



# DOING BUSINESS IN QATAR.

Information Compilation Report by  
Access Company "Moore Stephens" W.L.L  
Moore Qatar



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# TABLE OF CONTENT

- I. QATAR AT A GLANCE.....04
- II. DOING BUSINESS IN QATAR..... 05
- III. FINANCE AND INVESTMENT.....15
- IV. THE ACCOUNTING AND AUDIT ENVIRONMENT.....19
- V. TAXATION IN THE STATE OF QATAR.....20

# QATAR AT A GLANCE

## Geography, Population, Language Religion and Climate

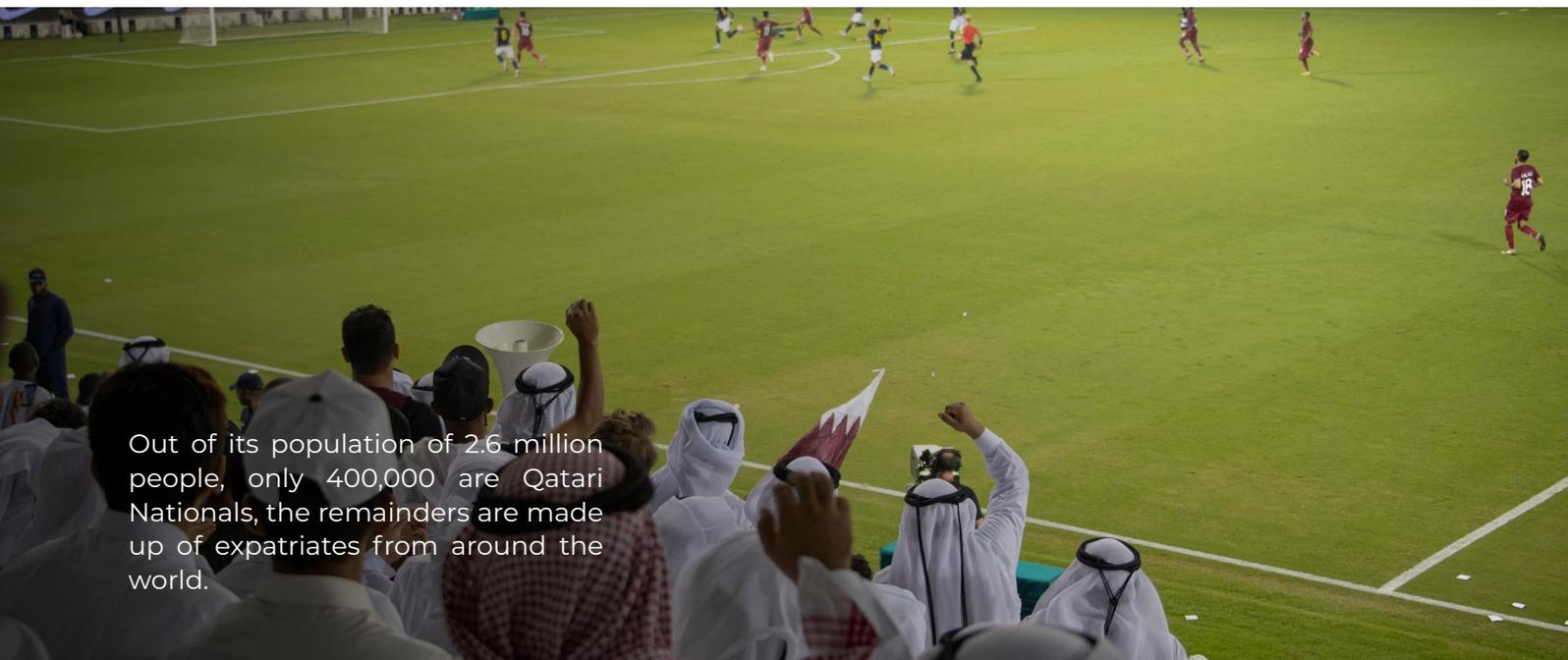
The State of Qatar is at the cross roads of contrasting economies, cultures and natural environments and it's strategic location on the Arabian Gulf has attracted visitors for thousands of years. Qatar's land area is 11,521 sq km and it enjoys 560 km of coastline that bounds the country to the west, north and east. Geographically it borders Saudi Arabia to the south and west, Bahrain off its northwest coastline, and the UAE to the southeast. Of its population of 2.6 million people, only 400,000 are Qatari Nationals, the remainders are made up of expatriates from around the world. The climate is generally characterized by a hot summer (37 to 45 degrees Celsius in May to October, with peak during July and August) and a mild winter (between 7 to 30 degrees Celsius in November to April) with very little rain throughout the year. The capital city is Doha, although most of the industrial activity is located in the coastal cities of Ras Laffan, Mesaieed and Dukhan. Islam is the official state religion and Arabic is the national language, with English very widely spoken.

## Politics and Government

The political system of Qatar is either an absolute monarchy or a constitutional monarchy, with the Emir of Qatar as Head of the State and Head of the Government. The Emir shall be inviolable and he must be respected by all. The Emir is the Commander-in-Chief of the Armed Forces. He shall supervise the same with the assistance of the Defense Council, which is set under his direct authority.

Sharia Law is the main source of Qatari Legislation according to Qatar's Constitution. Sharia Law is applied to laws pertaining to family law, inheritance, and several criminal acts (including adultery, robbery and murder). In some cases in Sharia-based family courts, a female's testimony is worth half a man's and in some cases a female witness is not accepted at all. Codified family law was introduced in 2006. In practice, Qatar's legal system is a mixture of Civil law and Islamic law.

The Qatar Financial Centre ("QFC") has its own Civil and Commercial Courts, as well as an Independent Regulatory Tribunal. The legal framework is modelled on English common law and existing major financial centers.



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## Currency, Time Zone, Weights and Measures

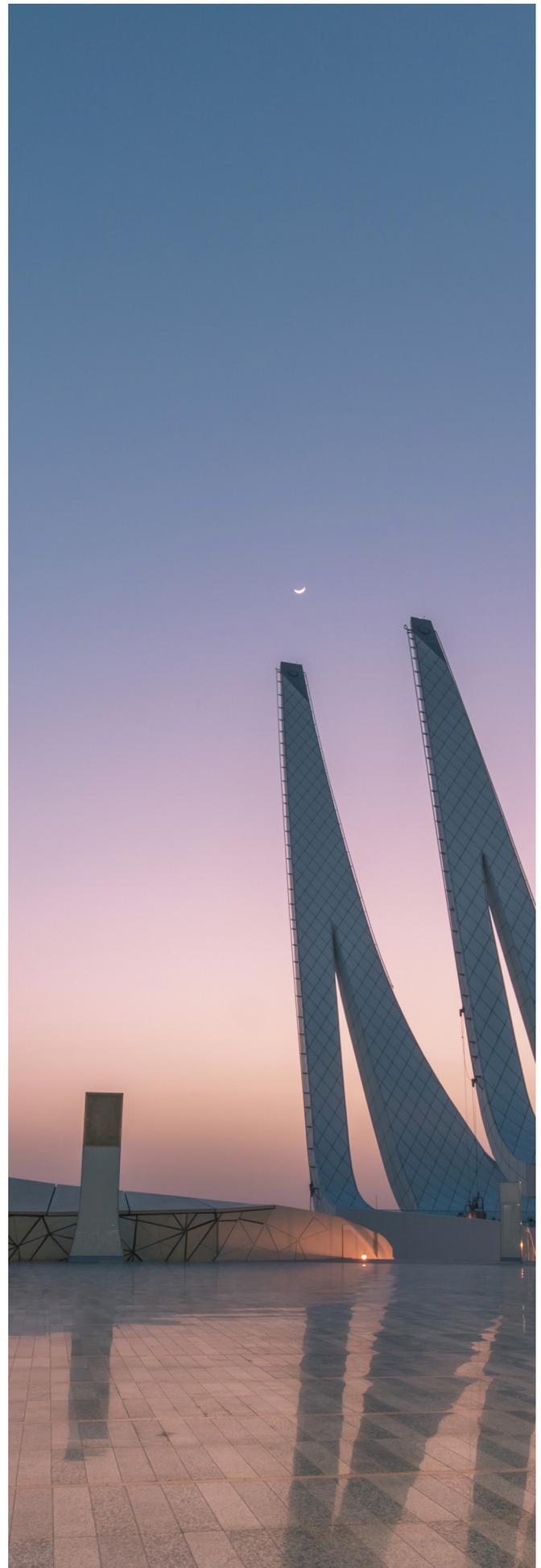
Qatar's currency is the Qatari riyal (QAR), which is fixed to the US dollar at QR 3.65/US\$1. It's time is 3 hours ahead of GMT.

## General Economic Outlook

Qatar's National Vision aims that by 2030, Qatar becomes an advanced society capable of sustaining its development and providing a high standard of living for its people. Qatar's National Vision defines the long-term goals for the Country and provides a framework in which national strategies and implementation plans can be developed.

Qatar is endowed with major hydrocarbon reserves, especially in relation to the size of its population. Nearly all of its gas reserves are contained in an offshore gas field called the North Field which is the largest, single natural gas deposit in the world. Combining Qatar's reserves of gas, crude oil and condensates equated to 172bn barrels of oil equivalent (boe) in 2017. This corresponds to 62.8k boe per capita: easily the highest in the world. In addition, Qatar has sizeable portion of the world's largest reserves of natural gas. It is the world's largest producer of LNG (liquefied natural gas) and will soon be the world's largest producer of petroleum products. Qatar is pioneering the development of GTL (gas-to-liquids) bio fuels with Royal Dutch Shell to help reduce the carbon footprint of the world's airlines and has introduced LPG (liquefied petroleum gas) to fuel taxis and buses.

According to the latest published data by the Qatar Central Bank, which indicates the current macroeconomic outlook of Qatar, the real GDP recorded in the third quarter of 2018 is QAR 180.9 billion. QNB has forecasted the Qatar's real GDP growth to exceed 2.8% in 2018. The recent rebound in the Country's hydrocarbon output and increasing oil prices will lead to higher income and larger investments in the non-hydrocarbon sector. The economic impact of the blockade has been less than expected. The infrastructure spending by the government will continue as the Country gear up for hosting 2022 World Cup. Referring to the latest economic indicators published by the Qatar Central Bank, the year on year inflation rate in Qatar decreased to 0.2% in the third quarter of 2018 from 0.7% in the first quarter of the same year.



# DOING BUSINESS IN QATAR

A summary of the key features of the nine types of entities are as follows:

## 1. General Partnership Company

A General Partnership Company is a company formed between two persons or more, in which the partners assume joint responsibility.

## 2. Simple Partnership Company

A Simple Partnership is a company that can comprise two categories of partners as follows:

- Jointly and severally liable partners: who run the company and are jointly and severally liable for the company's obligations.
- Sleeping or silent partners: who have invested capital in the company, but shall not be liable for the company's obligations beyond their capital.

## 3. Sole Proprietorship Company

A Sole proprietorship is an entity fully owned by one natural person or other corporate entity.

## 4. Shareholding Company

A shareholding company is a company whose capital is divided into shares that are equal in value. Shareholders shall not be liable for the company's debts and liabilities except to the extent of the value of their shares. Shares are Tradable.

## 5. Private Shareholding Company

A number of founding shareholders, not less than five persons, may establish a private shareholding company. The private shareholding company is not publicly listed. The shareholders shall subscribe to all the shares of this company, which shall not be less than Two million Qatari

Riyals in total. Except for provisions governing public subscription, listing and trading, private shareholding companies are governed by provisions applicable to shareholding companies.

## 6. Limited Liability Company

A Limited Liability Company is a company where the partners of which are not more than fifty (50) and not less than two. Partners are responsible only to the extent of their shareholding in the capital. Tradable shares certificates are not issued.

## 7. Holding Company

A Holding Company is a shareholding, limited liability or sole proprietorship company that financially and managerially controls another one or more companies. The controlled companies, when owned by at least (51%) in share or stakes by the Holding Company, shall become subsidiaries of the Holding Company.

## 8. Exempt Foreign Companies

Exempt foreign companies are those that:

- Are involved in contracts of the State and licensed by a ministerial order issued under Law No. (13) Regulating non-Qatari capital and under Law No. (13) of 2000 regulating economic activities.
- For which the non-Qatari stake exceeds 49% of the company capital.

## 9. Exempt Foreign Companies

Audit firms/bureaus that practice auditing and act as legal accountants governed by Law No. (30) of 2004 regulating accounts auditing profession.



## Additional Legal Considerations

**Corporate/Commercial:** The following comments are based on the recently introduced Qatar Commercial Companies Law (Law No. 11 of 2015). Some of the key provisions pursuant to the new Qatar Commercial Companies Law (Law No. 11 of 2015) have been summarized below:

**Number of shareholders:** An LLC can now be incorporated with a single shareholder (though special approval for a wholly foreign owned LLC must be obtained) and can have a maximum of fifty shareholders.

**Limitation of liability:** Shareholders in an LLC may only be held liable in respect of the operations of the LLC up to the amount of share capital contributed. The name of the company shall clearly establish that it has been incorporated with limited liability. If the managers of the company fail to do so, they may be held personally responsible for the liabilities of the company.

**Minimum capital requirements:** There is now no prescribed minimum share capital, and the partners have the discretion to determine the minimum share capital of the LLC.

**Share transfers:** Where a shareholder wishes to dispose of any of its shares in the LLC to a third party (i.e. to a party that is not a shareholder at the time of the transfer), he must inform the other shareholders in advance of the disposal. The other shareholders will have a first refusal right to purchase the shares.

**Legal reserve:** Under the CCL, there is a requirement to transfer 10% of the net profits of the company to a legal reserve until the amount of the legal reserve equals or exceeds half of the value of the capital of the company.

**Management:** The appointment of directors must be registered in the commercial registry. A decision to re-move a director or confine their powers is only enforceable against third parties when that decision is published in the commercial registry. LLC's directors are not required to be Qatari nationals or resident in Qatar. In most cases, provisions can be stipulated in the incorporation documents regarding the appointment of the general manager and voting majorities required for various appointments to achieve a desired level of operational control by the foreign shareholder. Directors are responsible for compensating the company, its shareholders and others for the damage resulted from deceit or improper use of authority or the violation of the provisions.

**Corporate governance:** General Meetings of Shareholders must be convened at least once a year, within four months from the end of the fiscal year (the Annual General Meeting, "AGM"). Annual accounts are approved and distributions of profits are decided in the course of the AGM. The quorum to take decisions in the AGM is the votes of shareholders representing at least half of the company's share capital, unless the Articles of Association stipulate otherwise. If that majority is not reached in the first meeting, a second meeting will be convened within 21 days and the quorum in that second meeting is a majority of the shareholders attending to that meeting unless the articles of association stipulate otherwise.

**Dissolution and liquidation:** Dissolution may arise for a number of statutory reasons, for instance expiry of the company's period specified in the Articles of Association, expiry of the object for which the company was established, or transfer of shares resulting in fewer shareholders than required as a minimum by the law. The CCL specifies that dissolution may also arise where the shareholders give their unanimous consent. However, the Articles of Association may provide for a different threshold. Liquidation proceedings involve the appointment by the managers or the AGM of a liquidator and, depending on circumstances, may take a significant amount of time.



## Immigration

The immigration procedures and processes in Qatar can often change with very little notice. Below is an overview of the key categories of visas which may be applicable to individuals entering the country for the purposes of undertaking commercial activities:

**Business Visa:** This is usually issued for business visitors to Qatar who intend to come into the country on a short term assignment. The visa can generally be sponsored by Qatar incorporated entities and is usually issued for business visitors to Qatar who intend to visit the country for short term assignments. Certain restrictions may exist in relation to this particular type of visa, and therefore initial consultation with the host sponsor is essential. Business visas are usually valid for 1 month and can be extended for another 2 months. The length of time to obtain a Business Visa can vary and can take up to a month.

**Work Permits:** Anyone intending to work in Qatar for the medium to long term must have a valid Work Permit/ Residence Permit. The sponsoring company is legally responsible for the actions of employees under their sponsorship. Work Visa and Residence Permit (RP) must be sponsored by Qatar incorporated entities that have the necessary labour quota approval for the specific nationalities and number of employees that they wish to employ.

**Labor Law:** It is mandatory to have a local employment contract in order to apply for a work/ residence permit in Qatar. It is also important

that companies are aware of and compliant with their duties as employers, as non-compliance may lead to serious consequences for both the employer and the employee.

At the bare minimum, the local employment contracts would generally be expected to include the name of the employer, registered place of employment, the name of the employee, nationality, wage/ salary, annual and other leave, type of work, end of service benefit, date of employment, and duration of the contract (if fixed).

Qatar's Law No. 21 of 2015 regulating the entry, exit and residency of expatriates is expected to come into force in December 2016, and is intended to introduce the following key changes to the existing employment framework in Qatar:

- Replacement of the Kafala (sponsorship) system with a contract-based system that will govern the employer- employee relationship;
- Removal of the two-year restriction period before an expatriate worker can return to Qatar to work for a different employer; and
- Exit permits from the employer/sponsor will no longer be required before an expatriate worker can legally exit the country, albeit approval from the Ministry of Interior and Employer will still be required.

**Wage Protection System:** Pursuant to the recently introduced Wage Protection System (WPS), it is now a requirement for employers to ensure that employees with a local employment contract or Residence Permit are paid in Qatari Riyals and into a bank account of the employee in Qatar.





**THE FOLLOWING TABLE  
SUMMARIZES THE REQUIRED  
PROCEDURE IN ESTABLISHING  
A COMPANY IN QATAR**

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>APPLIES TO WOMEN ONLY: Obtain husband's permission to leave the house to register a company</b></p> <p>According to the Family Law, No. 22 of 2006, Art. 69(2) and (5) married women shall be dis-entitled to marital support if she leaves the matrimonial home without the permission of the husband, or if she works outside the home without the permission of her husband.</p>	1 Day	No Charge
2	<p><b>Reserve a unique company name at the Ministry of Commerce and Industry</b></p> <p>Agency : Ministry of Commerce and Industry</p> <p>The applicant submits to the officer in charge at the Commercial Registry at the MEC the suggested name and activities of the company. In case the name is available at the Commercial Registry and at the Trademark Department, the name will be reserved in favor of the applicant and the officer in charge at the Commercial Registry at the MEC will provide the applicant with a certificate. This certificate will state that the name is reserved for the respective period and includes the activities that will be under taken by the company. In this respect, the applicant can pay an amount of QAR 1,000 to reserve the name for a period of six months.</p>	Less tahn one day (online process)	QAR 1,000
3	<p><b>Obtain the approval of the Commercial Companies Control Department on the articles of association</b></p> <p>Agency : Ministry of Commerce and Industry</p> <p>Once the name is approved, the Article of Association (AoA) should be printed out on the letterhead of the Authentication Department at the Ministry of Justice in Arabic or in Arabic and English languages. The unsigned AoA should be then submitted to the officer in charge at the Companies Department at the Ministry of Commerce and Industry who will provide his approval and stamp the AoA with the Companies Department stamp in the event he does not have any comment on the provisions of the AoA.</p>	1 Day	QAR 1,500
4	<p><b>Authenticate the Articles of Association at the Ministry of Justice (one stop- shop counter at the Ministry of Commerce and Industry)</b></p> <p>Agency : Authentication Department of the Ministry of Justice</p> <p>The company's articles of association must be prepared in Arabic in the standard format of the Ministry of Justice. The Commercial Companies Control Department stamps this official form before the parties can proceed to sign it at the Authentication Department. All authorized signatories must be present before the notary of the Ministry of Justice at the designated one-stop-shop counter for the authentication process. The articles of association must include the following information:</p> <ul style="list-style-type: none"> <li>• Company name, annexed with "with limited liability"</li> <li>• Company location/head office address</li> <li>• Objectives of the company</li> <li>• The fixed term of duration</li> <li>• The startup capital and the manner in which it has been subscribed</li> <li>• The restrictions on the transfer of shares</li> </ul>	1 Day	QAR 10 for the document and QAR 9 for each additional shareholder

No.	Procedures	Time to Complete	Associated Costs
	<ul style="list-style-type: none"> <li>• Names of all shareholders</li> <li>• The manner in which profits or losses will be distributed between the shareholders</li> <li>• Names of persons entrusted with the company's management</li> <li>• The capital structure</li> </ul> <p>If any shareholder is an entity rather than a natural person, the entity will need to provide the following documents to the Ministry of Justice before signing the Articles of Association:</p> <ul style="list-style-type: none"> <li>• Duly legalized and authenticated Board/Shareholders Resolution approving the incorporation of the company and appointing a representative to sign the Articles of Association</li> <li>• Duly legalized and authenticated Certificate of Incorporation or equivalent document</li> <li>• Duly legalized and authenticated Articles of Association of the entity</li> <li>• A passport copy of the representative authorized to sign the Articles of Association on behalf of the company</li> </ul>		
5	<p><b>Register with the Commercial Registry and the Chamber of Commerce and Industry at the one-stop-shop of the Ministry of Commerce and Industry</b></p> <p>Agency : Ministry of Commerce and Industry</p> <p>The entrepreneur proceeds to a now single counter at the one-stop-shop of the Ministry of Commerce and Industry in order to register with the Commercial Registry and the Chamber of Commerce and Industry. Prior to May 2011, the entrepreneur had to go to 2 different counters to register with each of the Commercial Registry and the Chamber of Commerce. The following documents must be submitted for registration with the Chamber of Commerce &amp; Industry:</p> <ul style="list-style-type: none"> <li>• Duly completed application form signed by the appointed managers and company representatives</li> <li>• The Chamber of Commerce authorized signatories form</li> <li>• The original authenticated articles of association, along with the approved draft</li> </ul> <p>• Copies of authorized signatories' ID cards</p> <p>• The following documents must be submitted for registration with the Commercial Registry:</p> <ul style="list-style-type: none"> <li>• Duly completed application form</li> <li>• Copy of the memorandum and articles of association</li> <li>• Copy of the receipt confirming the payment of the administrative fees due for the review of the memorandum and articles of association</li> <li>• Copy of the certificate of deposit of the startup capital at an approved bank in Qatar</li> <li>• Copies of the partners' ID cards</li> </ul> <p>The fee for registering the company at the Commercial Registry depends on the company's scope of activity. The fee to register with the Chamber of Commerce &amp; Industry depends on the capital of the company.</p> <p>It is to be noted that there are no certificates to be issued from the Chamber of Commerce and Industry, however it will be mentioned on the Commercial Registry certificate itself of the company that the latter was also registered at the Chamber of Commerce and Industry.</p>	1 Day (Simultaneous with previous procedure)	QAR 2,200 (Chamber of commerce) + QAR 500-5,000 (Commercial Registration)

No.	Procedures	Time to Complete	Associated Costs
6	<p><b>Obtain the trade and signage licenses from the Municipality of Doha (one stop- shop counter at the Ministry of Commerce and Industry)</b>  Agency : Ministry of Commerce and Industry  The following documents should be submitted to Department of Registration and Commercial Licenses at the Ministry of Commerce and Industry:</p> <ul style="list-style-type: none"> <li>• The original signed lease agreement of the offices where the company's head office will be located. The said agreement should be in Arabic or dual language English/Arabic.</li> <li>• An indoor and outdoor photo of the building where the offices will be located.</li> <li>• A copy of the certificate of ownership of the leased property.</li> <li>• A copy of the certificate of building completion.</li> <li>• A copy of the Commercial Registry of the company.</li> <li>• The ID copy of the person who will sign the application forms.</li> <li>• A copy of the civil defense certificate: there should be one certificate for the property and another one for the leased office.</li> <li>• In case the owner of the leased offices is a company, the following documents are required: <ul style="list-style-type: none"> <li>- A copy of the Commercial Registry certificate of the owner of the leased offices; and</li> <li>- ID copy of the authorized signatory on behalf of the owner of the leased offices.</li> </ul> </li> <li>• The Trade License application forms</li> <li>• The following documents should be submitted to issue the signage license: <ul style="list-style-type: none"> <li>• The sketch for the signboard where the name of the company should be written in Arabic and English; and</li> <li>• The signage application form</li> </ul> </li> </ul> <p>The fee for obtaining a new trade license is QAR 10,020. The municipality usually sends inspectors to the contemplated premises of the company prior to granting the Trade License.</p>	1 Day (Simultaneous with previous procedure)	QAR 10,020
7	<p><b>Register for taxes and obtain a Tax Identification Number (TIN)</b>  Agency: Public Revenues and Tax department at the Ministry of Finance  To register for taxes at the Tax Department of the Ministry of Finance, the following documents must be submitted:</p> <ol style="list-style-type: none"> <li>1. Articles of Association</li> <li>2. Copies of the ID cards of the company founders and partners</li> <li>3. The Commercial Registration of the company (CR)</li> <li>4. Trade</li> <li>5. Certificate of company premises' registration (and registration number) at the Water and Electricity Authority (Kahramaa)</li> <li>6. Certificate of appointment of the company auditors</li> </ol> <p>According to the tax law, every company must register for taxes at the Tax Department; otherwise, it will be subject to a fine. This step must be completed within a month of incorporation; the company can start business operations upon obtaining the trade license.</p>	1 Day	No Charge
8	<p><b>Make a company seal</b>  Agency : Seal maker  In practice, every company makes a company seal. This is mainly because certain documents must be stamped by the company seal before submission to governmental agencies.  The stamp will be needed mainly to stamp the documents that must be stamped by the company seal before submission to the competent authorities. In order to make a stamp, the following documents will be in principle submitted to the respective shop:v</p> <ol style="list-style-type: none"> <li>1. A letter signed by any authorized signatory on behalf of the company requesting from the shop to make a stamp for the company;</li> <li>2. The ID/passport copy of the authorized signatory who signed the letter mentioned under item 1 above; and</li> <li>3. A copy of the Commercial Registry of the company.</li> </ol>	2 Days	QAR 150

# FINANCE AND INVESTMENT

Qatar has attractive foreign investment incentives. Generally the country is politically stable and specifically there are benefits from those producers that require significant power supplies, since the country has the largest single concentration of non-associated gas in the world. Further the Qatari economy is market oriented; and the State prioritizes infrastructure including roads, utilities, ports and communications to bring about economic diversification, attract foreign investments and help increase the sources of national income and legal framework is conducive.

## Business Regulation

### Overview

The investment of foreigner in Qatar is governed by Article 2 of the Law no. 13 of 2000 and its amendments. Key provision of the said law includes:

- Subject to exemption granted Ministry of Commerce and Industry or equivalent competent agency, foreign investors can own up to 49% of the share capital, while the other 51% must be held by one or more Qatari partners.
- Minister of Economy and Commerce may grant permission for foreign investors' shareholding to exceed 49% up to 100% within certain sectors and provided the business (or project) is compatible with Qatar's Development Plans. Other factors taken into consideration are whether the company (or project) adequately exploits available domestic raw materials, provides new products or establishes new technologies, and has the interests of national cadres at heart.
- Support activities that are allowed to be fully owned by a foreign investors include Agriculture, Industry, Health, Education, Tourism, Developing and exploitation of natural resources, energy and mining, Consulting services, Technical services and IT services.

### Free Zone in Qatar

The core advantage of establishing a free zone is 100% foreign ownership. Whilst this is key, there are limitations in accessing the free zones in Qatar and the success of your application will depend on your business activities.

#### Qatar Free Zone includes:

- Qatar Science and Technology Park (QSTP) - QSTP is a high-tech business park that offers state-of-the-art offices and facilities specifically designed for technology-based companies. QSTP is a part of Qatar Foundation and aims to be the international hub for scientific and technology innovation, tech-based entrepreneurship and high-tech businesses. QSTP portfolio includes the Innovation Centre, Tech Buildings and Single User Buildings. The type of companies that QSTP offer tenancy to include new start-ups, existing SMEs, local and multinational corporations, research institutes, public sector agencies and professional service firms that serve QSTP and its residents companies. ([www.qstp.org.qa](http://www.qstp.org.qa))
- Qatar Financial Centre (QFC) - The Qatar Financial Centre is a global business and financial centre. The QFC also plays a key role in attracting foreign investment by providing a first-class legal system based on English common law, and a competitive location to grow revenue with one of the most compelling tax environments in the world. Available opportunities include Regulated: Banking, finance, insurance; Non-regulated: Permitted non-regulated activities were originally limited to professional services in support of financial firms (e.g. services generally provided by accounting, audit and legal firms). The QFC subsequently expanded the scope of permitted non-regulated activities to include services such as IP management and treasury for all sectors, and consultancy services in relation to Information Technology, real estate, recruitment and sports and event management (<http://www.qfc.qa/>)

- Ras Bufontas - There are specific sections of the zone dedicated to particular industries, allowing for optimal cluster growth and perfectly tailored infrastructure and facilities. Fully serviced plots come in different sizes to suit specific industry needs, and facilities are flexible, meaning that companies can either choose to build their own, can hire QFZA to build it for them to exact specifications, or can elect to use pre-built facilities. Suitable industries include Logistics, Consumer Products, Light Manufacturing, Technology & Applications, Services and Pharmaceuticals. (<https://fza.gov.qa/ras-bufontas>)
- Umm Alhoul - Marsa (Arabic for “anchor”) is a new marine cluster located within Umm Alhoul. Consisting of a marina with a draught of 7.5 meters and 3 kilometers of quay wall, Marsa is designed to be a fully integrated maritime industry and leisure ecosystem. It serves as a base for companies from around the world to conduct activities as diverse as ocean vessel building and repair, internal design and fit-out, ship provisions supply, safety training, boat brokerage and maritime research. Suitable industries include Maritime Industries, Heavy Manufacturing, Industrial Sectors, Emerging Technologies and Logistics Hub (<https://fza.gov.qa/um-alhoul>)

## Banking and Local Finance

The Qatar Central Bank (QCB) is the banking regulatory authority and managing the monetary policy of the State. Furthermore, it is authorized by the law to issue the national currency and act as the bank of the government and the bank of banks.

Qatar currently has 20 commercial banks operating in the Qatar. Among them, there are 12 national banks, 4 of which are Islamic banks; and they all operate through 223 local branches.

## Commercial Banks in Qatar

Qatar's banks provide a comprehensive range of services that include current and savings accounts, loans, credit cards, overdrafts, payment processing, bank drafts and checking and safety deposit boxes, insurance contracts, investment advice and so on. In addition to these traditional functions, Qatar's banks offer innovative electronic banking services that are among the most advanced in the world, including an extensive ATM network that facilitates utility bill payments, full service internet and mobile banking, contactless payment by mobile and numerous merchant electronic payment technologies, to name but a few. (<http://www.hukoomi.qa>)

Bank	Contact
Ahli Bank QSC	8002222 +974 44232222
Arab Bank	+974 44387878
Bank Saderat Iran	+974 44414646 +974 44430345
BNP Paribas	+974 44537537
Commercial Bank	+974 44490000
Doha Bank	+ 974 44456000
HSBC	+974 44424722
IBQ (to be merged with Barwa Bank)	+974 44478000
Al Khaliji Bank	+974 44940000
Mashreq Bank	+974 44083333
Qatar Development Bank	+974 44300000
QNB	+974 44407777
Standard Chartered Bank	+974 44248 601
United Bank Limited	+974 44254444

## Islamic Banks in Qatar

Islamic banking is based on the principles of the Shari'ah (Islamic rulings) and its practical application through the development of Islamic economics. The principles, which emphasize moral and ethical values in all dealings, have wide universal appeal. <http://www.hukoomi.qa>

Bank	Contact
Barwa Bank	+974 44488888
Masraf Al Rayan	+974 44253333
QIB	+974 44448444
QIIB	+974 44625666

## Investment Incentives

### Privileges for Foreign Investors:

- Freedom to import and repatriate funds.
- Freedom to transfer profits and assets.
- Freedom to exchange money at stable rates.
- The benefits of a free market economy.

### Investment Projects:

- The right to import the materials and equipment required for the project.
- 10-year exemption from income tax effective from the date of commercial commissioning of projects.
- Duty-free imports of project equipment and machinery.
- Duty-free imports of raw and half manufactured materials needed that are not available locally.

### Other Incentives:

- Funding of the preparation of investment profiles and initial studies for industrial projects.
- Funding of feasibility studies on the technical and economic aspects for projects and providing technical advice.

- Providing suitable land sites in industrial estates for industrial projects at reasonable long term lease rates.
- Provision of power, fuel, water and natural gas at competitive prices (at a subsidized price).
- 5-year renewable tax holidays (subject to Government approval)
- No income tax on salaries of expatriates
- Excellent medical and educational facilities
- Excellent telecommunications facilities

Above list is subject to the regulators of the business (MOCI, QSTP, QFC) and industry & finished product/ services involved.

In addition to the above list, Qatar is stepping forward in terms of attracting foreign investment.

- The State of Qatar is seeking to ratify laws that allow foreign investors to implement fully-owned investment projects in various sectors and is introducing amendments to its Free Zones Law.
- The government has also approved a draft law submitted by the Ministry of Commerce and Industry on regulating the investment of non-Qatari capital in economic activity and has issued several laws aimed at stimulating and attracting domestic and foreign investments.
- The State has also developed an investor-friendly business environment, through the launch of several initiatives, including the creation of a single window for investor services, providing advanced electronic services for business incorporation, identifying and streamlining procedures for licensing the construction of business centers, issuing business licenses and offering incentives to foreign investors.
- Qatar's adoption of an open and diversified economy has contributed to bolstering its investment environment through the launch of major projects that reflect the success of public-private partnerships and provide promising investment opportunities in the logistics, food security, education, health, tourism and sports sectors.



## THE ACCOUNTING AND AUDIT ENVIRONMENT

Tax Year	<p>The tax year is generally the same as the calendar year, and a taxpayer must use this accounting period unless approval is obtained for a different year-end (in exceptional cases only).</p> <p>The first accounting period may be more or less than 12 months, but it should not be less than six months or more than 18 months.</p>
Audit Standard	<p>The Auditor in Qatar conduct the audit in accordance with International Standards on Auditing (ISAs). The Auditor should be independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements in the State of Qatar.</p>
Accounting Standard	<p>The Commercial Law No. 11 of 2015 requires all listed companies to prepare consolidated and separate company financial statements "in accordance with the accounting principles approved internationally". Regulations of the Qatar Financial Markets Authority have defined this to mean International Financial Reporting Standards "IFRS"</p>
Accounting Regulation Bodies	<p>Qatar Financial Markets Authority (QFMA) Ministry of Commerce and Industry Qatar Exchange</p>
Accounting Reports	<p>The annual report has to include statement of financial position, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.</p>
Publication Requirements	<p>In general, all companies must file tax declarations within four months after the end of the accounting period. The due date may be extended at the discretion of General Tax Authority (GTA), but the length of the extension may not exceed four months. The request for extension should be before 30 days of the original deadline</p> <p>All accounting books, registers, and documents relating to activity in Qatar are required to be retained in Qatar for a ten-year period.</p> <p>The Commercial Companies' Law 11/2015 requires public shareholding companies to submit financial statements, in compliance with IFRS and IAS, to the Ministry of Commerce and Industry. Publicly listed companies should also publish financial statements 15 days before their annual general meeting, in two local newspapers (in Arabic and English) and on the company's website.</p> <p>All companies are required to keep accounting records (including PSC, LLC and LPC), prepared according to standards promulgated by the International Accounting Standards Board (IASB).</p>
Professional Accountancy Bodies	<p>Qatar Institute of Certified Public Accountants Gulf Cooperation Council Accounting and Auditing Organization (GCCAAO)</p>
Certification and Audit of Tax Declaration	<p>A company's Corporate Income Tax (CIT) return is required to be accompanied by audited financial statements if the company's capital or profit exceeds QAR 100,000 or the head office is situated outside Qatar. The tax declaration must be certified by an accountant in practice in Qatar who is registered with the Ministry of Finance. If this requirement is not satisfied, the GTA rejects the tax declaration. The tax declaration and supporting audited financial statements must be denominated in QAR.</p>

## TAXATION IN THE STATE OF QATAR

Qatar operates a territorial taxation system. Unless specifically exempt from tax, an entity is taxable in Qatar if it has generated Qatar-sourced income, regardless of the place of its incorporation.

**Tax Regimes:** There are two tax regimes in Qatar, the “State regime”, which applies to the majority of business- es operating in Qatar, and the Qatar Financial Center (QFC) regime.

**Tax Rate:** The tax rate shall be ten percent (10%) of the taxable income of the taxpayer during the taxable year, with 35% rate applying on oil and gas operations. Under the QFC tax regime, income is taxed at a flat rate of 10%.

**Residence:** A body corporate is resident in Qatar if it is incorporated under Qatari law or if its head office or place of effective management is in Qatar. All taxpayers carrying out activities in Qatar must submit an appli- cation for a tax card to the General Tax Authority within 30 days from the commencement of activities.

**Filing requirements:** Under the state regime, taxpayers are required to submit an annual income tax return and pay the tax due by the end of the fourth month after the company's financial year-end. Entities wholly owned by Qataris and other GCC nationals are exempt from corporate income tax, but are required to file tax returns and audited financial statements with the tax authorities if their capital is QAR 2 million or more or if their annual revenue is QAR 10 million or more. An online “tax administration system” (TAS) has been intro- duced with the aim of achieving complete automation of the tax payment and management process..

Under the QFC regime, the deadline to submit the annual income tax return and pay the tax due is the end of the sixth month after the company's financial year-end. There is an online system for tax filing exclusively for QFC entities.

**Penalties:** Under the state regime, failure to file a tax return by the deadline will result in a penalty of QAR 500 per day, up to a maximum of QAR 180,000. Failure to pay tax due by the deadline will result in a penalty of 2% of the amount of tax due per month of delay or part thereof, up to the amount of tax due. Under the QFC tax regime, financial sanctions vary depending on the circumstances.

**Withholding Tax:** Effective date of withholding tax: Applicable on all services rendered on or after January 1, 2010. Payments made after January 1, 2010 for services rendered before that date are not subject to withholding tax

**Withholding tax rate:** A 5% withholding tax applies to all payments to nonresidents in respect of services performed in whole or in part in Qatar. The payer of the invoice should deduct the withholding tax rate from the payment made and submit it to the GTA before the 16th day of the month following the calendar month of payment

**Withholding tax examples:** Royalties, technical fees, commissions, brokerage fees, director's fees and attendance fees etc....

**Tax treaties:** Qatar has concluded 69 tax treaties and signed double tax treaties with certain countries such as (France, India, Pakistan, Russia, Senegal and Tunisia).

**Excise tax:** Excise tax was implemented in Qatar from 1 January 2019 and is imposed both on imports and locally produced goods. Excise tax applies at 100% on tobacco and its derivatives, energy drinks and “special purpose” goods (including alcohol) and at 50% on carbonated drinks.

**Country-by-country reporting (CbCR):** Country-by-country reporting obligations apply under both regimes, requiring multinational enterprises with consolidated revenue of more than QAR 3 billion to prepare and sub- mit a CbC report to the Qatari competent authority annually.



## CONTACT US

Sharq Plaza, D-Ring Road, Zone 44, Street 250,  
Bldg 189, 2nd Floor - P.O Box: 17085

Office: +974 444 36156 | +974 444 36105  
Fax: +974 442 79617

[info@moore-qatar.com](mailto:info@moore-qatar.com)  
[www.moore-qatar.com](http://www.moore-qatar.com)