

QFC Authority imposes a financial penalty against Shobbak LLC

Doha, Qatar, 27 August 2024: The QFC Authority announced today, that on 22 May 2024 it imposed a financial penalty in the sum of US\$1,500 on Shobbak LLC (“the Firm”) for contravening a Relevant Requirement pursuant to Compliance and Enforcement Rule (“CER”) 6.1.1(C) of the QFCA Rules.

The Firm is a QFC Entity which was incorporated by registration and licensed in the QFC on 18 May 2021. All QFC entities were required to submit a Beneficial Ownership (“BO”) report to the Companies Registration Office within 90 days of enactment of the amended QFCA Rules (from 6 September 2021). The 90-day period expired on 5 December 2021, which was later extended by a legislative amendment to 31 December 2021. On 4 December 2021, the Firm provided a Beneficial Ownership Report containing the Required Information to the CRO; however, the Report was rejected because it was incomplete. Subsequent attempts were made to engage with the Firm to provide the Required Information, however the Firm failed to do so. A contravention of General Rule 8A.6(B) is taken to be a contravention of a Relevant Requirement for the purposes of the CER Rules.

The QFC Authority considered the financial penalty above was reasonable considering all the relevant circumstances of the case, namely that: the Firm is registered and licensed in the QFC; the Firm contravened a Relevant Requirement as outlined above; the contravention was serious because it concerns BO which is a Money Laundering / Terrorist Financing (“ML / TF”) vulnerability; issuing the financial penalty would deter other QFC Entities from being in contravention of non-compliance with ML / TF matters; and a financial penalty will educate the QFC community about the importance of ML / TF compliance issues.

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About the QFC Authority

The QFC Authority is a body established in 2005 by Article 3 of the QFC Law to operate the QFC in accordance with its objectives in Article 5 of the QFC Law. It licenses and administers firms that conduct business in or from the QFC. It has a broad range of powers to license, monitor and, when necessary, discipline non-regulated firms and individuals in accordance with the QFCA Enforcement Policy 2019. Further details are available on the website www.qfc.qa.

