



# Doing business in Qatar



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# Introduction

Qatar, a lively and dynamic nation in the center of the Arabian Gulf, has emerged as an appealing destination for international economic endeavors. Qatar, known for its flourishing economy, strategic position, and progressive regulations, provides a wealth of options for entrepreneurs and businesses looking to extend their horizons in the Middle East.

Qatar has made considerable investments in sectors such as banking, real estate, infrastructure, and technology in order to diversify its economy away from dependency on oil and gas. This dedication to diversification has not only strengthened the country's economic resilience but has also created an atmosphere conducive to innovation and investment.

One of Qatar's distinguishing features is its open and business-friendly environment. The Qatar National Vision 2030 describes the country's desire to create an advanced and sustainable society, stressing areas for collaboration such as healthcare, education, transportation, and renewable energy. This long-term goal lays the groundwork for mutually beneficial collaborations between foreign corporations and local entities.



# Economic review



Qatar has a thriving and fast-expanding economy, fueled mostly by significant natural gas reserves and a well-diversified approach to economic development. Here is a quick economic rundown:

**Natural Resources:** Qatar boasts one of the world's greatest natural gas reserves, which has greatly contributed to the country's economic growth. The country is a major global supplier of liquefied natural gas, which provides a significant source of cash.

**Diversification Efforts:** Recognizing the need to diversify its economy away from reliance on oil earnings, Qatar has strategically diversified its economy. Finance, real estate, tourism, transportation and technology have all seen investments. The Qatar National Vision 2030 lays out a strategy for diversification, with a focus on sustainable growth and self-sufficiency.





**Infrastructure Development:** To assist its economic diversification, Qatar has made significant investments in infrastructure projects. The Hamad International Airport, the Qatar Rail network, and the extension of the country's port infrastructure are among the notable projects. These developments are intended to improve connectivity, trade, and tourism.

**Financial Center:** Doha, Qatar's capital is rising as a major financial center in the area. The Qatar Financial Centre (“QFC”) has attracted worldwide financial institutions and corporations by providing a business-friendly environment and investment incentives.

**Tourism:** Qatar is advertising its rich culture, modern attractions, and luxury offers to position itself as a tourist destination. Diversifying revenue streams is the goal of investments in hotels, entertainment complexes, and cultural sites.

**Real Estate:** Qatar's real estate business has grown significantly, with a focus on commercial and residential constructions. This is largely due to preparations for major events like the FIFA World Cup 2022, which has fueled construction and infrastructure projects.

**Trade:** Due to its strategic location and well-developed infrastructure, Qatar has become an important commercial partner. Asia, Europe, and the Middle East are among the country's key trading partners. To enhance commerce and international collaboration, the government has pursued trade agreements.

Finally, Qatar's economy exemplifies good resource management and strategic planning. Its economic diversification efforts, infrastructural investments, and concentration on becoming a global player in multiple sectors position it as a prospering Middle Eastern nation with potential opportunities for both domestic and international firms.

# Foreign direct investment policy



As part of its economic diversification policy established in the Qatar National Vision 2030, Qatar has been aggressively striving to attract foreign direct investment (“FDI”). Here is a general outline of Qatar's FDI policy:

**Openness to FDI:** Qatar has expressed a strong commitment to welcoming foreign investment. It recognizes the importance of FDI in driving economic growth, technology transfer, job creation, and knowledge exchange.







Industries of focus: Qatar's FDI policy focuses on key industries that are compatible with the country's economic diversification aims. Energy, manufacturing, technology, tourism, healthcare, education, transportation, and financial services are among these industries.

Free zones: Qatar has free zones, such as the Qatar Financial Centre (“QFC”), that offer a unique regulatory environment with more loosened laws and regulations, making it appealing to international financial and business institutions.

Ownership regulations: Qatar enables 100% foreign ownership in most areas, eliminating the need for a local partner or sponsor. Certain critical industries, on the other hand, may still require a Qatari partner or have foreign ownership restrictions.

Investment incentives: To lure FDI, the government has adopted a variety of incentives. These incentives could include tax reductions, reduced customs fees, land allocation for investment projects, and expedited licensing and permit procedures.

Partnerships and joint ventures: Collaboration and joint ventures between international and domestic firms are encouraged since they promote technology transfer and knowledge sharing.



**Streamlined procedures:** Qatar has been attempting to streamline administrative procedures for establishing enterprises and acquiring licenses. Online platforms and streamlined processes are examples of how to decrease bureaucratic barriers.

**Investment promotion agencies:** Organizations such as the Qatar Investment Promotion Agency (“QIPA”) work hard to attract and facilitate foreign investment. They offer investors seeking to establish a presence in Qatar information, guidance, and support.







# KEY SECTORS

Qatar's economy has been diversifying away from its traditional reliance on oil and gas, creating opportunities in a variety of industries. Qatar's significant business sectors include:

**Energy and petrochemicals:** While oil and gas remain important, Qatar has focused on increasing its downstream petrochemical industry, offering opportunities in refining, chemicals, and related areas.

**Construction and real estate development:** Major infrastructure projects, such as those associated with the FIFA World Cup 2022, have fueled demand for construction and real estate development.

**Tourism and hospitality:** To attract international visitors, Qatar is investing in tourism infrastructure, luxury hotels, cultural attractions, and entertainment facilities.

**Education and research:** Qatar is investing in educational and research institutes to strengthen its knowledge-based economy. Collaborations with prominent foreign universities are a priority.

**Healthcare:** The healthcare sector is expanding to satisfy the requirements of the population, with investments in hospitals, medical facilities, and healthcare services.



**Logistics and transportation:** Qatar has become a logistics, transportation, and trade hub due to its strategic location and continuing infrastructure projects.

**Sports and entertainment:** Hosting big athletic events such as the FIFA World Cup has resulted in increased investment in sports facilities, entertainment venues, and related sectors.

**Manufacturing and industry:** Qatar intends to build a strong industrial base, including industries such as aerospace, automotive, and food processing.

**Renewable energy:** As part of its commitment to sustainability, Qatar is investigating prospects in renewable energy, such as solar and wind power.



It is worth noting that the Qatar National Vision 2030, which specifies the country's strategic goals for several sectors and emphasizes sustainability, self-sufficiency, and economic diversification, guides Qatar's economic development. Before venturing into any industry, it is best to undertake extensive market research, understand local rules, and consider consulting with specialists experienced in the Qatari business landscape.



# Advantages of doing business

Certainly, here are some detailed advantages of doing business in Qatar:

**Stable economy:** Qatar has a strong and stable economy, which is largely supported by its massive oil and natural gas reserves. This stability creates a favorable climate for corporate expansion and investment.



**Strategic location:** Qatar's location in the Middle East makes it a hub for trade and commerce, connecting markets in Asia, Europe, Africa, and the Middle East. This geographic advantage can facilitate access to various markets.

**Abundant natural resources:** As one of the world's leading exporters of liquefied natural gas ("LNG") and oil, Qatar's abundant resources contribute to its economic strength and can offer supply chain benefits for certain industries.

**Strong infrastructure:** The country has invested heavily in building world-class infrastructure, including modern transportation systems, ports, airports, and telecommunications networks, which can enhance business operations and connectivity.



**Low tax environment:** The corporate tax rate for non-Qatari companies is generally set at 10%, making it an attractive option for companies looking to minimize tax burdens.

**Investor-friendly policies:** Qatar offers a business-friendly regulatory environment with incentives for foreign investors, including 100% foreign ownership in various sectors, no personal income taxes, and minimal restrictions on repatriation of profits.

**Free zones:** Qatar has established free zones like the Qatar Financial Centre (QFC) and Qatar Science & Technology Park (QSTP), which provide special regulations, tax incentives, and other benefits to attract international companies.



# Types of business

When starting a business in Qatar, the applicant can choose from a variety of business structures. Some examples of frequent types are:



**Limited liability company (“LLC”):** This is a common structure in which liability is limited to the assets of the firm. Foreign ownership is permitted, with a Qatari partner holding at least 51% of the shares. Depending on the nature of the firm, this partner's engagement may vary.

**Branch office:** Foreign enterprises can open a branch office in Qatar to conduct business, provided they receive the relevant licenses and certifications. The branch is an extension of the overseas parent firm and has no legal existence of its own.

**Joint venture:** Collaborating with a local Qatari partner to form a joint venture can be an option, especially in sectors where majority Qatari ownership is required. This partnership can provide access to local expertise and market knowledge.

**Partnership:** Partnerships can be created between two or more parties, with each contributing resources and agreeing to share profits and losses. These might be either broad or limited partnerships.



**Sole proprietorship:** The business is owned and operated by a single person under this structure. While this is possible for Qatari nationals, international nationals frequently require a Qatari partner to start a sole proprietorship.

**Free zone entities:** Qatar has free zones, such as the Qatar Financial Centre (“QFC”), where international companies can establish a presence and benefit from privileges such as 100% foreign ownership, streamlined rules, and tax breaks.

**Representative office:** Foreign corporations can open this type of office for non-commercial activities such as market research, promotion, and liaison. It does not engage in any profitable activities.

**Professional service companies:** For those in fields like law, engineering, consultancy, and healthcare, it's possible to establish a professional service company. This structure requires specific licenses and approvals.







**Trade name:** The firm name should be distinctive and Ministry-approved. It should also reflect the company's nature.

**Local partner:** For certain business activities, the applicant may require a local Qatari partner who owns a particular percentage of the company. This requirement may differ depending on the sort of activity.

**Office space:** You'll require an actual office space in Qatar. This can be rented or purchased.

**Business plan:** A detailed business plan defining the company's activities, goals, and financial projections may be necessary.

**Application:** The applicant must apply to the Ministry of Commerce and Industry, together with other necessary documentation.

**Approval:** The application will be examined, and if everything is in order, the applicant will be given the go-ahead to start the company registration process.

# Minimum eligibility criteria



The minimal eligibility conditions for company registration may differ depending on the country and jurisdiction. In general, you will need to offer a distinct company name, information on the firm's directors or shareholders, a registered office address, and facts about the company's activities.

**Company type:** The applicant must select the type of company he or she desires to register, such as a Limited Liability Company, a Joint Stock Company, or a Foreign Company Branch.

**Shareholders and directors:** LLCs usually require a minimum of 2 and a maximum of 50 shareholders. The directors can be non-Qataris, but there must be a Qatari national as a partner or shareholder. For Joint Stock Companies, the minimum number of founders is 5.

**Capital requirements:** The applicant must meet the Ministry of Commerce and Industry's minimum share capital requirements. These needs may differ depending on the type of business.





# How to set up a business?

Setting up a business in Qatar involves several steps. Here's a general overview of the process:

**Choose a business activity and type:** Choose the sort of business entity the applicant wishes to create (e.g., Limited Liability Company, Joint Stock Company, Branch, etc.) and the precise operations the company will perform.

**Choose a business name:** Choose a distinct and appropriate name for the company that complies with Qatar's naming requirements.



**Lease agreement:** Finalize the office space lease agreement, which is a requirement for business registration.

**Memorandum of association:** Draft the Memorandum of Association that outlines the company's details, purpose, capital, and rules.

**Notarize documents:** Get the MOA and other necessary documents notarized by a legal notary.

**Register at the commercial registry:** Submit the notarized documents and other required forms to the Commercial Registry at. Pay the required fees.



**Obtain commercial registration:** Once the documents are reviewed and approved, you'll receive the Commercial Registration certificate. This marks the official establishment of the business.

**Apply for licenses:** Depending on the business activity, the applicant may need additional licenses from relevant government departments.

**Open bank account:** Open a business bank account using the current account certificate and other relevant documents.

**Recruitment and residency:** If necessary, apply for work visas and residence permits for the employees.



**Local partner:** Determine whether your business requires a Qatari national to be a partner or shareholder. Non-Qataris may face ownership restrictions in some activities.

**Share capital:** Determine the required share capital based on the type of company being established. Deposit the share capital in a bank and obtain a certificate as proof.

**Prepare documents:** Prepare the necessary documents, which typically include a business plan, passport copies of shareholders and directors, a lease agreement for office space, and other relevant documents.

**Apply:** Submit the application to the Ministry of Commerce and Industry (“MOCI”) or the relevant authority. The application will include the required documents and information about the business.

**Approval and trade name:** Await approval from the authorities. Once approved, you'll receive a trade name reservation and preliminary approval to establish the business.





# Taxation

In Qatar, companies are required to comply with accounting standards to ensure accurate and transparent financial reporting. The main accounting standards that companies need to comply with in Qatar include:

**International financial reporting standards ("IFRS"):** All listed firms in Qatar are required by Commercial Law No. 5 of 2002 to compile and provide financial statements "by the accounting principles approved internationally," which refers to IFRS. The International Accounting Rules Board ("IASB") produced IFRS, a worldwide accepted set of accounting rules.

**Qatar financial markets authority ("QFMA") regulations:** The QFMA laws say that listed firms must prepare consolidated and separate company financial statements in line with internationally recognized accounting principles, which again alludes to IFRS.

**Other regulatory bodies:** The Ministry of Commerce and Industry, the General Tax Authority, the Qatar Financial Centre Authority, the Qatar Free Zones Authority, the Qatar Science & Technology Park, the Qatar Financial Markets Authority, and the Qatar Stock Exchange, among others, have been mandated by law to ensure adherence to accounting standards.



# Accounting standards

Companies in Qatar are certainly compelled to follow different employment rules and regulations. Here are some crucial points to think about in depth:



**Employment contracts:** Companies must provide official employment contracts to all employees that define the terms and conditions of employment, including job tasks, salary, working hours, and benefits.

**Working hours:** The average workweek lasts 48 hours, with a maximum of 8 hours per day. During the summer, working hours are frequently decreased to protect workers from the extreme heat.

**Wages:** Employers must pay employees in Qatari Riyals directly and must adhere to the government's minimum wage guidelines.

**Termination:** Termination procedures must be legally binding. A notice period is usually required, and termination without cause may result in employee compensation.



**Discrimination and harassment:** Employers are not permitted to discriminate based on gender, nationality, religion, or any other characteristic. Harassment in the workplace is illegal.

**Employment of nationals:** Companies in Qatar frequently set quotas for recruiting Qataris, particularly in specific industries.


**Employment agencies:** Businesses must employ licensed recruitment firms to hire foreign labor. Visa and residency permit processing is one of the agency's responsibilities.

**Trade unions:** Unions are permitted, but closely regulated. The government must authorize strikes and work stoppages.

**Foreign workers:** Hiring foreign labor is subject to various laws, which include obtaining work visas and residence permits.

**Social Security:** Employers must make contributions to the Qatar Social Security System on behalf of their employees.





# How we can help?

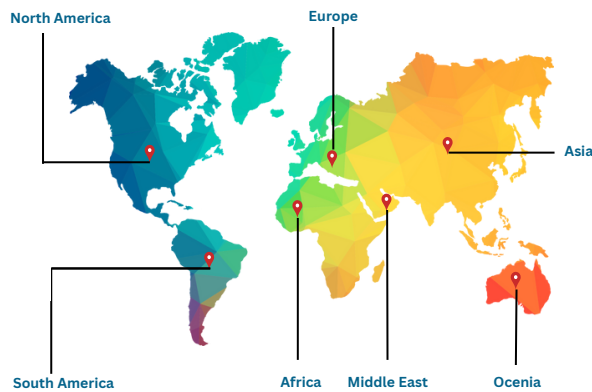
Our team of professionals can conduct comprehensive market research to help businesses understand their target audience, industry trends, and potential competitors.

Our experts can help set clear objectives, outline actionable steps, and identify opportunities for growth and expansion.

Our team can conduct risk assessments to identify potential threats and vulnerabilities within a business. They can then recommend risk mitigation strategies to safeguard against adverse events.

Our team offers advice on the optimal legal form for an enterprise, such as a corporation, partnership, limited liability company ("LLC"), or sole proprietorship.

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