Qatar business 101
The ultimate tax guide for foreign investors

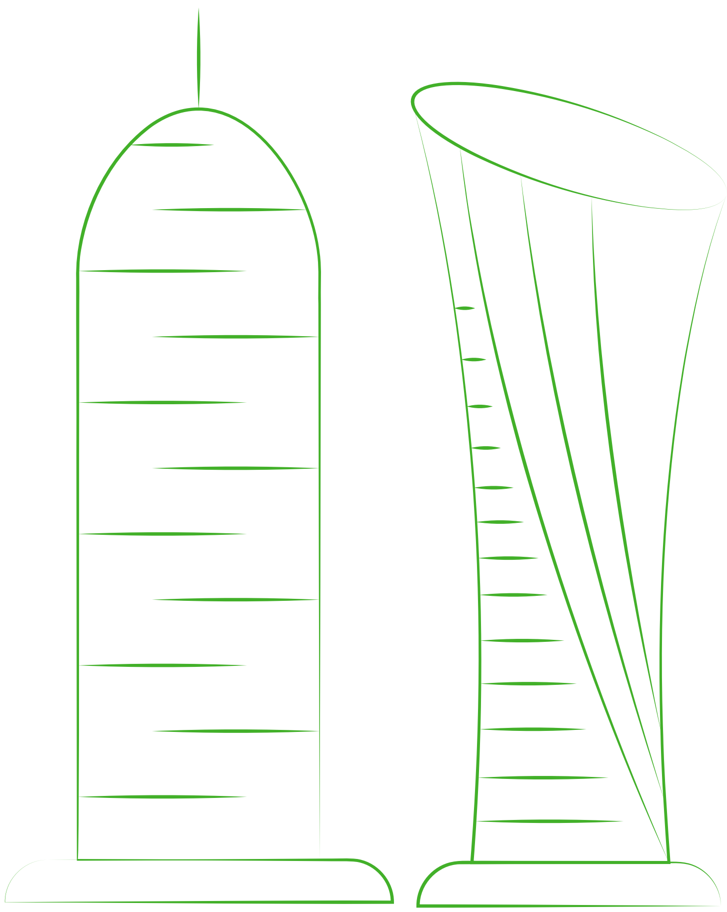
Contents

Introduction

From establishing itself as one of the world's leading producers and exporters of liquified natural gas to hosting the FIFA World Cup 2022, Qatar continues to strengthen its position as an attractive destination for foreign investments and an emerging gateway for international companies for the following reasons:

- **Strategic location:** Located at the crossroads of Europe, Asia, and Africa, Qatar offers businesses significant advantages to access and expand into major markets.
- **Economic growth:** Going into 2023 with a positive economic outlook, Qatar's Gross domestic product (GDP) grew by 8% in the fourth quarter of 2022, according to the Planning and Statistics Authority (PSA). This was due to the impact of the FIFA World Cup 2022 and the robust growth in the energy sector. Furthermore, International Monetary Fund (IMF) projects that Qatar's economy will grow by 2.4% in 2023.
- **Open and diversified economy:** The government is highly investing in major projects to develop economic diversification across all sectors, including logistics, food security, education, health, tourism, and sports, in addition to a commitment to nurturing public-private partnerships.
- **Strong governance framework:** The government is ratifying laws to allow foreign investors to implement fully-owned investment projects and introducing amendments to its Free Zones Law aiming to liberalize the investment climate in Qatar.
- **High-quality infrastructure:** Qatar has a well-developed infrastructure, including roads, railways, airports, and ports. This makes it easy for businesses to import and export goods and services.
- **Sustainable development:** The government has been investing heavily across various sectors to reduce carbon emissions, water consumption and waste production, and improving energy efficiency.

In line with Qatar's efforts to transform the national economy from an oil-dependent into a diversified, knowledge-based economy, hosting the FIFA World Cup 2022 has had a significant impact on raising the country's profile globally, accelerating the overall economic growth. The mega event has driven remarkable growth across various sectors such as tourism, hospitality, transportation, and others.
This guide provides foreign investors seeking to invest or expand their businesses in Qatar with a comprehensive overview of the investment climate and business opportunities in Qatar from legal, regulatory, tax, and labor and immigration perspectives.



About Qatar

> Qatar has established itself as one of the world's leading producers and exporters of liquified natural gas

Occupying 11,571 km2 around the western coast of the Arabian Gulf, the State of Qatar, a peninsula, is a sovereign state in the Middle East that stresses on the importance of national economic development through diversifying sources of income and attracting foreign direct investment in various business sectors.

Based on the most recent population index published by the Qatar Statistics Authority, the current population of Qatar stands at 2.77 million, comprising of 313,000 Qataris and 2.4 million expatriates. Qatari laws and customs follow the Islamic traditions (Sharia) and the State operates under a civil legal system. The capital city is Doha and Arabic is the official language, although English is widely spoken and commonly used in business transactions.

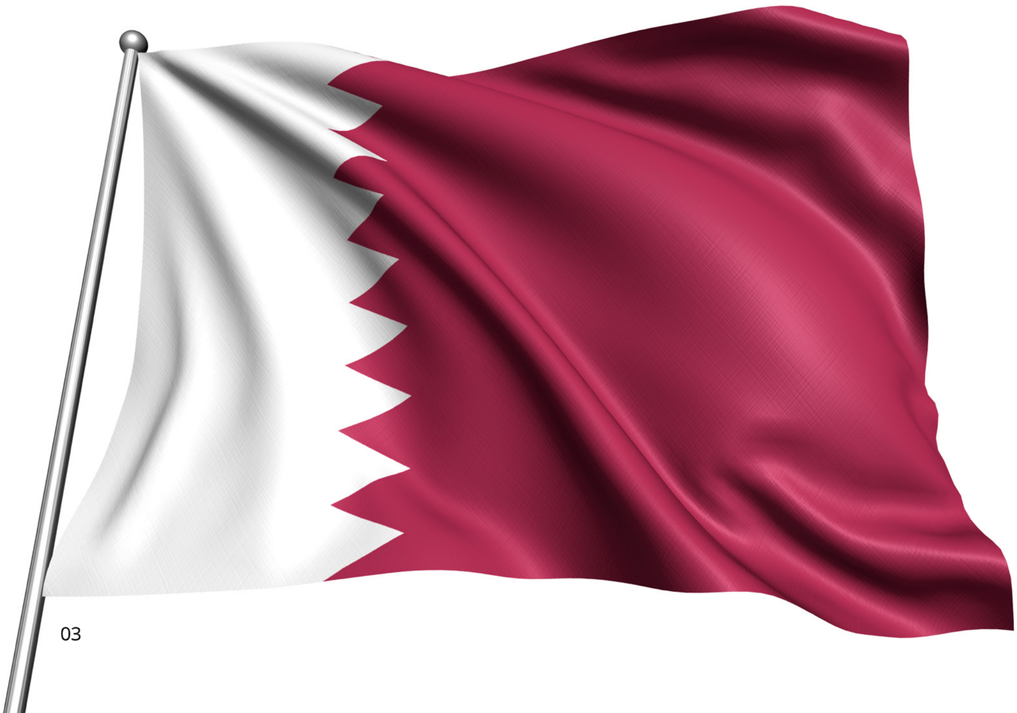
Since 2013, the country has been governed by His Highness Sheikh Tamim bin Hamad bin Khalifa Al-Thani, the Emir of the State of Qatar. The monetary unit is the Qatari Riyal, which is divided into 100 sub-units called Dirhams. The Qatari Riyal is pegged to the US dollar for QAR 3.65 for 1 USD.

Qatar has established itself as one of the world's leading producers and exporters of liquified natural gas. Qatar's petroleum and petrochemical sector is the major contributor to the State's revenue, driving the economic growth and high per capita income levels. From 2022 onwards, Qatar plans to spend approximately US$50 billion on the North Field Expansion to retain its status as a global leader in the liquified natural gas.

Qatar's National Vision 2030

Qatar National Vision 2030 (QNV 2030) is a comprehensive vision that aims at transforming Qatar into an advanced country by 2030, capable of sustaining its own development and providing a high standard of living for all its people and the future generations to come. Launched in 2008 by the Emir of Qatar, Sheikh Hamad bin Khalifa Al Thani, QNV 2030 was followed by the National Development Strategy as an outlined roadmap for the government to achieve the vision's goals in an efficient manner. The QNV 2030 has four pillars as per the following:

1- Economic development: The QNV 2030 aims to diversify the economy, including investing in non-oil and gas sectors to create a knowledge-based economy.
2- Social development: The QNV 2030 aims to develop a caring society with high moral standards that has an active role in global development.
3- Human development: The QNV 2030 aims to develop the skills and knowledge of Qataris so that they can contribute to the country's development.
4- Environmental sustainability: The QNV 2030 aims to protect Qatar's environment and to develop sustainable practices through balancing the harmony among economic growth, social development, and environmental protection.



Legal and regulatory framework

Recent amendments

The legal framework for foreign investors in Qatar was reformed after hosting the 2022 FIFA World Cup. These reforms made it easier for foreign investors to do business in the country. These reforms include amendments to the following laws:

- The Commercial Companies Law was amended to allow 100% foreign ownership of businesses in most sectors.
- The Foreign Investment Law was amended to allow foreign investors to own real estate in newly designated areas.
- The Investment Promotion Law was amended to simplify the investment approval process and provide more protection for foreign investors.

Entering the market

The State of Qatar provides business entrepreneurs and companies opportunities to work in a dynamic business environment and a promising market. Qatar continues to implement new legislation aimed at liberalizing the business environment for foreign investors and to introduce incentives and innovative solutions for ease of doing business.

There are currently three business regimes available in Qatar:

1. The mainland regime regulated by the Ministry of Commerce and Industry;
2. The Qatar Financial Centre regime regulated by the Qatar Financial Centre Regulatory Authority; and
3. The Qatar Free Zone regulated by the Qatar Free Zones Authorities.

Mainland establishments

The Ministry of Commerce and Industry (MOCI) facilitates businesses fast-tracking their reach to domestic and foreign markets by providing ease of doing business and support with efficient legal entity set-ups in the State of Qatar. The Qatar Science and Technology Park (QSTP), which is part of the mainland regime, provides a suitable setting for companies and business owners to develop the latest technology, as well as dedicate an office space and an incubation center that aims to accelerate the establishment of tech companies.
All businesses operating in the mainland must obtain a commercial registration from the Ministry of Commerce and Industry as well as a trade license from the Ministry of Municipality affairs. A computer card is also required from the Ministry of Interior to carry out the immigration function in the mainland.

Qatar Financial Centre

The Qatar Financial Centre (QFC), a business and financial center located in Doha City, was created by QFC Law No. 7 of Qatar and has been open for business since 2005. The QFC works with businesses primarily in the sectors of banking, insurance and reinsurance, asset management, representative offices, and other sectors supporting financial firms (e.g., accounting, audit, consulting, law firms, and others) and operates a separate tax system to that of the State of Qatar. If a business operates within the QFC, it will be subject to QFC tax rules and will not be subject to State of Qatar tax rules.

Domestic and foreign businesses can benefit from QFC's extensive range of legal and regulatory services, both regulated and non-regulated, that are aligned with international best practice:

- **Regulated activities (financial services):** banking, asset management, insurance/ reinsurance, Islamic finance, alternative finance, fund administration, fund advisory, and fiduciary businesses; and.
- **Non-regulated activities:** professional and business services, family offices, corporate solutions, and not-for-profit organizations.

Salient features of the QFC regime

- QFC allows full foreign ownership, 100% profit repatriation, and an attractive income tax rate of 10% on domestically sourced profits. Additionally, QFC's legal system operates in line with the English Common Law, making the regime attractive to foreign investors.
- Full repatriation of profits and capital (through dividends).
- No withholding tax in the QFC.
- An election for special exempt status is available for certain vehicles including registered funds and charities.
- Provisions are in place for QFC entities providing Islamic financial services or entering into Islamic finance transactions to ensure that the tax treatment is comparable to that available to non Shar'iah compliant institutions and conventional transactions.
- QFC has an advance tax ruling procedure in place.
- Furthermore, there are no restrictions on visas and employment, and QFC provides support with respect to dealings with the immigration department in order to obtain work visa requirements. QFC has an independent regulatory tribunal and court, and the legal system followed in the QFC is based on the English Common Law.

Free Zone establishments

The Qatar Free Zone Authority (QFZA), established in 2018, is an independent authority which oversees and regulates Free Zones in Qatar. The Authority was established by Law No. 34 of 2005, as amended by Legislative Decree No. 21 of 2017. The QFZA has been established with the aim to build world-class Free Zones in Qatar attracting top international companies, which would contribute to the uphill economic growth of the State of Qatar. The QFZA focuses on logistics, chemicals, maritime industries, heavy manufacturing, emerging technologies, and industrial sectors.

As of now, the available Free Zones under QFZA are:

1. Ras Bufontas - the airport free zone; and
2. Umm Al Houl - the seaport free zone.

The QFZA has an independent regulatory team which develops tailored regulations for foreign investors as they deem fit with their operations. Foreign investors have the option to establish limited liability companies or branch entities depending on the requirement of the company.

Most common forms of business entities available in the mainland regime

Type of business entity	Description and key consideration
Limited liability company (LLC)	• At least 1 shareholder and a maximum of 50 • No minimum capital requirement according to the current commercial law • Unless a special ministerial approval is obtained for 100% foreign ownership under the Foreign Investment Law, foreign investors can generally own up to a maximum of 49% of the share capital • Dividend rights can be higher than 49%
Branch of a foreign parent	There are two types of branches: 1. Temporary branch - Registered to execute a contract with a Qatari government or quasi-government entity. It Is temporary and limited to the life of the project(s). Can execute more than one government/quasi-government project, but must be registered in the commercial registry of the branch maintained by the MOCI 2. Permanent branch - Generally set up for professional services businesses such as lawyers, consulting engineers, public accountants, and medical doctors. These professionals practicing in Qatar must obtain a license from their respective regulators, e.g.: • Lawyers – by the Ministry of Justice • Consulting engineers – by the Ministry of Municipal Affairs and Agriculture • Medical doctors – by the Ministry of Public Health • Public accountants – by the Department of Commerce at the Ministry of Finance, Economy and Commerce
General partnership company	Formed between 2 persons or more and partners assume joint responsibility to the extent of all their funds for the partnership's obligations
Simple partnership company	Consists of two categories of partners: • Jointly and severally liable: those who run the company and are jointly and severally liable for the company's obligations in all their fortune. • Sleeping or silent: those who have invested capital in the company but shall not be liable for the company's obligations only to the extent of their shares in the capital
Sole proprietorship company	In the course of applying the provisions of this Law, every economic activity, the capital of which is fully owned by one natural person or corporate entity
Shareholding company	Capital is divided into tradable shares that are equal in value. These shares are traded on Qatar Exchange. Shareholders shall not be liable for the company's debts and liabilities except to the extent of the value of their shares
Private shareholding company	Several founding shareholders, not less than 5 persons. may establish a private shareholding company. Shareholders shall subscribe to all the shares of the company. Capital shall not be less than two million Qatari Riyals. Expect for provisions governing public subscription, listing, and trading. Governed by provisions applicable to shareholding companies
Holding company	A shareholding, limited liability or sole proprietorship company that financially and managerially controls another one or more companies
Representative office	Usually registered by non-Qatari companies for the primary purpose of marketing and sales. It is generally a cost center and does not generate any revenue or carry out the trading or any other business activity of the main entity

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Taxation in Qatar

Recent amendments

Qatar has announced a major tax reform to maintain the global tax of 15% on February 2, 2023. The amendment was made through Law No. 11 of 2022, which was published in Qatar's official Gazette on the same day. The amendment includes the adoption of the minimum global tax rate and the extension of the scope of corporate income tax to include income derived from sources outside Qatar.
The global minimum tax is part of the Organization for Economic Cooperation and Development (OECD) / Group of 20 (G20) Inclusive Framework's two-pillar solution to address the tax challenges arising from the digitalization of the economy. The goal of the global minimum tax is to ensure that multinational enterprises pay a minimum level of tax wherever they operate. The amendment to Qatar's tax system is expected to come into effect on January 1, 2024.

Overview

The State of Qatar imposes annual tax on the taxpayer's taxable income. As per the recent amendments to the Income Tax Law, the sources of taxable income now includes income generated from sources outside Qatar, with exception to income related to a permanent establishment of a Qatari project situated outside Qatar.

In Qatar, the General Tax Authority (GTA) is the competent body responsible for administration of all tax laws including the Income Tax Law No. 24 of 2018 and Law No. 25 of 2018, referred to as the Excise Tax Law which regulates the application of Excise Tax on selective consumables such as tobacco, energy drinks, and carbonated beverages.

The headline corporate income tax rate is 10%. A minimum tax rate of 35% is applicable to companies carrying out petroleum operations or operating in the petrochemical industry.

A withholding tax rate of 5% is applicable on payments made to non-residents without a permanent establishment for services performed wholly or partly in Qatar, consumed in or for the benefit of a Qatari entity.
In the recent amendment to the Tax Law, Qatar has acknowledged to adopt the Global Minimum Tax of 15%, further guidance is awaited.

The State of Qatar is also a signatory of the Multilateral Tax Instruments (MLI) introduced pursuant to Base Erosion Profit Shifting (BEPS) Action Plan. Further, in line with BEPS Action Plans, the GTA has also signed various international instruments (such as FATCA, CRS, CbCR reporting, etc.) and introduced various measures to align the domestic tax laws in line with the best international tax practice, including the Economic Substance requirements which could lead to a penalty of 15% of the net income for non-compliance. Qatar has signed Double Tax Avoidance Agreements (DTAA) with over 80 countries. In addition, the concept of foreign tax credit has also been introduced which allows a Qatari-registered entity to claim credit of taxes which was paid outside Qatar.

Key considerations to ensure compliance with Qatar's Income Tax Law:

Key tax consideration	Description
Registration with the General Tax Authority	As per the recently issued amendments to the Executive Regulations, there is a new requirement for foreign projects carrying out activities in the State of Qatar that do not constitute a PE to register for tax purposes. In addition, new thresholds were introduced for tax registration and tax filing.
Corporate income tax (CIT) returns	To be submitted within 4 months from the end of financial year/accounting period.
Withholding tax (WHT)	5% withholding tax is applicable on gross amount made to non-resident service provider for: • Royalties and interest; and • Any other payments for services used and consumed for the benefit of a Qatari-registered entity, irrespective of the place of performance of that service. Not applicable on dividends and on payments made to non-resident for procurement of goods. Returns to be submitted monthly on or before the 15th day of the month following the month of payment to the non-resident. Double tax treaty relief is available under what is locally referred to as "deduct and claim" mechanism that requires non-residents suffering WHT under domestic WHT regime to claim under the provisions of the applicable treaty providing evidence of tax residency. The GTA generally will test permanent establishment implication and perform additional inquiries before granting the refund.
Contract reporting	All taxpayers are required to report commercial contracts with suppliers and customers within 30 days from the effective date of contract if they are: • Concluded with non-residents – no thresholds. • Contract concluded with resident entities are required to be reported in case the value exceeds QAR 200,000 (for service only contracts) and QAR 500,000 (for service and supply contracts).
Accounting, book-keeping, and document retention requirements	Taxpayers are required to maintain accounting books and records under the International Financial Reporting Standards (IFRS) framework. Audit is mandatory and must be performed by an auditor registered in the State, with exception to wholly owned Qatari entities with Share Capital less than QAR 1 million and turnover less than QAR 10 million. The GTA issued a circular notifying all communications, including submission of the financial statements, to be carried out in Arabic Language in accordance with the Arabic language protection law. Taxpayers shall maintain accounting books, registers, and documents in the State for a period of 10 years.
Loss relief	Taxable losses can be carried over for a period of 5 years. Taxable losses brought forward as of 1 January 2019 can be utilized for only 3 years.
Cessation of activity and liquidations	Notification to the GTA is required within 30 days from the decision to cease activity or put company under liquidation. A no objection letter (NOL) is required from the GTA to deregister an entity at the Ministry of Commerce and Industry.
Value Added Tax (VAT)	Currently, there is no VAT in Qatar. There are speculations of the implementation of VAT in 2024.
Transfer Pricing	Taxpayers are required to comply with the following Transfer Pricing requirements in Qatar: **1. Transfer Pricing disclosure form (TPDF)** • Applicable when annual turnover or total assets exceeds QAR 10 million for the year of declaration and the taxpayer undertakes domestic and/or cross-border related party transactions • To be submitted along with corporate income tax return, i.e., within 4 months from the end of financial year/accounting period **2. Transfer Pricing master file (MF) and local file (LF)** Applicable when annual turnover or total assets exceeds QAR 50 million for the year of declaration and taxpayer undertakes cross-border related party transactions • To be submitted within 60 days from the due date of filing the tax return • Prescribed format for the MF and LF is mostly aligned with OECD Action Plan 13 three-tier documentation requirements. However, some supplementary information would be required as per instructions from the GTA. **3. Country-by-country reporting (CBCR)** • Applicable when consolidated revenue of multinational group is more than QAR 3 billion in the preceding financial year. CBCR reporting requirements are applicable on ultimate parent entity (UPE) or surrogate parent entity (SPE) that are resident in Qatar • Currently, CBC notification and CBCR filing requirements are suspended for multinational groups headquartered outside Qatar • CBC notification needs to be submitted on or before the end of the applicable fiscal year of the reporting entity. CBC report needs to be submitted within 12 months after end of the fiscal year of the reporting entity.

Penalties for non-compliance

Particulars	Penalty
Late filing of tax return	QAR 500 per day, up to a maximum of QAR 180,000
Late payment of income tax	2% per month, up to a maximum of the unpaid tax amount
Late payment of withholding tax	2% per month, up to a maximum of 100% of the amount of tax due
Failure to withhold taxes	100% of the withholding tax not deducted
Contravention of the following provisions: - Registration with the GTA - Notify the authority of any change that can affect tax obligations	QAR 20,000
Tax-exempt entity failed to file a tax return and corresponding documents	QAR 10,000
Failure to maintain proper accounting records and submit audited financial statements to GTA	QAR 30,000
Failure to report contracts/ agreements/dealings to GTA	QAR 10,000
Failure to comply with obligations as entered by the ministry/GTA for international agreements (such as Common Reporting Standard, Foreign Account Tax Compliance Act (FATCA), Country-by-Country Reporting (CbCR), etc.)	QAR 500,000 (maximum)

"The Qatar Free Zone Authority (QFZA), established in 2018, is an independent authority which oversees and regulates Free Zones in Qatar.

The Qatar Financial Center (QFC)

- QFC entities are subject to a tax rate of 10% on business profits generated by the licensed firm and based on accounts prepared under International Financial Reporting Standards (IFRS), US Generally Accepted Accounting Principles (GAAP), UK GAAP, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and other reporting standards.
- Tax returns must be submitted within 6 months from the financial year end
- Tax losses can be carried for an unlimited period.

Advanced rulings can be procured from the QFC tax authorities to obtain clarity on any uncertain tax position.
No WHT applicable in the QFC.

Free Zones

The Qatar Free Zone Authority (QFZA), established in 2018, is an independent authority which oversees and regulates Free Zones in Qatar. The QFZA focuses on logistics, chemicals, maritime industries, heavy manufacturing, emerging technologies, and industrial sectors.

Foreign investors have the option to establish LLC's or branch entities depending on the requirement of the company. There is a possibility of 100% foreign ownership and there is a 20-year corporate tax holiday for all Free Zone investors. Imports into Free Zones are usually not subject to duty; however, this is subject to the nature of company's operations, license in place, and import procedure applicable. Details of import procedures may vary depending on the Qatar port of entry and type of goods being imported.

Free Zone entities may be required to operate a fully computerized, thoroughly auditable and accountable inventory system. The system is used to trace the exact movement of goods from the time they are imported into the Free Zone until the entity exports or disposes the goods out or within the Free Zone.

Please note that due to the fact that Free Zones are new in Qatar in practice, the above requirements have not yet been imposed. Albeit, such requirements are indeed best practice, and may be introduced in line with other GCC states.

Foreign investment regulations

Foreign investment can be made in most sectors in Qatar provided that a legal presence is registered. For companies, at least 51% of its shares must be owned by a Qatari partner (i.e., a Qatari national or a Qatar company wholly owned by a Qatari national).

The State ratified rules allowing foreign investors to carry out fully owned (100%) investment projects in a variety of industries; however, non-Qatari investors are prohibited to invest in the following sectors:

A. Banks and insurance companies, except those excluded by a Council of Ministers decision,
B. Commercial agencies, and
C. Any specific sectors advised by the Council of Ministers.

In general, foreign ownership of real estate in Qatar is prohibited; however, the Foreign Ownership of Real Estate Law permits non-Qataris/non-GCC nationals to invest in and own "real estate," defined in the legislation as "lands, buildings, and constructions thereof," in three designated projects, subject to the terms and conditions set forth by cabinet resolution.

Recently, Qatar has offered various investment incentives to non-Qatari investors such as:

1. Can apply for exemption from paying income tax
   for a period of up to ten years.
2. Exempt from customs on the imports of necessary machinery and equipment.
3. A renewable rent over a long renewable period of up to 50 years might be granted to land for a foreign investment project.
4. Excluded from customs taxes on imports of raw materials or semi-finished items that are required for production and are not accessible on the local market.
5. Assisting approved industrial projects in obtaining loans from the Industrial Development Bank and other lenders; and
6. Providing electricity, oil, water, and natural gas to the project at a reasonable cost.

Protection of industrial and intellectual property

The Ministry of Economy and Finance is responsible for enforcing Intellectual Property (IP) laws and regulations. Specific offices, such as the Trademarks Office, the Office for the Protection of Copyright and Neighboring Rights, and the Patents and Innovation Section, have been established within this Ministry. Trademark and Copyright Laws were introduced in 2002, and a new Patent Law was passed in 2006.

Patents
Patents are protected by Decree-Law No. 30 of 2006 on Patents Law, which provides patent protection for 20 years. A Gulf Cooperation Council (GCC) patent can be obtained by registering at the Patent Office in Riyadh, Saudi Arabia.

Copyrights
Copyrights are protected by Law No. 7 of 2002 on the Protection of Copyright and Neighboring Rights (the "Copyright Law") which gives protection for 50 years after an author's death, or after the first date of publication for anonymous or collective works. The law also applies to works protected by international agreements, or by an international court to which Qatar is a party. Owners of copyrights can register them with the Office of Protection of Copyright and Neighboring Rights, located at the Ministry of Economy and Finance.

Trademarks
Trademarks are protected by Law No. 9 of 2002 on Trademarks, Commercial Indications, Trade Names, Geographical Indications and Industrial Designs (the "Trademarks Law"). Once registered, trademarks are valid for 10 years and can be renewed indefinitely. If a trademark has not been used for five consecutive years, it may be cancelled. Foreign applicants have the same rights as Qataris under this law, if they are nationals of a state that grants Qatar reciprocal treatment. In December 2006, the GCC Supreme Council approved a Unified Trademarks Law to harmonize the protection of trademark rights throughout the GCC.

Imports and exports
Imports of goods into Qatar are regulated by Qatar Custom Law No. 40 of 2002, which implemented the regulations of the GCC Customs Union. The General Authority of Customs (GAC Qatar) is the government authority responsible for monitoring importation and exportation of goods in and out of the State in accordance with the governing legislation.

GAC has achieved several achievements lately through its work related to securing the entry of goods, facilitating trade exchange with countries, implementing the projects and programs to enhance global trade, and enhancing extent of automation and efficiency in its processes. Such initiatives include the development of the customs clearance system, Al Nadeeb, Authorized Economic Operator (AEO) program, electronic certificates of origin, and the like.

In addition, Qatar has introduced Free Zones, which are regulated by QFZA and can be generally described as a geographic area where goods may be imported, manufactured, stored, handled, or reconfigured, and re-exported under specific customs guidelines.

The importation of goods is confined to Qatari individuals and companies who are registered as importers in Qatar, and the place of registration does limit its ability to import and export in Qatar. These individuals and companies can only act as an importer or exporter in Qatar if it has a Qatari commercial registration and a valid import license. Foreign entities (non-GCC) will not be able to obtain a Qatar commercial registration or an import license if they are not incorporated in Qatar.

The customs duty payable is calculated on the complete shipping value, which includes the cost of the imported goods, the cost of freight, and the cost of insurance. In practice, the value of the goods shall be calculated at the time of registering the customs declaration. As per Article 28 of the Common Customs Law of the GCC States, the value of imported goods is that indicated in the customs declaration plus all the costs until the arrival of the goods at the customs office. Therefore, the value at the GCC States shall be calculated on the basis of the delivery condition CIF. In addition to customs duty, legalization fees are also usually payable upon importation.

Qatar is part of the GCC. As such, goods of GCC State origin are exempted from customs duty.

In addition, Qatar has customs exemption regimes that businesses can benefit from such as the industrial exemption regime and temporary importation. Such regimes are usually subject to specific conditions and provision of a guarantee. It is important for businesses to evaluate if they qualify for such exemption regimes.

The required documents to import goods into Qatar include:
- Commercial invoice and shipping documents;
- Detailed description of goods; and
- Certificate of origin

Original documents are usually needed for customs clearance; however, Qatar Customs Authorities allow a specific process for clearance with copies in certain cases and subject to specific criteria being met.

Clearing with copies
- The Qatar Customs Authorities will accept a non-certified original commercial invoice issued by suppliers arriving from outside of the GCC provided that a penalty of 1% of the total invoice value is paid by the Importer of Record or the clearing agent.
- The grace period to submit the original invoice is set on a case-by-case basis at the Qatar land borders with a maximum of 90 days. In practice, the period may be significantly lower. The penalty amount will be refunded if the certified original invoice is submitted within the grace period.

Additional documents required
- In order to import goods into Qatar, the distributor would also need to provide the relevant pre-approvals and import permits where applicable.

Immigration and labor landscape

Recent amendments

The labor and immigration landscape in Qatar became more accommodating to foreign investors after the 2022 FIFA World Cup. The government introduced reforms to make it easier for investors to obtain a resident visa, and hire and manage migrant workers, as well as improving their rights. These reforms include amendments to the following:

- Immigration Law amendments to allow investors to obtain a resident visa without a sponsor and to bring their families to Qatar.
- The Labor Law was amended to simplify the visa application process, improve the kafala system, introduce minimum wage, and provide more protection for migrant workers.

Introduction

Labor Law No. 14 of 2004 governs the rights, duties, and responsibilities of both employers and employees. Its provisions do not apply to government ministry employees, employees of public institutions, members of the police, and the armed forces. Also excluded are workers at sea, domestic workers, casual workers, and working members of a family.

The Law applies to both Qatari nationals and foreigners, and covers matters such as employment contracts, working hours, sickness benefits, holidays, disputes, and disciplinary codes.

Work authorization

General requirements

A non-Qatari national must obtain a work visa before entering the State of Qatar for employment. To obtain a visa, the foreign national must be sponsored by an authorized company, business, or person. On arrival, the foreign national must apply for a residence permit. Residence permits are issued annually up to a maximum of 3 years and are renewable for similar periods. Employees cannot work for anyone other than their sponsor and sponsorship cannot be transferred until the employee has worked for their original sponsor for at least two years.

The maximum working hours are 8 per day or 45 hours per week. As in most Muslim countries, Friday is the weekly holiday. In practice, commercial and professional firms work approximately 45 hours per week, while ministries, governmental departments, and banks work approximately 36 hours per week. During Ramadan, the Muslim holy month, normal working hours are reduced by 2 hours per day.

Pursuant to the decision of the Minister of Administrative Development, Labor and Social Affairs No. 25 of 2020, the minimum salary for domestic workers is based on the basic salary, food allowance, and housing allowance. The minimum basic salary for domestic workers should be QAR 1,000. In case the employer fails to provide adequate housing or food to the employee, the minimum housing allowance is QAR 500 and the minimum food allowance is QAR 300.

There is no social security for non-Qatari employees working in Qatar. For Qatari employees employee contribution is 7% and employer's contribution is 14% of the total wage and such contributions must be made to the General Retirement and Pension Fund. Insurance, such as workers' compensation against work injuries, is common in all industrial establishments and contracting companies. Workers' compensation applies to Qataris, as well as to expatriate workers.

The Labour Law stipulates that every employee who has completed one year or more of continuous service is entitled to an indemnity at the end of his or her services provided it is not less than 3 weeks of wages for every year of employment. The last basic wage shall be the base for the calculation.

Ultimate beneficial owner

In April 2022, the Ministry of Commerce and Industry (MOCI) issued guidance on beneficial ownership following the Law No. 1 of 2020 and the accompanying Executive Regulations (12/2020) relating to the Unified Economic Register that came into effect last year. Based on discussions with the MOCI, it is now mandatory for most companies (with a few exceptions) operating in the State of Qatar and registered with the MOCI to disclose the Beneficial Owners (BOs) and comply with all related requirements mentioned in the referred Law.

The MOCI would require the referred disclosures at the time of submitting applications for any licenses, registrations, amendments, renewals, or putting a company under liquidation.

All impacted entities are required to maintain updated records supported by evidencing documents in a register, which should be kept at the entity's premises.

The BO is a natural person (and only a natural person) who ultimately and effectively owns or controls an entity through:

1. The ownership interest,
2. Voting rights, or
3. The natural person on whose behalf a transaction is being conducted, whether by proxy, trusteeship or mandate, or by any other form of representation.

It also includes any person who exercises ultimate effective control over a legal person or arrangement, including any person exercising ultimate effective control by any means.

The obligation to disclose the identity of the BO is applicable to individual institutions (e.g. limited liability companies), other commercial entities mentioned in the Commercial Companies Law (such as economic establishments, investments funds, representative offices, and the branches of non-Qatari economic establishments operating in the State of Qatar), in addition to the not-for-profit organizations and the sole practitioner. In addition, the provisions of the Executive Regulations 12/2020 are also applicable to entities registered in the Qatar Financial Center, Qatar Free Zones, Qatar Science Technology Park, and Media City.

The aforementioned Law does not apply to the following entities:

- A company listed on the financial market (stock exchange) and the subsidiaries in which the listed companies have controlling interest; or
- A company owned by the State or other public bodies and institutions in full or with a controlling ownership stake.

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Serving as trusted advisors for clients in the Middle East since 1926

We welcome the opportunity to discuss your needs further and provide you with a better understanding of the issues discussed in this material. The 'Doing business guide' series is supplemented by the Middle East Tax Handbook, which provides a summary of basic tax information in a country-by-country snapshot.

Deloitte has created a series of Business Guides to help clients learn more about influential tax considerations, alongside key legal, economic and market drivers which may impact those who are maintaining a business or looking to invest in countries such as UAE, KSA, Iraq, and Kuwait.

Our tax team can support

Deloitte's Tax professionals in the Middle East provide both compliance and advisory services across a broad range of matters affecting businesses. This approach ensures clients' most demanding challenges when operating in multiple jurisdictions are holistically addressed in a coordinated way, by subject matter and industry specialists, locally and abroad.

Tax team based in Qatar

We have a team of dedicated tax professionals, based in Qatar, who possess a solid understanding of the local market. With their practical experience and familiarity with the country's business environment, they are well-equipped to provide valuable guidance on tax matters. Their knowledge extends beyond just regulations, encompassing insights into market trends that can be critical for business planning. They help businesses navigate Qatari tax regulations while taking into consideration the specificities of the local market. Whether you are looking to maintain compliance or seeking ways to optimize your tax position, our team is here to support your business in a grounded and effective manner.

Summary of tax services

- Business Tax
- International Tax
- Transfer Pricing
- Mergers and Acquisitions Tax
- Indirect Tax
- Global Employer Services
- Business Process Solutions
- Tax Technology Consulting and Support

Our tax teams across the region

- Bahrain
- Kuwait
- Egypt
- Qatar
- Iraq
- Cyprus
- Jordan
- Oman
- Kingdom of Saudi Arabia
- United Arab Emirates

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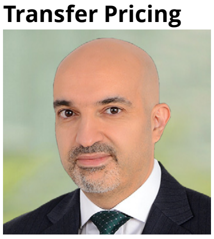
Transfer Pricing



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