Qatar


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Contents

Law no. (1) of 2019 On Regulating Non-Qatari Capital Investment in the Economic Activity
Chapter One Definitions
Chapter Two Controls over Non-Qatari Capital Investment
Chapter Three Investment Incentives
Chapter Four General Provisions
Chapter Five Penalties and Final Provisions
Law no. (1) of 2019 On Regulating Non-Qatari Capital Investment in the Economic Activity


Chapter One Definitions

Article (1)

In application of this Law, the following terms and phrases shall have the meaning shown opposite to each unless the text requires otherwise

Ministry: Ministry of Economy and Industry

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Competent Department: The competent administrative unit at the Ministry

Non-Qatari Investor: A Non-Qatari person who invests in any of the projects in which a direct investment is permitted in accordance with the provisions of this Law

Non-Qatari Capital: Cash, in kind money or pecuniary rights that Non-Qatari Investors invest in the State of Qatar including:

1- Funds transferred to the State of Qatar through licensed banks and financial institutions.

2- Physical assets imported for investment purposes in accordance with the provisions of this Law.

3- Profits, revenues and reserves generated from Non-Qatari Capital investment in a project whereby project capital has been increased or if invested in any of the permitted projects in accordance with the provisions of this Law.

4- Moral rights such as licenses, patents and trademarks registered in the State of Qatar.

Company: Any company incorporated in accordance with the provisions of the above-mentioned Law of Commercial Companies.
Chapter Two Controls over Non-Qatari Capital Investment

Article (2)

Without prejudice to legislations regulating Non-Qatari practices of commercial businesses and professions, and the provisions of Article (4) hereof, a Non-Qatari Investor may invest in all economic sectors even with a capital up to 100% in accordance with the Executive Regulations of this Law.

Article (3)

Applications to approve the increase of Non-Qatari’s shares above 49% in the company’s capital— in accordance with the provisions of Article (2) hereof— shall be submitted on the forms, prepared for this purpose, to the Competent Department along with supporting documents specified by the Department after paying the prescribed fees.

The Competent Department shall decide on the application within fifteen days from the date of receiving the complete required documents and notify the applicant via registered mail or any other informing means. The expiration of the said period without a response to the application shall be deemed an implicit rejection.

A rejected applicant may appeal against the Department’s decision to the Minister within fifteen days from the date of notification of the rejection or from the date of expiry of the period specified for a decision on the application without a response.

The Minister shall decide on the appeal within thirty days from the date of submission. The lapse of the said period without a decision on the appeal shall be deemed an implicit rejection. The resolution of the Minister on the appeal shall be final.

The Executive Regulations of this Law shall identify the mechanism of deciding on the investors’ applications in accordance with this Law.

Article (4)

It is prohibited for Non-Qatari investor to invest in the following fields:

a. Banks and insurance companies, unless otherwise excluded by a decision from the Council of Ministers.

b. Commercial agencies.

c. Any other fields for which a decision from the Council of Ministers is issued.

Article (5)

Non-Qatari Companies engaged in executing business contracts in Qatar shall comply with the following controls:

1- The Company’s branch in the State of Qatar shall carry out the implementation.

2- The contract shall be entered with one of the ministries, government bodies, public authorities or institutions, or companies or institutions in which the State participates.
3- Registration in the Commercial Register and obtaining a commercial licensing for the company’s branch through which the contract will be implemented, after awarding the business and before signing the contract.

4- Fulfilling all requirements of the competent authorities in the State in accordance with the legislations executed by such authorities throughout the term of the contract.

5- Renewal of the commercial register and commercial license issued for the company’s branch throughout the term of the contract. Based on a proposal from the Minister, the Prime Minister may amend these controls by adding, deleting or merging.

Article (6)

Unless otherwise specifically stated in this Law, provisions of effective laws in the State in respect to the intended business shall apply to any Non-Qatari seeking a license stipulated for practicing any of the activities in which investment is permitted.

Article (7)

The Non-Qatari Investor may own a percentage of no more than 49% of the Qatari shareholding companies listed in the Stock of Exchange after the Ministry’s approval of the proposed percentage in the company’s articles of association and statute. Also, the Non-Investor may own more than the aforementioned percentage after the approval of the Council of Ministers based on a proposal from the Minister.

Chapter Three Investment Incentives

Article (8)

The needed lands may be allocated to the Non-Qatari Investor to establish their investment project by means of either leasing or usufruct in accordance with the applicable laws in this respect.

Article (9)

A Non-Qatari Investor may import whatever they need for setting up, operating or extending the project in accordance with applicable laws in the State.

Article (10)

Non-Qatari Investment projects may be exempted from income tax in accordance with controls, procedures and periods provided in the aforementioned Law of Income Tax.

Article (11)

Non-Qatari investment projects shall be exempted from custom taxes in respect to imported machinery and equipment needed for setting up the projects. Non-Qatari investment industrial projects shall be exempted from customs on imported raw and half-manufactured materials which are needed for production and which are not available in domestic markets.

Article (12)
Based on the Minister’s proposal, the Council of Ministers may grant the investment projects further incentives and privileges in addition to those provided in this Law.

**Article (13)**

Neither directly nor indirectly, Non-Qatari investments shall be subject to expropriation nor any other similar procedures unless such measures are taken for public interest, implemented in a non-discriminating manner, and in return for a prompt and reasonable compensation in accordance with the same legal procedures applied in case of Qatari citizens.

**Article (14)**

1- Non-Qatari Investors may transfer all amounts relevant to their investment from and to any external destination without any delay. Transfers shall include: a. Investment revenues. b. Amounts generated from partial or entire sale or liquidation of investment. c. Amounts resulting from settlement of investment disputes. d. Compensation stated in Article (13) hereof.

2- Money transfers can be executed in any exchangeable currency at the exchange rate prevailing on the date of transfer.

**Article (15)**

A Non-Qatari Investor may transfer the investment ownership to any other investor or assign ownership to their local partner in case of partnership provided that such transferring or assigning shall be effected in accordance with applicable laws and regulations.

In this case, treatment of investment shall continue in accordance with provisions of this Law provided that the new investor shall have to keep the project running and shall replace the former investor in respect to liabilities and obligations.

**Article (16)**

Unless it is a labor dispute, the Non-Qatari Investor may agree to settle any dispute between them and others through arbitration or any other means of settling disputes in accordance with law.

**Chapter Four General Provisions**

**Article (17)**

Non-Qatari Investor shall maintain an environment free from pollution and shall comply with laws, regulations and instructions relevant to security and public health. The Investor shall not engage in any acts affecting public order or decency in the State.

**Article (18)**
Provisions of this Law shall not prejudice any customs privileges and exemptions or any other warranties or incentives given to any companies and institutions existing when this Law comes into force. These companies and institutions shall keep enjoying such privileges, exemptions, warranties, and incentives in accordance with the regulations, agreements, and contracts they emanate from.

Chapter Five Penalties and Final Provisions

Article (19)
The Competent Department shall notify the Non-Qatari Investor in case of violating any of the provisions hereof, in order to remedy the violation within a period not exceeding three months effective from date of notification. In case of failing to remedy the violation, the Competent Department shall cancel the issued license for the project, and cancel the company or the branch from the commercial register, along with notifying all government bodies relevant to the investment project so that they can take their measures with respect to the project.

The concerned person may submit a grievance to the Minister against the decision of cancelling the license and canceling the company or its branch form the commercial register. The same provisions and procedures aforementioned in Article (3) shall apply with regard to this grievance.

Article (20)
Without prejudice to any other severer penalty stipulated by any other law, any person practices or involves in any economic activity in breach of this Law, shall be punished by a fine up to QAR 500,000.

Article (21)
The stipulated penalty in the previous Article shall be applied to the legal person in case of any violation of the provisions of this Law is committed by anyone working in the name or behalf of the legal person, without prejudice to the criminal liability of the subordinate natural person.

Article (22)
The Ministry staff whom shall be assigned the functions of the judicial police, pursuant to an order of the Attorney-General, with the consent of the Minister, shall investigate, and provide evidence on offences committed in violation of the provisions of this Law.

Article (23)
Fees of the provided services in accordance with the provisions of this Law shall be specified by a decision from the Minister.

Article (24)
The Minister shall issue the Executive Regulations and all necessary bylaws and decisions to execute the provisions of this Law. Without prejudice to the provisions of this Law, applicable decisions shall be in force until these regulations, bylaws and decisions are issued.

**Article (25)**

The provisions of this Law shall not apply to the following:

1- Companies and individuals who are assigned to extract, utilize or manage natural resources under a concession or special contract, to the extent that the provisions of such do not contradict the provisions hereof;

2- Companies which the government or any other public authority or institution sets up or participates in; and companies in which the government participates in partnership with Non-Qatari investors in a percentage of no less than 51%, or in a lesser percentage subject to the approval of the Council of Ministers, in accordance with the abovementioned Commercial Companies Law; and

3- Companies or individuals licensed by Qatar Petroleum to carry out any petroleum activities or which aim to invest in the oil and gas and petrochemical sector.

**Article (26)**

The above-mentioned Law no. (13) of 2000 shall be abrogated.

**Article (27)**

All competent authorities, each within its jurisdiction, shall execute this Law. It shall be published in the Official Gazette.

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