

QFMA Corporate Governance Code 2025: Key Reforms for Qatar's Listed Companies

In August 2025, the Qatar Financial Markets Authority (QFMA) issued a new Corporate Governance Code for Listed Companies¹ (Board Decision No. 5 of 2025), published in the Official Gazette on 17 August. The Code took effect immediately, granting listed companies a twelve-month reconciliation period, extendable at the discretion of the Chairman, to achieve full compliance.

This instrument replaces the 2016 Code and constitutes the most significant reform of corporate governance in Qatar since that date. In place of the former “comply or explain”² model, the new Code imposes prescriptive obligations, reflecting international benchmarks while remaining tailored to Qatar’s legal and market context.

The Code pursues defined policy objectives. It strengthens board independence, introduces mandatory sustainability and ESG reporting, and imposes more rigorous disclosure obligations. These measures are designed not only to safeguard shareholder rights

but also to reinforce market confidence and promote long-term resilience in Qatar’s listed companies.

The following analysis compares the 2016 and 2025 Codes, highlighting the principal reforms and their implications for listed companies as they prepare for the August 2026 compliance deadline.



¹ Qatar Financial Markets Authority (QFMA), Board Decision No. 5 of 2025, Governance Code for Listed Companies, published in the Official Gazette on 17 August 2025.

² Qatar Financial Markets Authority (QFMA), Board Decision No. 5 of 2016, Corporate Governance Code for Companies Listed on the Main Market.



GOVERNANCE DOMAIN	2016 QFMA GOVERNANCE CODE (OLD)	2025 QFMA GOVERNANCE CODE (NEW)	PRACTICAL COMMENTARY / IMPLICATIONS
Scope of Application	Applied only to companies listed on the Main Market ³ of the Qatar Stock Exchange. Venture Market companies were subject to a separate, less detailed governance framework, and were not expressly covered by the 2016 Code.	Applies uniformly to all companies listed on both the Main Market and the Venture Market. The previous separation of frameworks has been removed, establishing a single code ⁴ for all listed entities.	The unified scope ensures consistent standards across both Main and Venture Markets. Smaller or newly listed firms are now subject to the same governance benchmarks as larger issuers, strengthening investor protection. Companies planning a listing must prepare early to align their frameworks with the Code.
Board Expansion and Independence Strengthening	Required compliance with the Commercial Companies Law (generally 5-11 directors for public shareholding companies) ⁵ . The Code itself did not fix a number, beyond requiring at least one-third independent members.	Mandates a board of 7-11 directors for all listed companies, harmonising with the requirements of the Commercial Companies Law. It also introduces formal definitions of director categories (executive, non-executive, independent, non-independent) and requires that these designations be disclosed.	The higher minimum strengthens oversight and aligns with international norms. Companies may need to expand their boards and recruit qualified directors ⁶ . Clearer role definitions improve accountability and diversity, and Articles of Association may need updating to reflect the new requirements.
Independent Directors	Required at least one-third of the board to be independent directors. Independence criteria existed (e.g. not being an executive or major shareholder), but were less extensive; no formal term limits for independent directors were specified. In practice, a minimum of 2 independents was common (for a 5-6 member board) with more for larger boards.	Requires a minimum of three independent directors on every board, regardless of size. For a 7-member board, this represents around 43% independence, exceeding the former one-third ratio. Independence criteria are stricter: candidates must have relevant education and professional experience, and independence tests now extend to first-degree relatives. Independent directors may not serve more than two consecutive terms (typically six years under current election cycles).	The requirement for a fixed minimum of three independent directors secures a critical mass of external voices, even on smaller boards. The stricter eligibility criteria, together with extended family-based conflict rules, address previous gaps in practice. Term limits, typically amounting to six years, are intended to ensure fresh perspectives and to reduce the risk of entrenchment. Companies will therefore need to identify and appoint genuinely independent candidates, which may necessitate broader searches and targeted induction or training programmes.

3 LexisNexis Middle East, Commentary on QFMA Corporate Governance Updates.

4 Qatar Financial Markets Authority (QFMA), Board Decision No. 5 of 2025, Governance Code for Listed Companies, published in the Official Gazette on 17 August 2025.

5 Qatar Financial Markets Authority (QFMA), Governance Code for Companies & Legal Entities Listed on the Main Market (Board Decision No 5 of 2016, published in Official Gazette) Article 6.

6 QFMA (supra n1)

GOVERNANCE DOMAIN	2016 QFMA GOVERNANCE CODE (OLD)	2025 QFMA GOVERNANCE CODE (NEW)	PRACTICAL COMMENTARY / IMPLICATIONS
Board Committees (Audit, Nomination, Remuneration)	Required an Audit Committee and a Nomination and/or Remuneration Committee. The Audit Committee had to be chaired by an independent director and include a majority of independents, meeting at least six times annually. Nomination and Remuneration functions could be combined ⁷ .	Continues to require Audit, Nomination, and Remuneration Committees, with detailed mandates set out in an annex. The Audit Committee must remain independent-led, while Nomination and Remuneration may still be combined if appropriate. The Code also clarifies the process for committee formation and responsibilities.	Clearer mandates strengthen transparency in auditing, director selection, and remuneration. Companies should review committee charters to ensure alignment, confirm appropriate financial expertise within the Audit Committee, and avoid concentration of roles. The more detailed framework reduces ambiguity and ensures consistent practice across listed companies ⁸ .
Board Nomination & Election	<p>The 2016 Code had basic provisions on electing board members (e.g. cumulative voting for board elections was introduced to enhance minority shareholder representation).</p> <p>However, the nomination process (from calling for director candidates through to election at the General Assembly) was not extensively detailed in the Code itself, leaving procedural aspects to company bylaws and general law⁹.</p>	<p>Establishes a detailed nomination and election framework in an annex. It sets timelines for opening nominations, defines eligibility criteria, and requires vetting of candidates before General Assembly elections.</p> <p>Ballots must indicate whether candidates are independent, non-independent, executive, or non-executive. Cumulative voting is reaffirmed as mandatory. The process also links directly to committee formation after elections, ensuring smooth board structuring.</p>	The new framework standardises board elections, making them more transparent and predictable. Companies must update bylaws and election procedures to follow the QFMA model, rigorously vet nominees, and disclose candidate profiles to shareholders. Reinforcing cumulative voting strengthens minority representation and reduces the risk of contested outcomes ¹⁰ .

7 QFMA (supra n2) art 19
8 QFMA (supra n7)

9 Qatar Financial Markets Authority (QFMA), Governance Code for Companies & Legal Entities Listed on the Main Market (Board Decision No 5 of 2025, 4 August 2025, published in Official Gazette, 17 August 2025) (preamble).
10 GLA & Company, Legal Analysis on the 2025 QFMA Governance Code.

GOVERNANCE DOMAIN	2016 QFMA GOVERNANCE CODE (OLD)	2025 QFMA GOVERNANCE CODE (NEW)	PRACTICAL COMMENTARY / IMPLICATIONS
Shareholder Rights & Communication	<p>The 2016 Code affirmed fundamental s hareholder rights: one-share-one-vote voting power, the right to attend and vote at General Assemblies (in person or by proxy), dividend entitlements, and access to certain information¹¹. It prohibited any mechanisms that would hinder voting and in fact encouraged use of modern technology for voting (e.g. e-voting or electronic participation) to facilitate shareholder engagement.</p> <p>The Code also mandated cumulative voting for board elections and allowed minority shareholders to have a greater chance at board representation. Mechanisms for shareholders to file complaints or appeals were acknowledged to protect their interests¹².</p>	<p>Reinforces equal treatment of all shareholders, including minority and state investors. Requires disclosure of how rights are safeguarded and mandates transparent engagement policies covering information requests, complaints, and meeting participation.</p> <p>Boards are expected to maintain active communication with shareholders. Electronic voting and remote participation remain encouraged. No shareholder, including government entities, may receive advantages outside the legal framework.</p>	<p>The emphasis on equality, disclosure, and structured communication builds investor confidence¹³. Companies should strengthen investor relations practices, maintain clear contact points, and ensure governance reports explain how shareholder rights are protected.</p> <p>For controlling or state shareholders, the rules limit preferential treatment, offering greater assurance to minority investors.</p>
Conflicts of Interest & Insider Dealing	<p>Required directors to avoid and disclose conflicts. Related-party transactions had to be disclosed to shareholders before approval of financials and in the annual report¹⁴. Directors with an interest were expected to abstain from voting. Insider disclosure rules applied mainly to board members, senior executives, and their immediate families.</p>	<p>Retains the duty to disclose and manage conflicts but with stricter application. Related-party transactions must follow arm’s-length principles and be disclosed promptly. The definition of “insider” now expressly includes board committee members and extends to their spouses and children, widening the scope of insider trading and disclosure rules.</p>	<p>The expanded definition of “insider” addresses previous gaps and extends disclosure obligations to a wider range of individuals. Companies will be required to update their insider trading and conflicts policies, obtain annual declarations from directors and senior executives, and exercise greater scrutiny over related-party transactions.</p> <p>The reforms underscore a stricter approach to conflicts of interest and are designed to reinforce confidence in market integrity.</p>

11 QFMA (supra n2) art 34
12 Qatar Financial Markets Authority (QFMA), Governance Code for Companies & Legal Entities Listed on the Main Market (Board Decision No 5 of 2025, 4 August 2025, published in Official Gazette, 17 August 2025) (preamble).

13 QFMA (supra n1) art 34
14 QFMA (supra n2) art 26

GOVERNANCE DOMAIN	2016 QFMA GOVERNANCE CODE (OLD)	2025 QFMA GOVERNANCE CODE (NEW)	PRACTICAL COMMENTARY / IMPLICATIONS
Disclosure & Transparency	Required an annual Governance Report as part of the annual report, signed by the Chairman ¹⁵ . Companies had to disclose compliance with the Code on a “comply or explain” basis. Disclosure obligations covered financial statements, material news, shareholdings of directors and executives, board/committee profiles, risk management processes, and remuneration policy. Boards were responsible for accuracy of all disclosures.	<p>Requires every listed company to adopt a formal board-approved Disclosure and Transparency Policy. Annual corporate governance reporting remains mandatory but with expanded scope, including sustainability and social responsibility performance. Disclosures must follow strict regulatory timelines, with boards collectively accountable for their accuracy.</p> <p>The Code emphasises alignment with international standards such as OECD principles and ISSB sustainability guidance¹⁶.</p>	The new rules demand structured disclosure processes rather than ad-hoc reporting ¹⁷ . Companies should implement clear approval pathways, invest in reporting systems to meet deadlines, and prepare for broader non-financial reporting, particularly on ESG. A formal policy helps ensure consistency and market confidence, while late or incomplete disclosure risks regulatory scrutiny.
ESG & Sustainability Reporting	The 2016 Code encouraged ethical conduct and social responsibility in a broad sense (one of its stated principles was to “encourage the society’s development and advancement”), but it did not mandate specific ESG reporting ¹⁸ . There was no requirement for a standalone sustainability or climate-change report. Any disclosure of environmental or social initiatives was voluntary and left to companies’ discretion or to general CSR trends.	<p>Makes ESG disclosure mandatory for the first time, with listed companies required to publish annual sustainability, CSR, and climate-related reports. The QFMA will issue detailed guidance to support phased implementation and ensure consistency with international standards.</p> <p>Boards are required to consider environmental and social impact as part of their oversight duties. The QFMA will issue a guidance manual to support phased implementation and ensure alignment with Qatar National Vision 2030.</p>	<p>This shift embeds sustainability into governance rather than treating it as voluntary CSR. Companies will need systems to gather ESG data (e.g. emissions, energy use, workforce diversity, community initiatives) and report annually. Boards may establish ESG committees or designate officers to oversee compliance.</p> <p>Beyond regulatory risk, strong ESG reporting can enhance reputation, attract ESG-focused investment, and align companies with Qatar’s long-term development strategy.</p>

15 QFMA (supra n2) art 4
16 Media reports and legal briefings referencing alignment with IOSCO, OECD, ISSB, and ICGN standards.

17 QFMA (supra n2) art 25
18 QFMA (supra n1)

GOVERNANCE DOMAIN	2016 QFMA GOVERNANCE CODE (OLD)	2025 QFMA GOVERNANCE CODE (NEW)	PRACTICAL COMMENTARY / IMPLICATIONS
Companies with Government Stakeholders	Applied uniformly to all listed companies, without specific provisions for firms with government or state institutional shareholders. Any state involvement was dealt with under general rules on directors and shareholders.	<p>Explicitly recognises companies with government shareholdings. State-nominated directors are subject to the same fiduciary duties as other directors, and government-linked transactions are treated as related-party dealings, requiring disclosure and adherence to governance standards.</p> <p>No exemptions apply – government-owned or backed companies must comply fully with the Code, including board composition, committees, and ESG reporting.</p>	This removes any ambiguity over whether state-backed firms enjoy special treatment. Minority investors are assured of equal rights and protections. Boards of government-linked companies should formalise protocols for nominee directors and related-party transactions to ensure transparency and alignment with the Code.
Compliance & Enforcement	Operated on a “comply or explain” basis. Companies had six months from issuance to comply, with deviations permitted if disclosed and justified in the Governance Report ¹⁹ . Non-compliance could trigger regulatory action, but minor gaps were tolerated if transparently explained.	<p>Requires full compliance within 12 months of issuance (August 2026), with the QFMA Chairman empowered to grant extensions in exceptional cases. The tone shifts from voluntary explanation to mandatory adherence.</p> <p>Companies must publish Governance Reports confirming application of the Code, with the QFMA reviewing compliance closely. Guidance, including an ESG reporting manual, will be issued to support implementation.</p>	<p>The -12month window is a critical transition period. Companies should conduct gap analyses, update policies, amend governance documents, and implement new processes early. Extensions are possible but discretionary, and the default expectation is compliance.</p> <p>The regime moves from “comply or explain” to “comply or rectify,” signaling more robust enforcement while offering practical guidance to ease adoption²⁰.</p>

19 MA (supra n2) art 1 & 2
20 GLA & Company, Legal Analysis on the 2025 QFMA Governance Code.

The 2025 QFMA Governance Code marks a decisive stage in the development of Qatar's capital markets. Compliance is both a legal obligation and an opportunity for listed companies to demonstrate the strength of their governance frameworks. Boards that move early to address the new requirements on composition, independence, conflicts management, disclosure, and ESG reporting will not only mitigate regulatory risk but also position themselves as credible and resilient in the eyes of investors.

The reforms are intended to align domestic practice with international standards while reflecting Qatar's market conditions, and they will demand careful preparation if companies are to meet the August 2026 deadline with confidence.

