



Qatar - AML KYC Regulations

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Disclaimer: Neither Shufti Pro nor the authors of this document shall be held responsible, liable or accountable for the contents of this document. The responsibility to comply with AML - KYC regulations lies with the Client. Achieving full compliance with legal obligations requires a thorough analysis of the specific situation, organizational requirements, and regulatory practices. The information provided in this document should be seen as an overview of requirements and measures towards conducting proper and satisfactory Identity Verification procedures. This document suggests general measures in line with recommendations, resources, or procedures provided by relevant laws and authorities to support identity verification requirements. The mere reference to or reliance placed on this document alone does not constitute a warranty of any system nor does it guarantee legal compliance. It remains the sole responsibility of the Client to comply with its legal obligations.

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1. Introduction

The Financial Services Regulations confer upon the QFC Regulatory Authority's responsibility in relation to the prevention and detection of money laundering, terrorist financing or other financial crime in the QFC.

The QFC Anti-Money Laundering and Countering Terrorism Financing Rules provide the QFC compliance framework and detailed requirements in relation to AML/CFT and Customer Due Diligence (CDD). The rules have been designed to be in accordance with the State 'Law – No (20) of 2019, Combating Money Laundering and Terrorism Financing' and its subsequent amendments as well as aligned to the Financial Action Task Force global recommendations and standards. In addition, relevant Qatari criminal laws in relation to this subject continue to apply in the QFC.

2. Scope

This 'Qatar - AML KYC Regulations' report may be used as a reference to highlight information from the '*Law No. (20) of 2019 Combating Money Laundering and Terrorist Financing*'

Under the guidelines from the Qatar Central Bank, Qatar Financial Centre Regulatory Authority, from the aforementioned legislations, this document highlights the necessary requirements for AML and KYC procedures, in particular, Identity Verification required in Qatar.

3. Definitions

- **Client**: Shufti Pro's customer is referred to as the Client.
- **Customer**: The Client's customer whose subject to the KYC - AML checks.
- **End-user**: The Client's Customer is referred to as end-user but from Shufti Pro's perspective.
- **Document Verification**: The process of verifying the authenticity of a government-issued identity document.
- **Identity Verification**: The process of verifying the identity of the Client's Customers.

- **Proof of Identity**: Any government-issued identity document that can be used to identify a natural person (Individual).
- **EDD**: Enhanced Due Diligence (EDD) is a process that executes a greater level of scrutiny related to potential business relationships.
- **Third-Party Diligence**: Outsourcing of the due diligence process to an external party by the Client who is originally responsible for carrying out due diligence activities.
- **PEP**: Politically Exposed Person (PEP) is a person with a higher risk for potential involvement in bribery/corruption.
- **Due Diligence**: Refers to the measures taken to mitigate risk before entering into an agreement or carrying out a financial transaction with another party.

4. References

- [Law No. \(20\) of 2019 Combating Money Laundering and Terrorist Financing](#)
- [Council of Ministers' Decision No. \(41\) of 2019, Promulgating the Implementing Regulation of Law No. \(20\) of 2019 on Combating Money Laundering and Terrorist Financing](#)
- [Decree Law No.\(19\) of 2021 Amending Some Provisions of Law No.\(20\) of 2019 on Combating Money Laundering and Terrorist Financing](#)
- [Council of Ministers' Decision No. \(14\) of 2021 Amending some Provisions of the Implementing Regulations of the Law on Combating Money Laundering and Terrorism Financing Promulgated by the Council of Ministers' Decision No. \(41\) of 2019](#)
- [Foreign Account Tax Compliance Act](#)
- [Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019](#)

5. Due Diligence Requirements

5.1. Identity Verification Requirements for Individuals

As per the requirements of the Qatari regulations, these are the following ID attributes required for the purpose of identifying an Individual from official documents.

- Full Name;
- Residence or Domestic Address;
- Date and Place of Birth;
- National Identification Number (Qatari Citizens) or;
- Passport Number (Foreign Nationals).¹

5.2. Identity Verification Requirements for Legal Entities

As per the requirements of the Qatari regulations, these are the following ID attributes required for the purpose of identifying a legal entity from official documents.

- The name, legal form and proof of existence of the legal person;
- The names of the persons holding senior management positions in the legal person;
- And the address of the registered office of the legal person and, if different, its principal place of business.²

5.3. Compliant CDD Methods

Shufti Pro may apply one or more of the following measures at the request of the Client to perform Identity Verification on its behalf. Where an End-user is an Individual, who does not present himself to the Client for verification in physical presence.

5.3.1. Shufti Pro shall perform verification of the End-user's identity based on documents that are highlighted in 5.4. These documents provide reasonable

¹ 4.66 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

² Rule 4.6.14 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

reliability to the confirmation of the identity in Qatar. Shufti Pro shall ensure that documents being utilized are photo-based biometric identification documents that suffice requirements for Identity Verification.

- 5.3.2. Shufti Pro can also perform verification of the End-user's identity through a real-time audio-video transmission, where a live, interactive video session is carried out between an identification expert and the End-user. During this session, the End-user will be asked to show their identity documents. The End-user will also be asked to perform some random gestures as a part of a liveness check.
- 5.3.3. To verify the End-user's identity, Shufti Pro shall also verify the documents that are submitted. Shufti Pro utilizes its specialized Document Verification service to perform checks on the authenticity of the document. This includes checks on security features such as holograms, tapered/crumpled edges, doctored elements, form inconsistencies, document expiration, MRZ, reflected colors and microprinting.
- 5.3.4. In the case of verification of the identity of legal persons or partnerships Shufti Pro shall extract the information from the commercial register or a comparable official register through its process (KYB).

5.4. Documents Required for Verification

The following documents are considered in Qatar as Proof of Identity:

Identity Verification

- A valid Passport;
- Qatari Identity Card;
- Driving License with a photograph;
- Residence Permit.³

³ Rule 4.6.6 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

Address Verification

The following documents are considered as proof of address:

- A current utility bill (such as gas, electricity, telephone or mobile phone bill) (No older than 3 months, bearing End-user name and address);
- Residence Letter - (No older than 3 months, bearing End-user's name and address)
- Bank Statement (No older than 3 months, bearing End-user's name and address).

5.5. Timing of Verification

Identity Verification is not limited to a one-time, one instance process. In fact, it is required in multiple instances as per regulations. The Client must conduct Identity Verification before establishing business relations with the Customer and before it conducts one-off transactions.⁴ The application and choice of when to deploy Identity Verification procedures depend on the Client's requirements and correspondence with Shufti Pro.

The Client is to pursue Identity Verification when the Client onboards a new Customer. If the Client is dealing with transaction data, the Client should apply Identity Verification as per the monetary thresholds defined in Qatari regulations. In other instances, Identity Verification becomes more important to employ if the Client face higher risks from the Client's Customers. A high-risk situation would be any instance where an Individual might represent above normal exposure of money laundering related threats to the Client.

6. Politically Exposed Persons and EDD Measures⁵

As per the Enhanced Due Diligence requirements under Qatari regulations, the Client is required to determine if the Customer is a Politically Exposed Person, holds a public office, or exhibits a higher risk profile. To fulfill the Client's obligations, Shufti Pro provides the Client with its AML Screening service. The service screens an Individual's selected ID attributes of *Name*

⁴ Rule 4.3.5 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

⁵ Rule 4.4.1 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

and *Date of Birth* against watchlists of global regulatory authorities, foreign and domestic databases, compromised PEPs and sanctioned Individuals.

The service highlights the category of the PEP based on the degree of risks they pose and also any immediate family member, or a close associate of the PEP.

The Client may utilize such services as per the Client's requirements. This includes before or after establishing a relationship with the Customer.

7. Reliance on External Services

Qatari Regulations state that the Client may seek the services of a third party to apply measures of due diligence.⁶ Legislations also require the Client to collect all such data (Diligence Information) from the third party, without undue delay. In this scenario, Shufti Pro will be the external third-party service provider to the Client.

Qatari Regulations state that the Client, regardless of reliance on a third party, remain liable for maintaining all such compliance and fulfilling AML and KYC obligations.⁷

8. Record Retention

As per the Qatari regulations, the Client is required to retain data for not less than ten (10) years after termination of business relations.⁸ These are a part of the Client's AML and KYC obligations for due diligence. In the case where this information is processed, collected and managed by a relevant third-party, the Client is liable to collect all such necessary information (Due Diligence Data) from the third party without undue delay.

⁶ Rule 2.1.7 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

⁷ Rule 2.1.7 (3) of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019

⁸ Rule 7.1.2 of the Anti-Money Laundering and Combating the Financing of Terrorism Rules 2019