

## Steady progress in Qatar



QATAR

By Amjad Hussain

**Qatar Islamic Bank (QIB), Qatar's largest Islamic bank, signed an Islamic trade facility agreement with HSBC valued at US\$100 million within the Middle East, North Africa and Turkey (MENAT) region.**

This is the first facility agreement of its kind within the MENAT region. Abdul Hakeem Mostafawi, CEO of HSBC Qatar, commented that the bank is "optimistic about the growth opportunities in Qatar driven by the final preparations for the FIFA 2022 World Cup and the various infrastructure developments".

**“ Variations in the Shariah interpretation and approvals can be a limiting factor for growth in the Islamic finance markets ”**

The last few years have witnessed an increased focus on the development of the Qatari real estate market. In September 2020, Cabinet Decision Number 28 of 2020 regarding the ownership and use of real estate was issued.

This decision expanded the geographical areas where non-Qatari citizens are eligible to own real estate, including 16 usufruct areas and nine freehold areas. The decision also introduced a number of privileges that investors can benefit from.

In a recent webinar titled 'Spotlight on Qatar's Real Estate Market Reforms', Sheikh Ali Alwaleed Al Thani, CEO of the Investment Promotion Agency of Qatar, stated that Qatar's real estate market has witnessed a 36% growth in real estate transactions in 2020. This figure is expected to rise further over the next few years in light of the positive

regulatory changes, the restoration of diplomatic ties in the Gulf and an increased interest in REITs in the market.

In a recent announcement, the Qatar Stock Exchange reported that Qatar First Bank (QFB) will join the QE Al Rayan Islamic Index, effective the 1<sup>st</sup> April 2021.

QFB reported a net profit of QAR1.2 million (US\$324,043) for the year ending the 31<sup>st</sup> December 2020. Commissions and product fees, as well as a 6.9% reduction in overall expenses, were some of the main factors contributing to QFB's performance.

Meanwhile, in a general assembly meeting held on the 1<sup>st</sup> March 2021, the shareholders of Masraf Al Rayan approved increasing Masraf's Sukuk issuance program from US\$2 billion to US\$4 billion, after obtaining the approval of the Qatar Central Bank.

Experts from Carnegie Mellon University in Qatar said that Qatar is well positioned to assist in the development

of the Islamic finance industry in non-Muslim countries.

The experts explained that this could result in cross-listings on the Qatar Stock Exchange, further advancing the Islamic banking sector in Qatar.

The experts added that "variations in the Shariah interpretation and approvals can be a limiting factor for growth in the Islamic finance markets", further noting "once the industry develops a common Shariah compliance platform, we expect the markets to open to investors from across the globe and we should see high growth".

The experts concluded that the academic community can support such development by conducting research and training. (2)

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