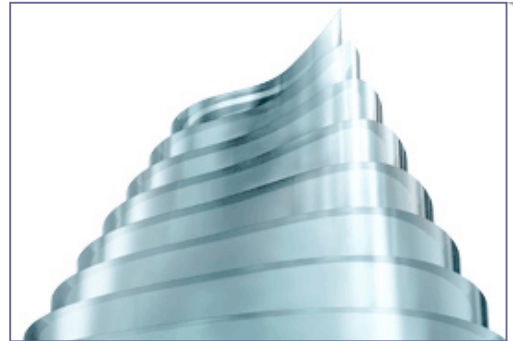


**“The best support a regulator can provide  
is to be independent”**

Phillip Thorpe, Chairman and CEO  
Qatar Financial Centre Regulatory Authority





A few years ago, some companies saw firm and fair regulation as an inhibition on their business.

That was always a short sighted view. Today it would be suicidal - because reputation is paramount.

A bank or any other financial institution needs to have confidence in a marketplace before committing to it. It must be confident that its reputation will not be harmed by its choice of location. Even if there appears to be opportunities or rewards on offer, there is no future in setting up business in a jurisdiction with lax corporate governance, a poor understanding of the rule of law, or a questionable track record on money laundering. You are judged by the company you keep.

The good news is that with the opening of the QFC, Qatar now provides a location where that confidence can be justified. My task as Chairman and Chief Executive of the Regulatory Authority is to make sure that the QFC regulatory environment is solid, solid enough to underpin confidence in the Centre as a whole.

That confidence can only be generated where there is stability and certainty. What are the necessary components?

- First of all, you are entitled to expect a legal environment which is reliable, modern and familiar.
- Secondly, of course, these laws have to be enforceable. The QFC laws are not just based on the best precedents available in the major jurisdictions – they include provision for arbitration and resolution of civil disputes (in a forum you can trust – in the QFC’s case, through the provision of, in effect, a modern Commercial Court).
- Next, the Regulatory Authority must be efficient. We operate a principles-based regime and are risk-focused.
- We set and monitor compliance with our requirements according to internationally accepted standards.
- Next, the system must be impartial. You are entitled to know that the same rules must apply to everyone, whether modest or mighty.
- Then regulation must be transparent. Justice must not only be done, but be seen to be done.
- Finally and as experience shows, most importantly, the Regulatory Authority must be independent. A regulator that is a wholly owned subsidiary of the centre it is supposed to monitor, is not a regulator at all. I report directly to the primary legislative authority in Qatar, the Council of Ministers.

I have, I must confess, some experience in these matters. I have held senior posts in Washington, London and Hong Kong, as well as Dubai. So when I say that, in my judgment, the Government of Qatar understands and supports this sometimes inconvenient but always necessary regulatory independence, I believe you have some reasonably credible third party evidence to weigh when forming your own judgment.



I am confident that Qatar has a Government which understands what a financial centre with international standards is all about. For example, it understands that in a modern, global-facing market, ways of doing business must be based on a straightforward and easily read commercial basis – and not just on personal relationships.

The Regulatory Authority's role, then, is to support the QFC's goal of creating an environment where institutions and investors coming to Qatar can do business with total confidence. And, paradoxically, the best support a regulator can provide is to be independent.

As Stuart noted, Qatar is not alone in seeing the need for change and growth in the provision of financial services in the region; and we should all hope that the other financial centres in the Gulf which are seeking to establish themselves have the success that the people of the region deserve.

I believe that Qatar – with its vibrant and expanding economy, its strong industrial base and strength in project finance, its enthusiasm for economic diversification, its readiness to partner with global institutions, its willingness to embrace international standards, and now, with the opportunities presented by the QFC, and its independent regulator – demands your confidence.

Thank you very much.

