, the competencies exercised by each work team were determined, with the department head coordinating the teams, supervising their activities, and performing periodic follow-ups based on submitted reports.

The Minister of Commerce & Industry issued Decision No. (7) of 2020 to appoint the Head of the AML/CFT Section in the Companies Affairs Department, and Circular No. (3) of 2021 stipulated appointing team leaders in the AML/CFT Section, the Company Affairs Department.

The AML/CFT Section currently consists of a section head, 23 employees, and three specialists, According to the job titles, they are as follows :two legal researchers, five corporate researchers, eight accountants, one administration researcher, eight inspectors and three AML/CFT experts.

The aforementioned employees have been distributed in the task forces as follows:



It should be noted that since mid-2019, the NAMLC has placed at the Ministry's disposal experts with various legal and technical specializations to provide the necessary assistance in implementing the provisions of the action plan in the field of AML/CFT. In 2020, an additional expert was assigned from the QFC Regulatory Authority.

2. The project of establishing the Unified Economic Register Section:

Law No. 1 of 2020 assigned the Ministry of Commerce & Industry a pivotal role in focusing the Unified Economic Register as:

First: The entity charged with managing the Unified Economic Register through the competent department.

Second: The authority concerned with registering and licensing economic establishments, i.e., each individual establishment, company, or entity that carries out its activity in any of the fields of the economic sector, as well as the authority concerned with licensing auditors for practice.

According to Article 1 of Law No. 1 of 2020, the department concerned with the Unified Economic Register is the administrative unit specialized in commercial registration and licenses at the Ministry.

Also, with reference to Article 10 of Emiri Resolution No. 12 of 2019 regarding the organizational structure of the Ministry of Commerce & Industry, the Commercial Registration and Licensing Department is responsible for the following: "implementing laws and regulations governing commercial affairs, especially the commercial registry, trade agents' registry, as well as laws and regulations on conducting business, companies, and the Unified Economic Register"

To ensure that the relevant department performs its task with efficiency, the Ministry of Commerce & Industry is currently developing a specialized unit for the Unified Economic Register dedicated to the management of commercial registration and licenses, and allocating sufficient human, material, and technological resources to perform its tasks.

The Unified Economic Register Section will be responsible for:

- 1) Issuing and assigning a unified economic number to be used by the authorities concerned with licensing/registering economic establishments, legal arrangements, non-profit organizations, and self-employed persons, when entering and updating data, as well as basic and required information. It is also used for the immediate electronic exchange of information, data, and documents between the Unified Economic Register and the records maintained by the competent authorities.
- 2) Establishing a secure information system linking the Unified Economic Register with the competent authorities which includes electronic counterparts of the records stipulated in Article (2) of Law No. (1) of 2020 regarding the Unified Economic Register. In addition, it links and allows for immediate electronic exchange of information, data, and documents between the Unified Economic Register and those maintained by the competent authorities, updates included.
- 3) Operating and managing the Unified Economic Register information system, and identifying the mechanisms for linking databases as well as the necessary information that must be exchanged between the Unified Economic Register and the competent authorities.
- 4) Devising a Real Beneficiary Declaration form to be used by the competent authorities when receiving real beneficiary declarations from applicants for licensing, registration, modification, or renewal, if they are legal persons or legal arrangements.

- 5) Coordinating, when necessary, with the competent authorities to develop additional mechanisms and criteria to determine the real beneficiary.
- 6) Collecting basic information, data, and documents related to economic establishments, legal arrangements, non-profit organizations, and liberal professions by including copies of the records provided in Article (2) of the Law on the Unified Economic Register.
- 7) Compiling all the required information, data, and documents on the real beneficiary in the unified register of beneficial owners, ensuring that the aforementioned required information is both accurate and recent, depending on the linkage of databases.
- 8) Receiving requests to obtain a copy extracted from the registration sheet in the Unified Economic Register, a certificate with specific data, or a certificate of non-registration, and proceeding with the assessment procedure.
- 9) Making available the required information on real beneficiaries to law enforcement agencies, judicial authorities, supervisory authorities, financial institutions, designated non-financial businesses and professions, the General Tax Authority, and other public authorities upon their request and in accordance with the conditions specified in Article (7).
- 10) Determining the necessary memoranda of understanding with the competent authorities and other parties, according to which the mechanisms of sharing data and information between the two sides are determined.
- 11) Exchanging information on the real beneficiaries on an urgent basis with foreign counterparts, in accordance with Article (8).
- 12) Using the Unified Economic Register data in preparing statistics and analyses, to be published in periodic bulletins or annual reports.
- 13) Drafting the necessary instructions, rules, guidelines, recommendations, and guiding principles for the competent authorities to implement the requirements of transparency and real beneficiaries among legal persons and legal arrangements.
- 14) Developing the needed courses and training programs for the enhancement of capabilities of the Ministry's employees and other competent authorities for the proper implementation of the Unified Economic Register Law.
- 15) Coordinating with the competent authorities to reconcile the status of legal persons and legal arrangements registered or licensed by these authorities with the provisions of the Unified Economic Register Law.
- 16) Preparing an annual report on the Unified Economic Register, including proposals and recommendations for its development, to be submitted to the Minister of Commerce & Industry, the NAMLC, the General Tax Authority, and other competent authorities.

Pending the approval of the new organization structure of the Ministry, a work team was formed during 2021 to be in charge of the Unified Economic Register, under the direct supervision of the Assistant Undersecretary for Trade Affairs, consisting of four full-time employees to develop an integrated action plan in coordination with all concerned departments at the Ministry (i.e., the Commercial Registration and Licenses Department, the One-Stop Shop, the Information Systems Department, and the Legal Affairs Department) to establish a national database in which all the basic and required information about the real beneficiaries among legal persons and legal arrangements established in the country are collected.



Second Axis: Issuing Laws, Decisions, Circulars, and Guidelines

The efficacy of the AML/CFT system is largely linked to the presence of developed legislations and rules in line with international standards, especially the recommendations of the Financial Action Task Force (FATF).

This aspect attracted the attention of the Ministry of Commerce & Industry, which was engaged in 2020 in the introduction of some legislative amendments to the laws enforced, the enactment of new laws, or the issuance of decisions, directives, and rules to develop an AML/CFT system, to promote transparency, and to effectively implement international standards with the support of AML/CFT experts.

The most significant legal texts that the Ministry prepared or contributed to preparing are particularly based on the axes of the AML/CFT Action Plan, and the requirements of Law No. 20 of 2019. These legal texts include:

1. Law No. 8 of 2021 on amending certain provisions of the Commercial Companies Act

The Ministry of Commerce and Industry issued in August 2021 an essential and central law on substantive commitment to the requirements of the FATF recommendations, especially recommendations No. 24 and 25 related to transparency, beneficial owners of legal persons and legal arrangements represented in Law No. 1 of 2021 promulgated by Law No. 11 of 2015, which includes the addition of Article (18), stating: "For the purposes of meeting the requirements for combating money-laundering and the financing of terrorism set forth in the Anti-Money-Laundering and Financing of Terrorism Law, promulgated by Act No. 20 of 2019, the Minister shall issue the following regulatory decisions:

- 1) Data, documents, instruments, and records of commercial companies to be kept, how they are viewed at the company's headquarters, and their submission to the administration or notation in the Commercial Register.
- 2) Procedures and extensions of the retention of records, documents, and instruments relating to the commercial company or its liquidation, with the company or liquidator, as the case may be, and the Ministry.
- 3) Mechanisms and controls for publishing data and documents of commercial companies.
- 4) Procedures for disclosure of the acting partner and the acting director to the commercial company and management."

2. Preparing a draft decision of the Minister of Commerce & Industry to fulfill the requirements of combating money-laundering and financing of terrorism related to commercial companies:

In accordance with Law No. (8) of 2021 amending certain provisions of the Commercial Companies Act, a decision by the Minister of Commerce & Industry has been drafted on fulfilling the AML & CFT requirements related to commercial companies was prepared.

The said draft decision detailed the provisions contained in Article (18), stating:

- 1) Defining basic information for commercial companies, stipulating the obligation for all commercial companies to maintain mandatory records, such as background, information on beneficial owners, partners or shareholders, how they are accessed by management at the company's headquarters, and their submission to the administration or notation in the Commercial Register.
- 2) Establishing a clear practical mechanism for making basic information available to the public by publishing them on the Ministry's website.
- 3) Clarifying the procedures and durations of the retention by companies or liquidators, as the case may be, of records, documents, and instruments relating to commercial companies.
- 4) Organizing procedures and durations for the Ministry's retention of records and documents related to commercial companies.
- 5) Defining the concept of the acting director, acting partner, and the nominee, and clearly organizing the procedures

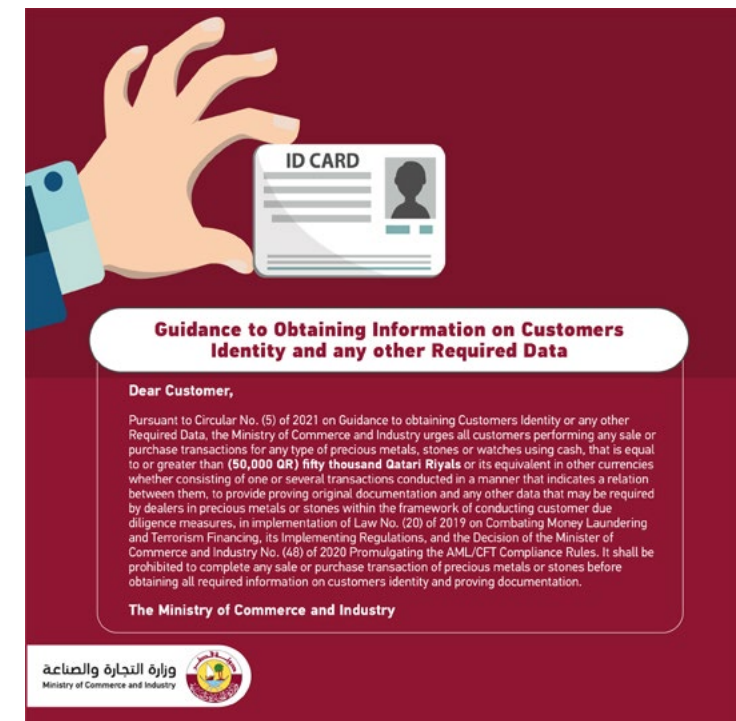
for the disclosure of the nominee by the acting manager or partner to the management of the company and to the competent department in the commercial registry within a period not exceeding thirty days from the date of acquiring this capacity, as stipulated in Article (46).

6) Stipulating the entry of the competent department of information related to acting directors, acting partners, the nominee, and the real beneficiaries in the commercial register or the real beneficiaries register, as the case may be, such as stipulating the commitment of commercial companies to keep all information and documents related to the disclosure of the acting manager or partner and any amendments or changes thereto in the register of partners or shareholders, as the case may be, while ensuring that they are accurate, correct, and up-to-date.

3. Issuing circulars, rules, and guidelines.

To clarify the obligations of the subject entities to the requirements of AML/CFT figuring in Law No. 20 of 2019 and its executive regulations and rules of obligations, the AML/CFT Section issued during the year 2021 the following circulars:

- Circular No. 5 of 2021 for dealers in precious metals or precious stones regarding the application of strict due diligence measures for transactions that do not take place in person.
- This circular was also appended to a notice that merchants of precious metals or precious stones must make visible in all stores selling precious metals or precious stones in both Arabic and English, whether at the main store or other branches, so that customers are obligated to submit original identification documents and other required data.



- Circular No. (6) of 2021 to concerned persons at the Ministry of Commerce and Industry in charge of the implementation of targeted financial sanctions.
- Circular No. (7) of 2021 concerning the responsibilities and mandates of compliance officers and their deputies dealing with auditors, dealers in precious metals or precious stones, and trust fund service providers.

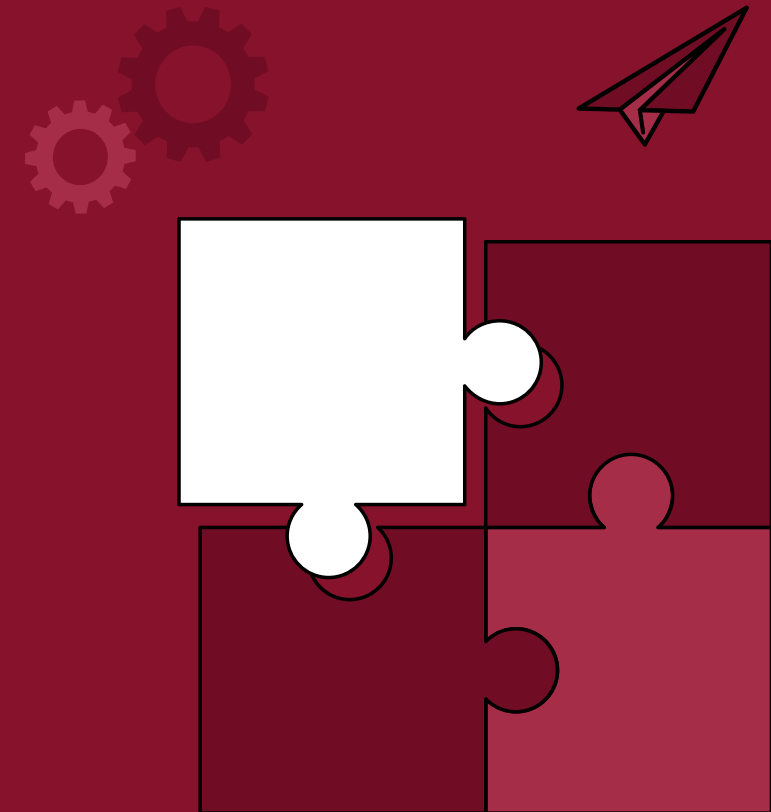
The AML/CFT Terrorism Section has also issued guidelines in 2021 for subject entities:

- A guideline on the obligations of trust fund service providers and companies with the AML/CFT requirements.
- A guideline for preparing the independent review report on AML/CFT.
Work is currently underway by the coordination and support team, with the help of the committee's experts, in order to prepare:
- Guidelines for the real beneficiary (in progress).
- A guide for auditors, dealers in precious metals or precious stones, trust and company service providers with AML/CFT requirements for implementing targeted preventive measures and financial sanctions related to preventing the financing of terrorism and the financing of the proliferation of weapons of mass destruction, in cooperation with the Ministry of Justice (pending the approval of the NAMLC)

The Anti-Money Laundering and Terrorist Financing Section, in cooperation with the Public Relations Department of the Ministry of Commerce & Industry, has produced a guide on the commitments of service providers of trust funds and companies to the requirements of combating money laundering and terrorist financing, and a guide for preparing the independent review report on combating money laundering and terrorist financing in the form of booklets, in both Arabic and English.

Hard copies of each guide have been printed (500 copies for service providers of trust funds and companies and 250 copies for independent auditing) that will be distributed to the subject entities during field visits and used for training and training purposes, in addition to digital copies on the department's website.

The Ministry of Commerce & Industry sent copies of the guidelines of service providers for trust funds and companies to both the Ministry of Justice and the Qatar Financial Centre Regulatory Authority to be used by lawyers who practice one of the activities of service providers as well as service providers subject to the supervision of the Qatar Financial Centre Regulatory Authority, especially regarding business risk assessment and indicators of suspicion.



Third Axis: National Coordination Mechanisms

Cooperation and coordination among competent government agencies in the AML/CFT field are part of the main requirements, as clearly stated in FATF's second recommendation: "Countries should ensure that policy-makers, 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."

The Ministry of Commerce & Industry signed several Memoranda of Understanding (MoU) with all national authorities as follows:

- 1) In 2019: Memoranda of Understanding (MoU) with the Qatar Central Bank, the Qatar Financial Information Unit (QFIU), the General Authority of Customs, the Regulatory Authority for Charitable Activities (RACA), the Ministry of Justice, and the Qatar Financial Center Regulatory Authority (QFCRA)
- 2) In 2020: MoU with the Qatar Financial Center Authority and the General Tax Authority.
- 3) In 2021: MoUs have been signed with law enforcement agencies in the field of AML/CFT, namely the Department of Economic and Electronic Crimes at the Ministry of Interior and Public Prosecution



The MoUs signed or prepared by the Ministry in compliance with the requirements of FATF's second recommendation, and its implementation of the provisions of the AML/CFT Action Plan are as follows:

No.	Entity Name	Memorandum Status
1	QFIU	Signed
2	General Authority of Customs	Signed
3	Regulatory Authority for Charitable Activities	Signed
4	Qatar Central Bank	Signed
5	Ministry of Justice	Signed
6	Qatar Financial Center Regulatory Authority	Signed
7	Qatar Financial Center Authority	Signed
8	General tax authority	Signed
9	Ministry of Interior (Economic and Cybercrimes Combating Department)	Signed in 2021
10	Public Prosecution	Signed in 2021

In addition to the Memoranda, the Ministry of Commerce & Industry has consistently coordinated, cooperated, and exchanged information with competent authorities, regulatory authorities, and the QFIU to implement the requirements of the AML/CFT Law, its executive regulations, and all relevant decisions or directives, in addition to establishing procedures for reporting suspicious transactions. In this context, we refer to:

- The Joint Supervisory AML/CFT Strategy for DNFBPs issued by the Qatar Financial Center Regulatory Authority, the Ministry of Commerce & Industry, and the Ministry of Justice for the year 2020.

The Ministry of Commerce and Industry initiated the activation of the joint supervision strategy of AML/CFT for specific non-financial businesses and professions that are subject to the control and supervision of the Ministry of Commerce & Industry, the Qatar Financial Centre Regulatory Authority, and Ministry of Justice, forming teams that are specifically concerned with AML/CFT in the supervisory authorities and the provision of technical support and expertise to designated non-financial businesses and professions, and other relevant units and divisions of the supervisory entities.

The first meeting of the joint working group was held on September 26, 2021, during which the three supervisory authorities agreed on the following axes:

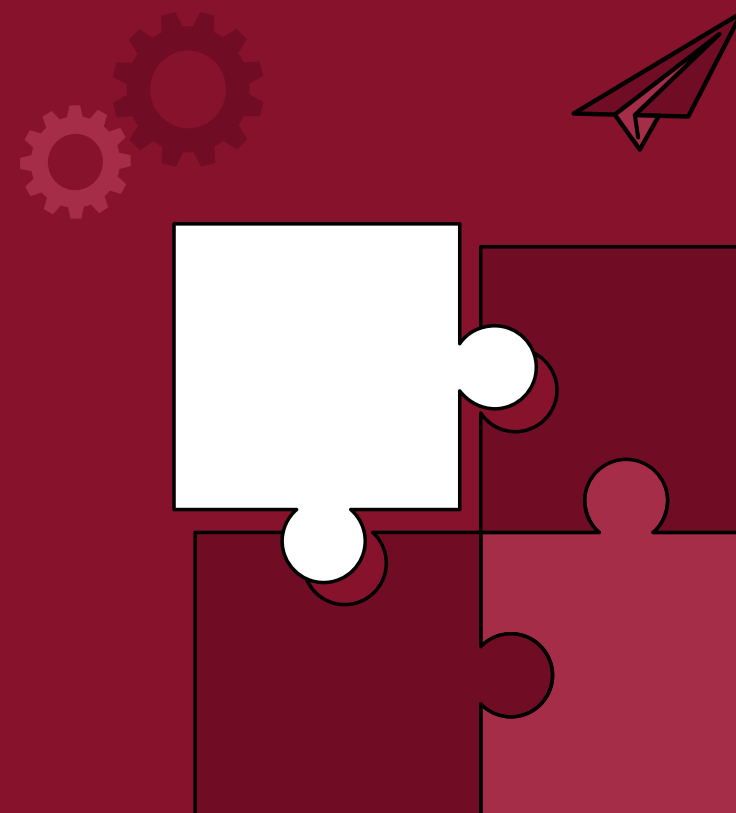
- 1) Forming the joint work team stipulated in the joint supervision strategy and establishing a statute for its work.
- 2) Identifying all service providers of trust funds and companies in the State of Qatar by the supervisory authorities on DNFBPs, in line with the strategic objective and action plan, and implementing a joint supervision strategy.

- 3) Coordinating the supervision and control of the joint activities, including auditors and the legal sector, so as to avoid any overlap and ensure effectiveness.
- 4) Exchanging information on the results of the regulatory and supervisory processes to which DNFBPs are subject, and discussing issues of common interest and trends observed among entities subject to supervision.
- 5) Raising the level of awareness among employees of the supervision authorities and the designated non-financial businesses and professions regarding issues related to AML/CFT, by enhancing communication through forums, workshops, training, awareness presentations, and guidance.
- 6) Requesting assistance from the joint working group to coordinate the supervision and control of DNFBPs, wherein perspectives are exchanged between the supervisory authorities on risk-based supervision, in particular with regard to service providers of trust funds and companies, in line with the strategic objective and relevant action plans.
- 7) Updating the joint supervision strategy, the scheduling of risk assessment visits, and unifying the approach adopted by the supervisory authorities with regard to law enforcement, imposing penalties, and publishing executive procedures.
- 8) Establishing and developing an official, written, and shared policy to carry out the collection of information on the real beneficiary by DNFBPs.

The joint team held its second meeting at the headquarters of the Ministry of Commerce & Industry on December 13, 2021, during which a follow-up was made on the implementation of the set procedures by each entity. The following axes were agreed upon for implementation:

- 1) Presenting a final list of the number of service providers of trust funds and companies by the Ministry of Commerce & Industry at the third meeting of this joint team, in addition to sharing guidelines on the commitment of service providers of trust funds and companies to the requirements of combating money laundering and financing of terrorism prepared by the Ministry with other supervisory authorities to be circulated to lawyers and other service providers subject to the supervision of the Qatar Financial Centre Regulatory Authority, referring to the special provisions contained therein, especially with regard to assessing business risks and indicators of suspicion.
- 2) Coordinating between the Ministry of Commerce & Industry and the Qatar Financial Centre Regulatory Authority regarding the supervision of the 7 accounting offices registered with both entities.
- 3) Sending all guidelines prepared by the Qatar Financial Centre Regulatory Authority to the Ministry of Commerce & Industry and the Ministry of Justice, in addition to an introductory letter form that is sent to the subject entities directly after being registered or licensed to engage in one of the activities listed under DNFBPs including all their obligations towards the requirements of AML/CFT.
- 4) Sharing the recently-issued guidelines by the Ministry of Commerce & Industry, with both the Ministry of Justice and the Regulatory Authority, on drafting the independent audit report in addition to the guidelines on the obligations of service providers of trust funds and companies towards the implementation of the requirements of AML/CFT.
- 5) Sharing the applied policies model by the Ministry of Justice in addition to the questionnaire on the extent of the entity's commitment to the requirements of AML/CFT, which can be adopted by the subject entities in the field of AML/CFT with the rest of the supervisory authorities for reference.
- 6) Setting a second date for the workshop that was supposed to be organized on January 10, 11, and 12, 2022 by the Qatar Financial Centre Regulatory Authority and submitting a detailed program for that workshop so that it can be sent to the employees of the AML/CFT Department at the Ministry of Commerce & Industry and the unit concerned with AML/CFT at the Ministry of Justice.
- 7) Setting the date and program of the workshop on the policy of imposing administrative and financial sanctions by the Qatar Financial Centre Regulatory Authority in accordance with what was agreed upon in the coordination meeting held for this purpose on February 2, 2022 with the Sanctions Imposition Department.
- 8) Setting a date for the workshop that will be organized for the Ministry of Commerce & Industry and the Ministry of Justice regarding risk assessment by the Qatar Financial Centre Regulatory Authority, the focus of which will be the assessment of business risks, and offering support in this regard by drafting a "Q25" form or a guiding document for the stated purpose.

Coordination shall continue between the three supervisory authorities to follow up on the implementation of the items agreed upon by the joint team referred to above.



- Cooperating and coordinating with the Financial Information Unit through the following:

1) Sharing information about suspicion reports submitted to the unit by entities subject to the control and supervision of the Ministry of Commerce & Industry, as well as patterns and trends of money laundering or financing of terrorism related to the precious metals or precious stones sector.

Provider	Date
Dealers of precious metals and gemstones	26/7/2021
Dealers of precious metals and gemstones	26/9/2021
Dealers of precious metals and gemstones	31/10/2021
Dealers of precious metals and gemstones	2/11/2021
Dealers of precious metals and gemstones	4/11/2021
Dealers of precious metals and gemstones	4/11/2021
Dealers of precious metals and gemstones	4/11/2021
Dealers of precious metals and gemstones	30/11/2021
Dealers of precious metals and gemstones	7/12/2021

2) The fourth meeting of the joint team established according to the Memorandum of Understanding between the Ministry of Commerce & Industry and the Financial Information Unit was held to set a joint plan for cooperation and coordination between the two parties during the year of 2021, which includes:

- Holding joint training courses for traders of precious metals or gemstones regarding their implementation of the requirements of AML/CFT and reporting suspicious transactions based on the joint guideline prepared by the two parties.
- Holding awareness workshops for entities subject to the supervision and control of the Ministry of Commerce and Industry on suspicion reports submitted by entities subject to the Information Unit.
- Following up on the files referred to the unit regarding the practice of gold trade on social media without a license.
- Coordinating with the trust fund service providers and companies that have written off the activity as a result of the supervision

3) Coordinating to conduct a study on cash transactions and minimum reporting requirements in accordance with objective 10.1 (“Reducing the use of cash, especially in transactions related to high-value commodities”) of the Ministry of Commerce & Industry AML/CFT action plan for the year 2021.

4) Participating in the Financial Information Unit Forum for Dialogue between the Public and Private Sectors for DNFBPs on November 9, 2021, with an intervention titled, “Identifying the Customer and the Real Beneficiary.”

5) Participating in the Financial Information Unit Forum for Dialogue between the Public and Private Sectors for

DNFBPs on June 22, 2021, with an intervention titled, “The Ministry of Commerce & Industry’s Insights on the Effects of the Covid-19 Pandemic from a Supervisory Point of View.”

- Cooperation and coordination with the Ministry of Interior (Department of Combating Economic and Electronic Crimes).

The Ministry of Commerce & Industry has monitored 300 electronic accounts on social media selling precious metals, precious stones, and watches without obtaining a license from the competent department in the Ministry to practice commercial activities, while the laws related to the commercial register and commercial licenses prevent work and the practice of trade except after the issuance of the necessary licenses. Therefore, the Ministry referred these accounts to the Department of Economic and Electronic Crimes at the Ministry of Interior to take legal action against them.

- Cooperation and coordination with Qatar Central Bank.

1) On September 7, 2020, coordination was made with the Qatar Central Bank regarding setting up a training workshop for employees of the Ministry of Commerce and Industry on the mechanisms of off-site and field supervision of the entities subject to the supervision of the Qatar Central Bank with the aim of exchanging practical experiences in the field of supervision and inspection. Coordination was also made with the bank regarding banks and exchange stores selling gold bullion in order to implement a common control strategy on financial institutions that engage in precious metals or precious stones trading activities.

2) On August 1st, 2021, a meeting was held with the Qatar Central Bank on coordinating and organizing control and supervision between the two parties regarding joint activities related to traders of precious metals or precious stones to ensure effective control of AML/CFT risks and applying the risk-based approach. The meeting resulted in the following:-

- It was agreed that the Ministry of Commerce & Industry would identify the data that could contribute to defining the framework for field control in the Ministry.
- It was agreed that the Qatar Central Bank would provide the Ministry with the required data that can be extracted from the outputs of field visits related to the trade in precious metals in financial institutions and exchange stores that carry out activities related to the trade of precious metals or precious stones and which are subject to the supervision of the Qatar Central Bank, as follows:
 - Al-Fardan Exchange
 - Gulf Exchange
 - National Exchange Company
 - Al Mana Exchange
 - Doha Bank
 - Standard Chartered Bank

- According to the administrative decision issued by the Chairman of the NAMLC in July 2021, a working group was established to study the risks of virtual currencies and assets, headed by Qatar Central Bank and including members such as:

- Financial Information Unit
- Ministry of Interior Affairs
- Public Prosecution
- Ministry of Justice
- General Authority of Customs
- Ministry of Commerce and Industry
- General Tax Authority

The working group was established in order to study the risk report on virtual currencies and assets, make recommendations, and prepare an appropriate mechanism to help make the appropriate decision.

The aforementioned working group held two meetings, the first of which was on August 16, 2021, and the second on September 14, 2021, to prepare practical proposals and recommendations that help in making the appropriate decision regarding virtual currencies and assets. The Ministry of Commerce & Industry largely contributed to the work of the aforementioned working group.

The Fourth Axis: Training

- 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 understand the risks of money-laundering, thus reducing and limiting this practice.
- Moreover, the effectiveness of the measures against DNFBPs in the context of AML/CFT is closely linked to the knowledge and awareness of the entities subject to control and their staff on the seriousness of these criminal phenomena and is also linked to the extent of their knowledge of their obligations and responsibilities in this regard. Staff employed in these professions (especially those who meet and directly communicate with clients or perform transactions) can constitute a legitimate and strong barrier against money-laundering and financing of terrorism.
- Training is also an essential element in raising awareness among DNFBPs on the need to engage in the AML/CFT system, and on the dangers of these phenomena that threaten the integrity of the State's economy and financial systems.
- Convinced of the importance and necessity of training as an effective AML/CFT mechanism, and as a prerequisite for the effectiveness of the system to combat these criminal phenomena, the Ministry of Commerce & Industry has prepared a training plan for the entities subject to its control and supervision and for its staff involved in the AML/CFT field, for the years 2020-2021-, which was approved by the NAMLC in view of which the Ministry has completed several training courses for the aforementioned groups, which are introduced hereinafter:
- **Courses that have been completed for the staff of the Ministry of Commerce & Industry for the year 2021:**

Provider	Date	Course
The Ministry of Commerce and Industry	11- 13 January 2021	Procedures and conditions for conducting field visits to subject entities regarding the requirements of combating money laundering and terrorist financing
Qatar Association of Certified Public Accountants	20 January 2021	Seminar on "Combating Money Laundering and Terrorist Financing"
Middle East and North Africa Financial Action Task Force (MENAFATF)	8 March 2021	Remote introductory session – on understanding UN Countering the Financing of Terrorism Sanctions: Resolution No. 1267 and Resolution No. 2462
Financial Action Task Force– (FATF)	18 March 2021	Workshop – Trade-based Money Laundering

The Ministry of Commerce and Industry	29 March 2021	Workshop for customer service employees at the Registration and Commercial Licensing Department on obtaining the required information about the beneficial owner
The Ministry of Commerce and Industry	29 March 2021	Workshop for Single Window employees on the Unified Economic Register and the required information on the beneficial owner
Qatar Finance and Business Academy (QFBA)	24-25 May 2021	Unified Economic Register (Group 1)
Qatar Finance and Business Academy (QFBA)	25-26 May 2021	Unified Economic Register (Group 2)
National Anti-Money Laundering and Terrorism Financing Committee	23 June 2021	Workshop on the execution of counter terrorism sanctions
Middle East and North Africa Financial Action Task Force (MENAFATF) and German Agency for International Cooperation (GIZ)	25-26 August 2021 01-02 September 2021	Introductory session on: risk-based approach – cooperation between MENAFATF and the GIZ
Qatar University	05-09 September 2021	Money laundering crime and ways to combat and prevent it
Middle East and North Africa Region Financial Action Task Force (MENAFATF) and Egmont Group	26-27 September 2021	Money laundering crimes and ways to combat and prevent them
Qatar University	07-11 November 2021	Remote training session on improving the quality of suspicious transaction reports

• **Courses completed for the benefit of the subject entities 2021:**

Dealers of precious metals and gemstone:

Provider	Date	Course
Qatar Association of Certified Public Accountants	20 January 2021	Seminar on "Combating Money Laundering and Terrorist Financing"
Financial Information Unit	31 April 2021	The first Financial Information Unit Forum for Public-Private Sector Dialogue (the executive requirements developed under Law No. 19 of 2020 and its executive regulations, and targeted financial sanctions)
Financial Information Unit	22 June 2021	The second meeting of the Financial Information Unit Forum for Dialogue between the Public and Private Sector (the executive requirements developed under Law No. 19 of 2020 and its executive regulations, and targeted financial sanctions)
Ministry of Commerce and Industry	18 October 2021	Responsibilities of the business sector and designated non-financial professions subject to the supervision and control of the Ministry of Commerce and Industry on anti-money laundering and counter-terrorism financing requirements
Financial Information Unit – Ministry of Commerce and Industry – Ministry of Justice	09 November 2021	The third Financial Information Unit Forum for Public-Private Sector Dialogue

Auditors:

Provider	Date	Course
Qatar Association of Certified Public Accountants	20 January 2021	Seminar on "Combating Money Laundering and Terrorist Financing"
Financial Information Unit	31 April 2021	The first Financial Information Unit Forum for Public-Private Sector Dialogue (the executive requirements developed under Law No. 19 of 2020 and its executive regulations, and (targeted financial sanctions)
Financial Information Unit	22 June 2021	The second meeting of the Financial Information Unit Forum for Dialogue between the Public and Private Sector (the executive requirements developed under Law No. 19 of 2020 and its executive regulations, and (targeted financial sanctions)

Ministry of Commerce and Industry	18 October 2021	Responsibilities of the business sector and designated non-financial professions subject to the supervision and control of the Ministry of Commerce and Industry on anti-money laundering and counter-terrorism financing requirements
Financial Information Unit – Ministry of Commerce and Industry – Ministry of Justice	09 November 2021	The third Financial Information Unit Forum for Public-Private Sector Dialogue

Trust Fund Service Providers and Companies:

Provider	Date	Course
Qatar Association of Certified Public Accountants	20 January 2021	Seminar on "Combating Money Laundering and Terrorist Financing"
Financial Information Unit	31 April 2021	The first Financial Information Unit Forum for Public-Private Sector Dialogue (the executive requirements developed under Law No. 19 of 2020 and its executive regulations, and targeted financial (sanctions)
Financial Information Unit	22 June 2021	The second meeting of the Financial Information Unit Forum for Dialogue between the Public and Private Sector (the executive requirements developed under Law No. 19 of 2020 and its executive regulations, and targeted financial (sanctions)
Ministry of Commerce and Industry	18 October 2021	Responsibilities of the business sector and designated non-financial professions subject to the supervision and control of the Ministry of Commerce and Industry on anti-money laundering and counter-terrorism financing requirements

Fifth Axis: Enhancing Transparency by centralizing the Unified Economic Record

In light of the intensive efforts undertaken by the State of Qatar in the field of AML/CFT and achieving the highest standards of transparency towards legal persons and legal arrangements, which would protect the integrity of the country's financial system and promote economic growth, the State of Qatar has been keen to apply the best international practices to achieve the requirements of the financial working group. This is done via adopting the approach based on multiple sources to obtain the required information about the real beneficiary (multi-pronged approach), as well as several sources that ensure that information related to the real beneficiary of the legal persons is obtained by the legal persons themselves and that it is available in a specific location in the country, with the competent authorities able to determine the real beneficiary in a timely manner.

In this context, Law No. (1) of 2020 was issued regarding the Unified Economic Register, which established the system for obtaining and collecting information related to the real beneficiaries of legal persons and legal arrangements, through:

- Requiring the applicant for licensing, registration, amendment, or renewal of the register maintained by the competent authorities, whether a legal person or a legal arrangement, to declare the real beneficiary according to a form prepared by the competent department at the Ministry of Commerce & Industry.
- Collecting the required information about the beneficial owners among legal persons or legal arrangements registered or licensed by the registration and licensing authorities in the real beneficiaries' register.
- Establishing a unified record of the real owners through which the information, data, and documents related to the real beneficiaries included and maintained by each competent authority are collected.

- Unified Economic Record procedures

In order to establish the Unified Economic Register, the specialized team at the Ministry of Commerce & Industry worked on the following:

1. Communicating with the competent authorities in order to appoint liaison officers to centralize the Unified Economic Register as follows:

- Regulatory Authority for Charitable Activities
- Qatar Financial Centre
- Qatar Free Zones Authority
- Ministry of Justice
- Qatar Science and Technology Park
- Ministry of Social Development and Family
- Ministry of Endowments and Islamic Affairs
- Ministry of Sports and Youth
- Ministry of Culture
- Ministry of Foreign Affairs - Department of International Organizations

All the aforementioned authorities have appointed 15 liaison officers.

2. Collecting the basic required information about the beneficial owners from the competent authorities for registration or licensing

3. Holding meetings with the authorities concerned with registration or licensing:

A meeting was held with the Regulatory Authority for Charitable Activities regarding collecting basic and required information about the real beneficiaries of non-profit organizations to establish the Unified Economic

Register, as a result of which the Ministry was provided with the names of the registered entities for non-profit organizations in the country:

- Ministry of Social Development and Family
- Ministry of Sports and Youth
- Ministry of Endowments and Islamic Affairs
- Qatar Financial Center Regulatory Authority
- Ministry of Justice
- Ministry of Foreign Affairs

In order to follow up the work of establishing the Unified Economic Register, meetings were held with the Ministry of Social Development and Family and the Ministry of Sports and Youth, in the presence of the Regulatory Authority for Charitable Activities and experts of the NAMLC at the Ministry of Commerce & Industry, where they discussed the importance of cooperation between the two sides to complete the establishment of the Unified Economic Register, through the collection of information on real beneficiaries based on the non-profit organization's real beneficiary declaration form.

The meeting held with the Ministry of Sports and Youth, in the presence of the aforementioned authorities, was based on their willingness to discuss matters related to the unified economic record law, and the extent of the comprehensiveness of the decision and its application on sports clubs. Therefore, experts of the NAMLC were sought, as were representatives of the Regulatory Authority for Charitable Activities, to clarify the matter related to the declaration of the real beneficiaries by sports clubs to the Department of Sports Affairs. Based on these outputs, the basic information was sent to the sports clubs while launching the collection of the required information on real beneficiaries.

4. Feedback and Notes for the Authorities:

According to the aforementioned steps, when the data collection is completed from all the competent authorities, a concept will be elaborated on regarding the nature of the information in the joint databases, differentiating between the basic information available to the public and the information related to the real beneficiaries available to the competent authorities. Next, a secure information system will be formed by the competent department along with the Department of Information Systems to ensure the protection and confidentiality of the information held, ensuring the effectiveness of the system in achieving the essential purpose of the fifth direct result, which focuses on providing sufficient information about the types, forms, and basic characteristics of legal persons and legal arrangements, making it available to the competent authorities.

- Procedures for applying the declaration of real beneficiary data for legal persons registered with the Ministry of Commerce & Industry:

In order to achieve the requirements of the Unified Economic Register Law regarding the obligations related to the real beneficiary, several procedures have been put in place:

1. Designing the real beneficiary declaration application:

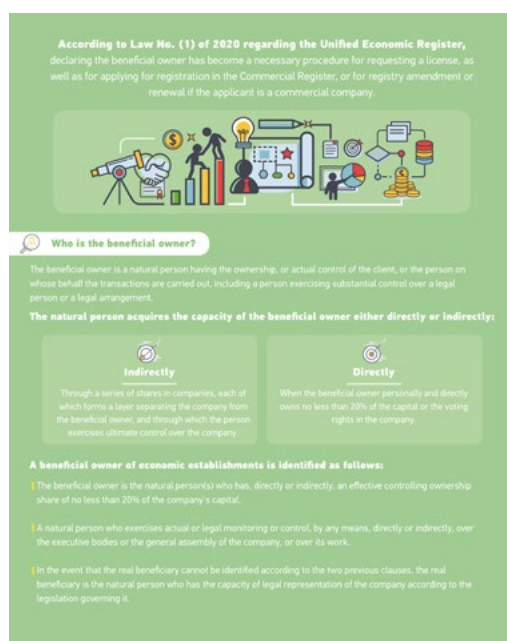
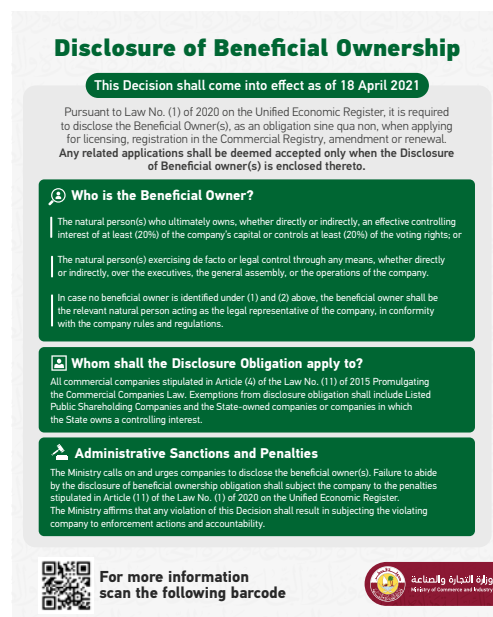
In order to facilitate the process of collecting real beneficiary information from economic establishments, the real beneficiary declaration form was designed in accordance with the requirements of the executive regulations of the Unified Economic Register Law issued by Cabinet Resolution No. (12) of 2020, in coordination with the experts of the NAMLC, approved for publication on the website of the Ministry of Commerce & Industry (the Investor Portal) in the first quarter of the year 2021.

2. Service to submit the real beneficiary declaration application:

By coordinating with the Information Systems Department, a page was to be created for submitting the declaration of the real beneficiary on the Ministry's website in the electronic services section allocated for the investor that includes the permit form. The dedicated portal for submitting the application also includes a declaration at the end relating to the validity of all information and documents, if any. A text message is then sent to the applicant stating that the real beneficiary declaration process has been completed with the transaction number

3. Awareness and advertising campaigns

In order to facilitate the process of collecting information, the specialized team set to spread awareness about the real beneficiary through ads and guidelines. It also updated the Qatar Investment Portal (Invest in Qatar) by adding the relevant procedures. With respect to the new procedures represented in requesting a permit for the beneficiary, the Ministry of Commerce & Industry launched a wide advertising campaign by publishing posters on the Ministry's website and social media. Text messages were also sent to commercial companies urging the submission of a real beneficiary declaration transaction through coordination with the government contact center and to provide answers to inquiries related to the real beneficiary.



4. Training and development:

Upon the receipt of applications for the real beneficiary permit, decided on April 18, 2021, training workshops were organized for members of the team assigned to follow up on the work of the Unified Economic Register, in addition to introducing the employees of the Single Window Department and the Commercial Registration and Licenses Department to the concept of a real beneficiary, so that they have the ability to receive inquiries from authorized commercial companies and follow up on the proper data collection.

The following table summarizes the training courses that were organized during the year 2021 for the benefit of the Ministry's employees and the competent authorities on the real beneficiary and the requirements of Law No. (1) of 2020 regarding the Unified Economic Register

Course	Date	Provider	Number of participants
A workshop for customer service staff at the Commercial Registration and Licenses Department on obtaining the required information about the real beneficiary	29 March 2021	Ministry of Trade and Industry	(9)
A workshop for single window employees regarding the Unified Economic Register and the required information on the real beneficiary	29 March 2021	Ministry of Trade and Industry	(32)
(puorg tsrfi) retsigreR cimonoCE defiinU	24 - 25 May 2021	Qatar Finance and Business Academy (QFBA)	(17)
dnoceS) retsigreR cimonoCE defiinU (puorG	31 May – 01 June 2021	Qatar Finance and Business Academy (QFBA)	(30)

- Proposal to create an exemption transaction from the requirement to declare the real beneficiary:

The requirements of Article (1 / Clause 7) of Cabinet Resolution No. (12) of 2020 in the executive regulations of Law No. (1) of 2020 regarding the Unified Economic Register stipulates that the following economic establishments are excluded from the obligation to declare the real beneficiary:

- a- A company listed on the financial markets (i.e., the stock exchange) and subject to disclosure requirements that ensure verification of the real beneficiary with sufficient transparency, or a subsidiary that owns a controlling stake in it.
- b- A company fully owned by the state or other public bodies and institutions or that owns a controlling stake in it.

A special transaction was created to submit an exception request from the obligation to declare the real beneficiary. The procedures for implementing this transaction are as follows:

First: Developing a classification for the type of legal entities and commercial companies that are excluded from the obligation to declare the real beneficiary.

Second: Creating an internal circular regarding the exclusion of some economic establishments from the obligation to declare the real beneficiary. The circular was initially drafted and presented to experts from the NAMLC to express their insights until the draft is approved by the Department of Legal Affairs, and circulated internally with the concerned departments after the approval of His Excellency the Undersecretary for Trade Affairs.

Third: Issuing a memorandum to justify the issuance of a circular on the exemption from the obligation to declare the real beneficiary.

Fourth: Developing the preliminary procedure scheme for submitting the exemption request, while approving all documents related to the transaction.

Sixth Axis: Implementing the Targeted Financial Sanctions Ecosystem

The Ministry of Commerce & Industry, in cooperation with the NAMLC, has established communication channels regarding the implementation of targeted financial sanctions from the UN resolutions issued by the Security Council and local resolutions issued by the Public Prosecutor, pertaining to the inclusion of terrorist persons and entities on the sanctions list, in both its international and local sections.

For this purpose, two liaison officers from the Ministry of Commerce & Industry have been tasked with communicating and coordinating with the NAMLC in all matters related to the implementation of targeted financial sanctions.

The Targeted Financial Sanctions Team at the Anti-Money Laundering and Financing of Terrorism Section is working on implementing the legal requirements assigned to the Ministry of Commerce & Industry to impose the targeted financial sanctions as, on the one hand, a supervisory authority on specific non-financial businesses and professions, and on the other hand, an authority holding the commercial register, which provides all basic information about individuals and legal persons who wish to conduct economic activities in the country.

In accordance with the provisions of the Anti-Terrorism Law and the Public Prosecutor's Resolution No. (1) of 2020 on implementing targeted financial sanctions related to preventing the financing of terrorism and the financing of the proliferation of weapons of mass destruction in accordance with the Anti-Money Laundering and Combatting the Financing of Terrorism laws, and in implementation of the resolutions of the Security Council of the UN and the Public Prosecutor's Resolution No. (59) of 2020 issuing a document of guidelines for the effective application of the targeted financial sanctions ecosystem in the country, the Anti-Money Laundering and Combatting the Financing of Terrorism Section particularly undertakes the following tasks:

1. Subscribing to the RSS Feed on the committee's website, which allows the following:

- Receiving various notices and notifications related to the decisions of the competent UN authority (the Security Council list) as soon as they are circulated on the website.

- Receiving various decisions related to the listing, freezing, and removal of names from the sanctions list, lifting the freeze as soon as decisions are circulated on the website, and then circulating them to the relevant Ministry's administrative units, auditors, dealers in precious metals or precious stones, trust fund service providers, and companies by email and fax.

2. Receiving notifications via email regarding decisions on listing, freezing, or removing names from the sanctions list, lifting the freeze, and ensuring feedback, such as notifying the committee about the implementation.

3. Receiving the results of the name-screening process for natural or legal persons registered or licensed by the Ministry and coordinating with all administrative units in the Ministry to enable them, upon examination of the licensing or registration application or their renewal requests, to verify the identity of the registered applicant, its shareholders, its main management, and real beneficiaries. Moreover, prevention measures have been taken that keep the persons and entities listed on the sanctions list from registering, licensing, or possessing a share in the applicant legal person, or carrying out any management work therein, informing both the Public Prosecutor and the Committee.

4. Receiving periodic reports and any matters that may arise regarding the cases listed on the sanctions list, and any other reports requested from the Ministry's entities concerned with the implementation.

5. Monitoring and following up on the abidance of auditors, dealers in precious metals or precious stones, trust fund service providers, and companies with the requirements of applying targeted financial sanctions related to combating money-laundering, financing of terrorism, and the proliferation of weapons of mass destruction, and ensuring their compliance with them, and taking the preventive measures stipulated in the AML/CFT Law.

6. Applying the administrative and financial penalties stipulated in Article 44 of Law No. (20) of 2019 promulgating the AML/CFT Law, unless another law provides for more severe penalties, in the event that those concerned with implementation of specific non-financial businesses and professions violate the requirements for applying targeted financial penalties related to combating money-laundering, financing of terrorism, and the proliferation of weapons of mass destruction.

7. Issuing instructions and circulars to auditors, dealers in precious metals or precious stones, and trust fund service providers and companies regarding the implementation and cancellation of listing decisions and the implications therein. For this purpose, the following circulars were issued and published on the website of the AML/CFT Section in the page designated for targeted financial sanctions:

- Circular No. (6) of 2020 regarding high-risk countries called to be sanctioned by the FATF or are otherwise subject to intensive supervision.

- Circular No. (6) of 2021 to concerned persons at the Ministry of Commerce & Industry in charge of the implementation of targeted financial sanctions.

- Circular No. (3) of 2022 regarding registration in the electronic notification (RSS Feed) and feedback program, regarding the Security Council list of sanctions and freezing.

8. Preparing a draft guide for auditors, dealers in precious metals or precious stones, and trust fund service providers and companies with the AML/CFT requirements to apply targeted preventive measures and financial sanctions related to preventing the financing of terrorism and the proliferation of weapons of mass destruction, in cooperation with the Ministry of Justice (pending approval by the National Anti-Money Laundering & Terrorism Financing Committee).

9. Providing the Committee with the information and supporting documents it requests within the following preparatory framework:

- A proposal to list a person or entity on the sanctions list, or a proposal to include a person or entity from a foreign country within one week from the date of notifying the department of the Committee's request⁵.

- A proposal to list a person or entity on the Security Council's list or on the foreign countries⁶ list.

- A proposal to cancel the listing of persons or entities on the Security Council's list (e.g., absence of reasonable reasons and rationale for inclusion, the death of a natural person, legal persons to be liquidated, etc.)

10. Attending periodic meetings to follow up on the implementation of the guidelines document, coordinating work, and preparing written reports on all coordination meetings held in implementation of said document.

11. Preparing and implementing training courses for those in charge of implementing the targeted financial sanctions system.

The Anti-Money Laundering and Terrorist Financing Section works continuously to follow up on the implementation of the entities subject to the circulars issued by it. They are particularly committed to applying targeted financial sanctions. A warning penalty was imposed on those concerned with implementation who did not commit to registering in the service of receiving the electronic notifications.

5- Article 7-C and Article 17-C of the Attorney General's Decision No. (1) of 2020.

6- Article 16 of the Attorney General's Decision No. (1) of 2020 and Item 9-a-b of the guidelines document.

Seventh Axis: Risk-Based Supervision and Control

The decision of the Assistant Undersecretary for Commerce Affairs was issued in August 2020 to ratify the framework for supervision and control of specific DNFBPs subject to the supervision of the Ministry of Commerce & Industry in the AML/CFT field, which set the principles, procedures, and methods approved by the AML/CFT Section in exercising its oversight functions over subject entities.

The supervision and control framework identified the most important principles, adopted methodology, and tools of the Ministry to monitor and supervise the commitment of subject entities with the AML/CFT requirements, and set a clear framework for the work of the AML/CFT Section by defining a methodology related to the following points:

- Identifying and monitoring money-laundering and financing of terrorism operations and reducing the risks thereof in the subject entities (via individual supervision) and/or the concerned sectors.
- Conducting regular monitoring and inspections (field and office) for the entities subject to review of their compliance with the latest AML/CFT requirements specified by the Ministry.
- Upgrading the capacity of the AML/CFT Section staff with regulatory tools used to supervise and monitor subject entities.

The supervision and control framework included a detailed methodology on how to determine the risk-based sectoral assessment and assess the risks of the subject entities, hence the control design according to the risk degree of subject entities.

The same framework also utilizes the surveillance and control tools available to the AML/CFT Section to ensure the commitment of those subjects to the requirements, primarily comprising office and field monitoring. It also provides the procedures to be followed by staff in overseeing the application of corrective measures and financial and administrative sanctions.

The Supervision and Control Framework has been accompanied by detailed explanatory documents on office and field control procedures, the application of corrective measures, financial and administrative sanctions, the procedures for name-checking of entities registered with the Ministry of Commerce & Industry, as well as an explanatory guide for staff on how to implement the tools contained in the framework.

Statistics of field visits to entities subject to the control of the Ministry of Commerce & Industry

In light of this framework and the assignment of 9 new inspectors with different specializations (law, accounting, and business management) in order to strengthen field supervision, and based on the outputs of the risk assessment of precious metals or precious stones dealers, and the initial assessment of the risks of auditors and service providers of trust funds and companies, an inspection plan was developed for the year 2020/2021, mainly targeting high-risk entities

These inspection campaigns, from late 2020 until December 2021, yielded the following results:

No.	Sector	Number of visits	The results of the corrective visit	Irregularities
1	Precious Metal and Precious Stones Traders	124	118	29
2	Statutory auditors	41	17	-
3	The Trust Fund and Company Service Providers	20	15	-
Total		186	150	29

Based on the field inspection visits and the shortcomings that were detected, and after setting corrective plans and following up on the implementation of those plans by the regulatory authority, the following conclusions can be made:

First: Auditors Sector

The results of the second round of field monitoring showed that the auditors have a good understanding of their obligations to AML/CFT requirements and are constantly working to understand and identify the risks of money-laundering and financing of terrorism related to their offices/companies, particularly the risks of customers, jurisdictions, and delivery channels.

Some auditing firms, during their assessment of business risks, identified risks related to non-resident clients, clients of large multinational companies, cash transactions, face-to-face transactions, and clients or transactions that originate in high-risk countries.

The most important shortcomings detected (with the exception of some offices or companies, especially international offices that showed a good level of compliance) are as follows:

- Non-compliance of all auditors with the obligation of evaluating business risks.
- The applied policies do not adequately cover all AML/ CFT requirements.
- Lack of adequate training for staff.
- Failure to conduct an independent review report.
- Non-compliance with the implementation of the targeted financial sanctions system.

Second: The Precious Metals or Precious Stones Traders Sector and the Trust Fund and Company Service Providers Sector

The results of the inspection showed that dealers of precious metals or precious stones had an average understanding of their commitments to AML/CFT requirements (with the exception of some major companies).

The most common shortcomings identified include:

- Absence of appropriate policies, procedures, systems, and controls for AML/CFT in most entities.
- Failure to appoint a compliance officer and a deputy.
- Absence of an annual evaluation report for the compliance officer or an independent review.
- Absence of proper background checks for qualified persons upon recruitment.
- Lack of adequate training for employees in the field of AML/CFT.
- Deficiency in applying due diligence measures, identifying the real beneficiary and political persons, and keeping records.
- Non-application of targeted financial penalties

According to AML/CFT Law No. 20 of 2019 and its Executive Regulations and Rules of Obligations issued under the Decision No. 48 of 2020 by the Minister of Commerce & Industry, the monitoring of the subjects must be carried out in accordance with the degree of risk, including periodic identification and control density in the AML/CFT field, based on its understanding of the risks of money-laundering and the financing of terrorism. The Section is currently preparing an Institutional Risk Assessment, based on which an annual inspection plan will be configured and applied for the years 2022- 2023.

Eighth axis: Creating the Website of the Ministry of Commerce and Industry

1. Updating the Investor Portal Page:

In order to achieve the technical compliance with Recommendation 24 Criteria 1, the Anti-Money Laundering and Combating the Financing of Terrorism Section, with the help of AML/CFT experts, worked on developing an integrated project to update the Investor Portal (Invest in Qatar) page (<https://invest.gov.qa/ar>) to add a clear description of the procedures for establishing each form of commercial companies and allocate a window for all laws and regulations therein, while adding the declaration of the real beneficiary as a mandatory procedure for establishing commercial companies, in both English and Arabic.

Work has also been done to make the necessary amendments to the registration forms in the commercial register in light of the new requirements stipulated in the draft decision of the Minister of Commerce & Industry No. (2) for the year 2022 to fulfill the requirements of AML/CFT related to commercial companies, in addition to developing a form for declaring the real beneficiary for commercial companies on the new page of the investor portal.

2. Developing the Business Map Portal:

The Ministry of Commerce & Industry has developed the Business Map portal (<https://businessmap.moci.gov.qa/>) which includes all companies and other entities under the Ministry to add the basic information stipulated in the draft decision of the Minister of Commerce & Industry in fulfilling the requirements of AML/CFT related to commercial companies, making them available to the public and covering Criterion 3 of Recommendation 24. The Business Map portal also provides a wide database for users, allowing them to view the investment advantages of Qatar's various regions via a search engine for commercial establishments in specific locations, as well as displaying the various available and most common commercial activities. The portal, moreover, offers statistics on the number of commercial licenses registered in each municipality, the population distribution per each commercial license, new and written-off commercial licenses, and the latest commercial establishments registered in Qatar. Note that work is still underway to make the page available to the public.

An announcement has been made on the Ministry's social media that the portal will be launched soon.

Stemming from the Ministry of Commerce and Industry's commitment to consolidate the principle of transparency and enhance the efficiency of its services, and in accordance with the requirements of Law No. (1) of 2020 on the Unified Economic Register, which aims to: "enhancing the transparency of economic and financial transactions, by collecting, maintaining, and making available to the public and the competent authorities all basic information, required information, data, and documents related to economic establishments, legal arrangements, Non-Profit Organizations (NPOs), Sole practitioners".

You can now access the basic information and data on all economic establishments and sole practitioners by visiting Qatar Business Map page on the Ministry's website.

For more information
Please scan the code

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3. Develop the AML/CFT Section page:

The Ministry of Commerce & Industry has developed a page for the AML/CFT Section, which contains a set of important information and data, including:

- International and national legal framework.
- Information on controlled entities.
- Targeted financial sanctions.
- How to report suspicious financial transactions.
- The real beneficiary.
- High-risk countries.
- Frequently Asked Questions (FAQ).
- Reports

All international texts, legislation, circulars, and guidelines have been uploaded to the website of the AML/CFT Section to facilitate access by the subject entities

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Anti-Money Laundering and Terrorism Financing section

A brief overview of the section:

An Anti-Money Laundering and Terrorism Financing (AML/CFT) Section was established under the Companies Affairs Department at MOCI pursuant to Decision No. (95) of 2019. The Section's responsibilities are as follows:

- Monitor the implementation of the provisions of AML/CFT legislations and propose relevant amendments thereto, pursuant to the Ministry's competencies and in line with the international recommendations, findings of the mutual assessments and best practices.
- Follow-up and coordinate with the National Anti-Money Laundering and Terrorism Financing Committee (NAMLC), provide NAMLC with any relevant data and information, collaborate with NAMLC to complete the National Risk Assessment of risks of money laundering, terrorism financing and financing of proliferation of weapons of mass destruction and implement its outcomes.
- Coordinate with the National Counter Terrorism Committee (NCTC) in matters related to targeted financial sanctions, screen names against UNSC lists on daily basis and adopt relevant procedures accordingly.
- Coordinate with the competent departments at the Ministry on the implementation of obligations related to transparency.
- Collect, rate and analyse data and statistics related to AML/CFT in view of developing a database that is systematically updated, analyze results to draw indicators in this regard.
- Conduct sectoral money laundering, terrorism financing and financing of proliferation of weapons of mass destruction risks assessment of legal entities and designated non-financial businesses and professions (DNFBPs) that are respectively registered with and supervised by the Ministry, monitor its completion, and analyze, document, disseminate and update its results.
- Draft AML/CFT instructions, rules, guidance, recommendations and guidelines for DNFBPs supervised by the Ministry.
- Establish appropriate training programs to develop the AML/CFT capacity of the staff of the Ministry and its supervised DNFBPs, in coordination with the training Center of NAMLC.
- Supervise, monitor and inspect chartered accountants, dealers in precious metals and stones and trust and company service providers to ensure compliance with AML/CFT requirements and access documents and information deemed necessary to conduct supervisory activities.
- Propose financial and administrative sanctions against chartered accountants, dealers in precious metals and stones and trust and company service providers who are in breach of the AML/CFT Law, its Implementing Regulations and any relevant decisions or instructions and notify the QFIU of the procedures adopted in this regard.
- Collaborate with competent authorities, supervisory authorities and the QFIU and share information with them to implement the requirements of the AML/CFT Law, its Implementing Regulations and any relevant decisions or instructions and establish the appropriate procedures for the reporting of suspicious transactions.
- Represent the Ministry of Commerce and Industry in national, regional and international meetings and activities in relation to AML/CFT.
- Draft an annual report on the activities of the Ministry in relation to AML/CFT and financing of proliferation of weapons of mass destruction, including proposals and recommendations and submit the same to the Minister of Commerce and Industry and to NAMLC.

The organizational structure:

The organizational structure of the AML/CFT Section consists of the following working groups:

- Coordination and support working group.
- Off-site supervision working group.
- On-site supervision working group.
- Targeted financial sanctions working group.
- Information systems and statistics working group.

Ninth Axis: Development of Information Systems and Statistics

1. Developing the Qannas evaluation and statistics system:

Qatar's Network against Money-Laundering and the Financing of Terrorism system of evaluation and statistics (Qannas), in coordination with Qatar Central Bank and the NAMLC, is a central data collection platform.

To meet the needs of the NAMLC in providing accurate data and statistics for the program, a task force has been assigned to the AML/CFT Section to work on the following points:

- Operating, managing, tracking, developing, and maintaining the information and data system required for the Section's activities.
- Collecting and classifying data related to combating money-laundering and financing of terrorism within the Ministry's field of competence to establish a database and update it periodically.
- Maintaining necessary statistics to prepare the national and sectoral risk assessments, available to the Committee and other competent authorities upon request.
- Analyzing statistics, both quantitatively and qualitatively, of inspection activity, contribute to the preparation of the annual plan for control and inspection, and set strategic priorities for the Section's work.

An information security policy has been developed to ensure that data is protected, stored and transmitted in a secure, consistent, valid, and confidential manner, within the specified quarterly periods.

2. Adopting and developing a SAS program for screening names

The Ministry of Commerce & Industry is responsible for supervising commercial and industrial activity, registering commercial and investment facilities, and issuing the necessary licenses to practice the activities thereof. The proper functioning of the Ministry requires monitoring legal persons that are established or to be established, verifying that the names of their founders, shareholders, directors, authorized signatories, and real beneficiaries are not included on national and international sanctions lists.

During the year 2020, the Ministry of Commerce & Industry created the name screening and case management system (SAS), an advanced and accessible online program and includes four components: name screening, periodic auditing, risk classification, and filing reports. This program gives the Ministry more flexibility in supervising activities and classifying risks of legal entities in an automated environment, in addition to the possibility of investigating the identity of the legal persons associated with the BSS application and ensuring that their names are not included in the international and national sanctions lists.

The AML/CFT Department worked in continuous coordination in 2021 with the Information Systems Department and the company implementing the SAS program to develop the automatic screening system to add a new feature that enables the classification of the risks of the subject entities based on the outputs of the results of the office and field supervision in the system.

The latest outputs of the meetings with the Information Systems Department and the company executing the SAS program were as follows:

- 1) Agreeing with the Information Systems Department on the field inspection process flow chart regarding scheduling field inspection work, and setting 12 points to be filled in manually on the inspection checklist on
 - a. Committed (no shortcomings)
 - b. Highly committed (minor shortcomings)
 - c. Partially committed (moderate shortcomings)
 - d. Not committed (there are significant shortcomings)
 - e. Does not apply (due to the structural, legal, or institutional characteristics of the subject entity)
- 2) Connecting the SAS program to the inspection system to reflect the outputs of the supervision and inspection processes in terms of the evaluation of standards, corrective measures, and violations of different grades and weights in order to update the risk assessment matrix on a regular basis.
- 3) Allocating an action item to develop a number of scenarios and additional risk factors (doubling the numbers currently available) that are linked to beneficial owner data or any data extracted from other systems.
- 4) Creating a temporary list of names of persons and entities related to suspicious transaction reports or

other correspondence (from local or international entities), in order to draw the attention of the user and facilitating the directing of supervision operations to specific entities without disrupting the workflow and transactions.

5) Creating a platform to receive data, activate, or improve the initiative «Q-Survey» by adding the data collection form required from the subject entities within the framework of the Qannas system, to be filled out on an annual basis.

6) Linking the abovementioned platform to the SAS program to complete the data received from the subject entities (in addition to the financial, structural, and control data, and that of local and external cooperation) in order to automatically generate the Qannas system report.

Suggestions and Recommendations

In addition to the necessity of implementing all the provisions of the Action Plan of the Ministry of Commerce & Industry which was approved by the NAMLC, improving the Ministry's performance in the field of establishing transparency and supporting national efforts to combat money-laundering and financing of terrorism requires further support and development:

- Establishing the Unified Economic Register Section and supporting it with sufficient human and material resources to carry out the tasks entrusted to it under Law No. 1 of 2020.
- Allocating necessary financial provisions within the Ministry's 2021 budget for the creation of the information system which will enable the relevant department to be linked to the Unified Economic Register with all the authorities concerned with registration and licensing in the country.
- Carrying out necessary studies to determine the unified economic number.
- Reconciling the status of records held by the Ministry (the Commercial Register and the Auditors' Record) in accordance with the provisions of Law No. 1 of 2020 on the Unified Economic Register.
- Supporting the human resources of the AML/CFT Section by assigning sufficient staff within the specializations it needs according to its structural organization.
- Supporting the Commercial Registration and Licensing Department and the Single Window with sufficient staff to implement the procedures related to receiving required information from beneficial owners and including it in a special register, when commercial companies request registration, amendment or renewal of the Commercial Register.
- Allocating necessary financial resources to upgrade the performance of the concerned Departments in the Ministry in view of the importance of needs (offices, media equipment, modern and sophisticated programs, specialized references, etc..).
- Employing experts in the AML/CFT field to benefit from their training and knowledge to improve the performance of the Ministry.
- Developing Qatari cadres in the AML/CFT field through developing an effective training program to enhance skills.
- Assessing the compliance of the regulated DNFBPs with the new AML/CFT rules by intensifying field inspections to identify trends and vulnerabilities and using outputs to guide DNFBPs in the future.
- Holding regular awareness-raising workshops for controlled entities (virtual or live) to review issues related to AML/CFT, and discussing issues of concern.
- Developing training packages and creating a learning platform on the Ministry's website for auditors, dealers in precious metals or gemstones, trust fund service providers, and companies to provide training, guidance, and updates on developments in the AML/CFT system.
- Exchanging experiences with counterpart Ministries located in countries recognized for achieving positive results in the AML/CFT field to benefit from these successful experiences.
- Including new indicators in the statistical systems of the Ministry of Commerce & Industry capable of showing the risks of subjected entities and vulnerabilities in the AML/CFT system.
- Fully applying the Qatar's Network against Money-Laundering and the Financing of Terrorism System (Qannas), as a platform for providing national statistical data for AML/CFT purposes.
- Introducing technological solutions that contribute to strengthening data analysis and combating illicit financing.

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