The Complete Guide to Investing in Qatar’s Tourism Sector
Table of Contents

Executive Summary

Country Profile
Where Does Tourism Fit in Qatar’s Economic Diversification Strategy?
What Makes Qatar an Attractive Emerging Tourism Destination?
Key Recent Developments in Qatar’s Tourism Sector
Invest in Qatar to Capitalise on Unique Natural Attributes
What are the Tourism Investment Avenues on Offer in Qatar?

Guide

Qatar: An Emerging Tourism Destination
Qatar at a Glance
What Makes Qatar an Attractive Destination for both Tourists and Investors?
How Far has Qatar’s Tourism Sector Come?
What’s in it for You?
Government Incentives for Foreign Investors

Processes, Laws & Regulations

Made Up Your Mind About Investing in Tourism in Qatar?
What Should Your Next Steps Be?
Important Laws to Be Aware of
How to Establish Legal Presence in Qatar
Key Features of the Most Common Vehicle to Conduct Business in Qatar
Taxes: What You Should Know
Dispute Resolution: What You Should Know
Financing: Overview
How Can QTA’s Tourism Investment Promotion Unit Support You?

The information contained in this guide is provided by the Qatar Tourism Authority (QTA) for information purposes only. This guide and its contents are provided without warranty, either expressed or implied. Under no circumstances shall QTA be liable for any loss, damage, liability or expense incurred which is claimed to result from the use of, or reliance upon, information in this guide, the use of which is at the sole risk of the user. QTA recommends that you seek professional legal and financial advice before engaging in any investment activity in the State of Qatar.
Country Profile

Geography & Climate
Qatar is a peninsula situated midway along the western coast of the Arabian Gulf, projecting into the Gulf’s waters. A 563 km coastline bounds the country to the west, north, and east. The country’s only land border runs for 87 km and is shared with Saudi Arabia to the south. Other nearby countries are Bahrain, the United Arab Emirates, and Iran.

Year-round sunshine, mild pleasant winters, and hot humid summers along with golden beaches, outdoor activities and a fascinating culture, makes Qatar a prime tourist destination. The peninsula’s long coastline and relatively flat desert topography set the scene for exciting outdoor water, beach and land-based activities and sports.

History & Government
Following Ottoman rule, Qatar became a British protectorate in the early 20th century until gaining independence in 1971. Qatar has been ruled by the House of Al Thani since the early 19th century. Today, the State of Qatar is a constitutional emirate led by the Emir, His Highness Sheikh Tamim bin Hamad bin Khalifa Al Thani.

Economy
Since gaining independence, Qatar has relied on natural resource extraction – particularly that of natural gas – to fuel its exponential growth and modernisation efforts. Today, it is a leading exporter of liquefied natural gas with the domestic petrochemicals and energy industries contributing significantly to the country’s gross domestic product. Qatar has prospered in the last several years with continued high real GDP growth.

Qatar has the highest GDP per capita in the world.

In 2011, the state launched the Qatar National Vision 2030 to guide the country’s plans for sustainable long-term development and economic diversification. Recent figures indicate that these plans are on track. In 2017 and 2018, the country is expected to see overall economic growth of 3.8% and 3.2% respectively.1 Solid expansion in non-hydrocarbon activities are expected to sustain overall economic momentum in these two years and services are to be the largest contributor to growth.

Executive Summary

Where Does Tourism Fit in Qatar’s Economic Diversification Strategy?

Qatar’s leadership has long recognised the crucial need to reduce reliance on hydrocarbon resources and build a sustainable national economy.

In pursuit of Qatar National Vision 2030, Tourism has been designated a priority sector by the country’s leaders. The sector provides Qatar with the opportunity to find sustainable economic growth, while discovering, perpetuating and celebrating the nation’s cultural and natural gems.

A high level tourism government taskforce works to ensure tourism remains at the heart of all the country’s major projects.

Qatar Tourism Authority (QTA) projects that the tourism sector’s total contribution to the country’s total economy will reach 5.2% by 2030, and up to 9.7% of Qatar’s non-hydrocarbon economy.

In 2014, QTA launched the Qatar National Tourism Sector Strategy (QNTSS) 2030, which outlines a roadmap for developing a sustainable tourism sector that will achieve these figures.

QNTSS 2030 identifies four key focus areas: urban and family entertainment, business, cultural and sports tourism.

While Qatar’s tourism sector has grown remarkably over the past few years, it remains a nascent industry with great potential and room for further growth.

What Makes Qatar an Attractive Emerging Tourism Destination?

Qatar’s tourism industry was ranked second most competitive in the region, and 43rd out of 141 countries by the World Economic Forum, Travel & Tourism Competitiveness Index, 2015.

Owing to the country’s rapid development, visitors have an opportunity to capture the beautiful contrast of past and future in a single frame; the country is home to high rises and modern technology parks, sitting side by side with majestic desert landscapes and 1,400 years of Islamic history.

Qatar’s tourism industry is ranked second most competitive in the region, and 43rd out of 141 countries by the World Economic Forum, Travel & Tourism Competitiveness Index, 2015.

Owing to the country’s rapid development, visitors have an opportunity to capture the beautiful contrast of past and future in a single frame; the country is home to high rises and modern technology parks, sitting side by side with majestic desert landscapes and 1,400 years of Islamic history.

- Strategic geographic location
  - Qatar is at the cross-roads of east and west – an average of seven hours away from many major global cities.
  - The five-star national carrier, Qatar Airways, connects Doha to more than 150 key business and leisure destinations across six continents.

- State-of-the-art business events spaces and facilities
  - Combined total of 70,000m² currently available at the Qatar National Convention Centre and Doha Exhibition and Convention Center.

- Vanguard sports facilities and stadia
  - Qatar hosts close to 80 sporting events annually. The nation is the first Middle Eastern country to host the 2019 World Championships in Athletics, 2022 FIFA World Cup and the 2023 FINA World Swimming Championships.

- Extensive cultural tourism offering
  - Qatar offers a wide range of authentic experiences: attractions include state-of-the-art museums, galleries, public art installations, archaeological sites, forts and towers making for interesting city tour itineraries.
  - The country’s archeological heritage at Al Zubarah has been listed as a UNESCO World Heritage Site.

Key Recent Developments in Qatar’s Tourism Sector

Visa Facilitation

New transit visa allows passengers of all nationalities to enter Qatar for free and spend up to 96 hours in the country between flights.

In mid-2016, Qatar Airways (QR) and Qatar Tourism Authority (QTA) partnered with VFS Global to bring into effect a new transit visa scheme, which facilitates complimentary transit visas for QR passengers with layovers of five hours or more at Hamad International Airport. This is expected to boost tourism arrivals in Qatar and promote repeat visits.

Cruise Tourism

To facilitate disembarkation, the country introduced a new procedure to clear cruise passengers for entry before the ship docks at Doha Port.

In the 2016/2017 cruise season, Qatar has confirmations for 50,000 cruise passengers arriving at its shores. Compared to the previous season, this marks a three-fold increase in the number of cruise ships calling at Doha Port. This growth will continue as we set in motion plans to redevelop Doha Port, creating an attractive stop for cruise ships in the Gulf.

Due to the short duration of their stay, cruise passengers are also eligible for transit visas.

Hospitality

A new grading and classification system for hotels ensures consistently high standards across the hospitality sector.

In early 2016, QTA introduced a new grading and classification system for hotels to ensure consistently high standards across the hospitality sector. The system includes - among other new categories - an environmental sustainability element. According to Oleroy Guest Experience in the Middle East 2015 report, Qatar’s hospitality sector tops its peers in GCC destinations in terms of guest experience.

Invest in Qatar to Capitalise on Unique Natural Attributes

QTA has identified six hubs across the country and associated them with tourism themes that capitalise on the natural attributes of each. This categorisation is being used to develop new products and services as well as enhance existing ones. They are:

- Abu Samra – Family Resorts & Desert Experiences
- Al Thakira Nature Reserve – Eco-tourism
- Al Zubarah – Archaeology & Heritage
- Doha – Urban Tourism
- Khor Al Udaid – Adventure & Beach activities
- Zikreet – History, Culture & Sports
What are the Tourism Investment Avenues on Offer in Qatar?

- Business Event Services
- Culture & Heritage
- Desert Safari Services
- Gastronomy
- Health & Wellness
- Leisure & Entertainment
- Sports & Recreation
- Tour Operating
- Tourism Accommodation
- Transportation Services

For detailed investment propositions, please refer to the inserts provided in the investment pack.
Qatar: An Emerging Tourism Destination

Qatar is emerging as a popular destination for cultural, and educational and sports tourism, as well as being a key player in the luxury leisure and business events markets. Hotel capacity in Qatar is increasing rapidly, with close to 23,000 rooms available at the end of 2016 and nearly as many more in the pipeline. The increased accommodation capacity is designed to match the expected inflow of visitors drawn in by the growing number of business events and large-scale sports events.

Owing to the country’s rapid development, visitors have an opportunity to capture the beautiful contrast of past and future in a single frame; the country is home to high rises and modern technology parks, sitting side by side with majestic desert landscapes and 1,400 years of Islamic history.

Qatar at a Glance

<table>
<thead>
<tr>
<th>Capital City</th>
<th>Doha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Structure</td>
<td>Constitutional Emirate</td>
</tr>
<tr>
<td>Head of State</td>
<td>His Highness Sheikh Tamim bin Hamad bin Khalifa Al Thani, Emir of Qatar</td>
</tr>
<tr>
<td>Total Area</td>
<td>11,586 km²</td>
</tr>
<tr>
<td>Population</td>
<td>2.26 million (July 2016)</td>
</tr>
<tr>
<td>Language</td>
<td>Arabic is the official language and English is widely spoken</td>
</tr>
<tr>
<td>Economy</td>
<td>GDP in 2015: QAR 759.7 bn, USD 208.7 bn</td>
</tr>
<tr>
<td>Currency</td>
<td>Qatari Riyal (QAR)</td>
</tr>
<tr>
<td>Exchange rate of QAR against the US Dollar is fixed at QAR 3.64 per USD</td>
<td></td>
</tr>
<tr>
<td>Main Ports of Entry</td>
<td>Air: Hamad International Airport</td>
</tr>
<tr>
<td></td>
<td>Sea: Hamad Port</td>
</tr>
<tr>
<td></td>
<td>Land: Abu Samra Crossing</td>
</tr>
<tr>
<td>Regional Affiliations</td>
<td>Member of the Gulf Cooperation Council (GCC) and Arab League</td>
</tr>
<tr>
<td>Business and working hours</td>
<td>Government offices: 7am – 2pm Sunday – Thursday</td>
</tr>
<tr>
<td></td>
<td>Banks: 7:30am – 1pm Sunday – Thursday</td>
</tr>
<tr>
<td>National holidays</td>
<td>National Sport Day – second Tuesday in February</td>
</tr>
<tr>
<td></td>
<td>National Day – 18 December</td>
</tr>
<tr>
<td></td>
<td>Eid Al Fitr – end of Ramadan, first day of Shawwal</td>
</tr>
<tr>
<td></td>
<td>Eid Al Adha – 10th day of Dhul Hijja</td>
</tr>
</tbody>
</table>

What Makes Qatar an Attractive Destination for both Tourists and Investors?

Key infrastructural and policy developments

- In the 2016/17 cruise season (October 2016 to May 2017), Qatar has confirmations for 50,000 cruise passengers arriving at its shores. Compared to the previous season, this marks a three-fold increase in the number of cruise ships calling at Doha Port. This growth will continue as Qatar sets in motion plans to redevelop Doha Port, creating an attractive stop for cruise ships in the Gulf.
- Positioning Qatar as a world-class stopover destination, the country introduced a new transit visa structure which allows passengers with a minimum transit time of five hours at Hamad International Airport (HIA), to stay in Qatar for up to 96 hours (four days). The transit visa is free of charge and available on arrival at HIA to passengers of all nationalities, upon confirmation of onward journey.

Strategic geographic location

Qatar is at the cross-roads of east and west – an average of seven hours away from many major global cities. The five-star national carrier, Qatar Airways, connects Doha to more than 150 key business and leisure destinations across six continents.

State-of-the-art business events spaces and facilities

Combined total of 70,000m² currently available at the Qatar National Convention Centre and Doha Exhibition and Conference Center.

Vanguard sports facilities and stadia

High impact global events are driving the country’s tourism growth. Qatar hosts close to 80 sporting events annually and has mega sporting events scheduled to take place up until 2023. The nation is the first Middle Eastern country to host the 2019 World Championships in Athletics, 2022 FIFA World Cup and the 2023 FINA World Swimming Championships.

Extensive cultural tourism offering

Qatar offers a wide range of authentic experiences: attractions include state-of-the-art museums, galleries, public art installations, archaeological sites, forts and towers making for interesting city tour itineraries.
• In the pipeline:
  - Qatar National Museum
  - Transportation Education Center (TEC)

The country’s archeological heritage at Al Zubarah has been listed as a UNESCO World Heritage Site.

• Government focus on developing large-scale public infrastructure projects:
  - A 37-station Doha Metro Project is under progress.
  - QAR 2 billion Doha Port Redevelopment Project to be begin in 2017
  - Over USD 27 billion spend in infrastructure development and upgrade projects (transport network, drainage, public buildings, schools and hospitals)

• High domestic disposable income boosting domestic tourism
  - GDP per capita is USD 140,000, one of the highest in the world1.

How Far has Qatar’s Tourism Sector Come?

### Estimated total contribution to GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2030 projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.6%</td>
<td>4.1%</td>
<td>4.7%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

### Actual tourist arrivals

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2030 projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.6M</td>
<td>2.8M</td>
<td>2.9M</td>
<td>7.9 - 10.7M</td>
</tr>
</tbody>
</table>

### Actual rooms available

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2030 projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>13,577 (hotels only)</td>
<td>15,879 (hotels + hotel apartments)</td>
<td>20,713 (hotels + hotel apartments)</td>
<td>48,000 - 63,000</td>
</tr>
</tbody>
</table>

### Estimated employment in tourism

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2030 projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>67,000</td>
<td>73,000</td>
<td>76,000</td>
<td>98,000</td>
</tr>
</tbody>
</table>

### Arrivals by Region, Year-to-Date

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2030 projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>% share of total</td>
<td>49%</td>
<td>8%</td>
<td>1%</td>
<td>23%</td>
</tr>
<tr>
<td>GCC</td>
<td>49%</td>
<td>8%</td>
<td>1%</td>
<td>23%</td>
</tr>
<tr>
<td>Other Arab</td>
<td>8%</td>
<td>8%</td>
<td>1%</td>
<td>14%</td>
</tr>
<tr>
<td>Other Africa</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Other Asia inc. Oceania</td>
<td>23%</td>
<td>8%</td>
<td>1%</td>
<td>14%</td>
</tr>
<tr>
<td>Europe</td>
<td>14%</td>
<td>8%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Americas</td>
<td>5%</td>
<td>8%</td>
<td>1%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Arrivals from Top 5 Largest Markets, Year-to-date

Saudi Arabia: 33%
India: 12%
Bahrain: 5%
UK: 4%
UAE: 4%

Regional Contribution to Qatar Arrivals Growth, 2010-2016

The chance to get in at the start of something “big” and “unique”
- Investors that set up companies in Qatar now will have a rare competitive edge, being among the first to start up in a fast growing market with few players as yet.

Official support and investment
- The government of Qatar is stepping up efforts to attract foreign investments, offering new incentives and forms of facilitation for foreign business owners.
- QTA has established an Investment Promotions Unit to facilitate between investors, local and international talent, as well as government authorities.
- QTA is developing a new licensing system that will fast-track the licensing process of tourism businesses.

All the ingredients for tourism success
- Qatar offers a stable investment environment for foreign investors.
- Qatar has already invested USD 200 billion in infrastructure that supports tourism, through projects including Hamad International Airport, Metro System, Msheireb Down Town Project, National Museum of Qatar and New Hamad Port.
- QTA is working with the relevant authorities to introduce policies that increase Qatar’s openness to tourists and industry talent.

Government Incentives for Foreign Investors

Pursuant to the Foreign Investment Law, Government incentives for foreign investment include the following:
- Permission to import necessary items for investment projects.
- Tax exemptions on income up to 10 years (for certain industries).
- Customs tax exemptions on machinery required for investment projects.
- Recognising investors’ right to resolve disputes through arbitration.
- Guaranteeing foreign capital against expropriation.
- Allowing unimpeded transfer of investment revenues or returns in any currency.
- Guaranteeing fair and immediate compensation in case of expropriation for public benefit.

The above incentives are available to investors investing in the tourism sector. It is important to note, however, that some of the above incentives, namely the granting of land, importation privileges and tax exemptions, are not guaranteed and will need to be considered on a case by case basis pursuant to an application process which the investor will need to pursue for this purpose.
Below are the important laws to be aware of:

- Commercial Companies Law No. (11) of 2015 (the “Companies Law”) – the Companies Law sets out the different types of companies available in Qatar, as well as the administration, governance, shareholder’s relations, liquidation and other issues relating to companies registered and organized in the State of Qatar.

- Law No. (13) of the Year 2000 on the Organization of Foreign Capital Investment in Economic Activity (the “Foreign Investment Law”), as amended, regulates the foreign investment in the State of Qatar. The law essentially provides that foreigners investing in Qatar must partner with a Qatari person or entity that must own no less than 51% of the company. As an exception to this rule foreign investors can have full ownership (up to 100%) of the business, in certain sectors, including tourism.

- Law No. (25) of 2004 on the Combat of Covering Up Illegal Practices Carried out by Non-Qataris (the “Proxy Law”) prohibits non-Qatari nationals from exercising ‘any commercial, economic or vocational business except in sectors where they are permitted to do so in accordance with applicable laws” and makes it unlawful for Qatari persons, legal or natural to “cover up” the business activities of any non-Qatari person thus enabling the non-Qatari person to carry on “any commercial, economic or vocational business in violation of applicable laws.”

- Law No. (6) of 2012 Regulating Tourism (the “Tourism Law”) regulates the tourism facilities and activities in the State of Qatar, including the licensing process, licensee’s obligations, and applicable penalties.

- Law No. (17) of 2013 Regulating Exhibitions (the “Exhibitions Law”) regulates holding exhibitions and practicing exhibition organizer activities in the State of Qatar, including the licensing process, licensee’s obligations, and applicable penalties.

- The Labor Law No. (14) of 2004 (the “Labor Law”), as amended, sets out the terms and conditions for employment in Qatar. It is important to note, however, the Labour Law does not apply to employees of Qatar Petroleum, public employees, or employees working for entities licensed in the QFC.

- The Income Tax Law No. (21) of 2009 (the “Income Tax Law”), as amended, regulates taxation in Qatar and sets out the terms and conditions for applying and calculating corporate income tax and withholding tax.

How to Establish Legal Presence in Qatar

The General Rule

Whether you are a local or foreign investor will dictate the options available for setting up a business. Below are the fundamentals to bear in mind when considering your investment in Qatar:

You are a Qatari national or work for a wholly-owned Qatari entity

You can choose between any of the legal structures provided in this Guide and under the Companies’ Law, depending on your underlying objectives and activity; the most common options being the limited liability company.

You are a foreign investor

Non-Qatari investors can invest in all sectors of the Qatar economy, subject to the requirement that 51 per cent of the share capital in the venture be held by a Qatari person, legal or natural.

The following activities are restricted to Qatari nationals:
- Investment in banking and insurance (unless a Ministerial Resolution permits otherwise, or the activity is covered by a relevant Free Zone).
- Acting as commercial agent, and
- Ownership of real estate.

You are a Gulf Cooperation Council (GCC) national or work for a wholly-owned GCC entity

In addition to the avenues available to foreign investors, you may be entitled to increase your share in the company to 50%. There are also a number of activities available for GCC investors, including tourism, that do not require Qatari participation. Such applications are considered on a case-by-case basis.

Exceptions

- 100% Foreign Ownership Exemption

An exception to the foreign ownership rules may be granted to foreign companies or individuals who obtain a decision from the Minister of Economy and Commerce for carrying on business in Qatar as a 100 percent foreign-owned entity. The exception may be granted provided that the field of business falls within one of the permitted sectors, which include tourism, and provided that such projects match the development plan of the State of Qatar. Preference will be given to projects that have the potential for optimum utilization of local raw materials, export, introducing new products or employing new technologies, as well as projects aiming to localize worldwide leaders in industry or those who will train and qualify Qatari nationals.
Foreign Branch
A foreign company can conduct business in Qatar without the requirement of having a Qatari partner and without being regulated by the Companies' Law, through the establishment of a Foreign Branch. In order to establish a Foreign Branch, the company should be awarded a contract with the Qatar Government or a quasi-governmental entity, which according to Article (3) of the Foreign Investment Law “would facilitate the performance of a public service or utility.” A “No Objection Letter” from the Qatar contracting entity is required. Approval to open a Foreign Branch must be obtained from the Ministry of Economy and Commerce in the form of a Ministerial Resolution. The minister's approval is entirely discretionary. The Ministerial Resolution limits the Foreign Branch to carrying out the specific contract approved by the minister with further approval required for each additional contract or for registration of the renewed contract.

The registration of the Foreign Branch is valid for the term of the contract for which it was granted approval. The Foreign Branch is subject to the Qatari Income Tax Law unless it is granted a special tax exemption.

QFC entity
The QFC was established by Law No. 7 of the Year 2005 to be a financial and business hub with the objective of attracting international financial services providers.

The QFC aims to operate at international standards and provide a world class business and regulatory infrastructure for investors seeking to do business in Qatar.

It is organised into two authorities, a commercial authority and a regulator, the Qatar Financial Center Authority (QFCA) and the Qatar Financial Center Regulatory Authority (QFCRA), respectively. Both authorities are separate and independent of each other and of the Government of Qatar.

What makes the QFC unique when compared to other financial centers in the Middle East is that it has no physical boundaries. Entities registered under the QFC may operate internationally and anywhere throughout Qatar, subject to QFC approval of the desired location.

Entities established under the QFC can be fully owned by foreign investors. Repatriation of capital and profits is permitted with no restrictions. The QFC allows for various types of legal entities, including limited liability companies, general and limited partnerships and protected cell companies. All QFC entities must be licensed by the QFCA through the QFC’s Companies Registration Office.

Entities wishing to work within or throughout the QFC must be engaged in specific activities and must obtain a license from the QFC authorities. The permitted activities fall into two categories:

- Regulated activities
  - Activities undertaken by financial firms, such as investment and retail banking, insurance companies, funds and wealth management firms, brokerage offices and securities operations. Undertaking these activities under the QFC requires approval of the QFCRA.
  - Non-regulated activities
    - These are activities that support financial firms, such as accounting, audit and law firms. Undertaking these activities does not require approval of the QFCRA. Entities carrying out non-regulated activities have no minimum capital requirement. The minimum capital requirement for regulated activities is determined according to the proposed activity. With limited exceptions, QFC entities are subject to corporate income tax.

Key Features of the Most Common Vehicle to Conduct Business in Qatar

The Limited Liability Company (LLC) in a Nutshell

As the most common choice for foreign investors, the LLC is often informally referred to as a “joint venture” or “joint venture company.” Unless otherwise exempted, the foreign investor may not own more than 49% of the share capital; the remaining 51% to be held by one or more Qatari individuals or one or more wholly Qatari-owned companies. Notwithstanding the 49% foreign shareholding cap, under regular circumstances, the foreign shareholder may preserve significant control over the management and operations of the LLC.

An LLC may not raise capital by public subscription and may not issue freely transferable shares. Existing shareholders enjoy pre-emptive rights to purchase any shares offered for sale unless the right is expressly waived.

The key characteristics of the LLC are as follows:

- 1 to 50 shareholders.
- No minimum capital requirement.
- Shareholders’ liability capped to the amount of their equity ownership in the capital of the LLC.
- The respective shareholders’ shares of profits (and losses) do not have to reflect their equity proportions.
- A wide array of activities can be conducted by the LLC (except for banking, insurance, and the provision of investment services to third parties).
- Governance structure – The shareholders may opt for either a two-tier structure with a general manager and a shareholders’ general assembly or a three-tier structure with the setting up of a board of managers whose establishment and procedures are set by the shareholders.
- Profits are subject to a 10% income tax (imposed on the foreign investor’s share of profits).
- 10% of the LLC’s profits must be set aside each fiscal year for the legal reserve until the reserve has reached 50% of the share capital.
- The shares of the LLC may not be publicly traded.

Taxes: What You Should Know

The key provisions to be aware of regarding tax in the State of Qatar are as follows:

Corporate Tax
Private firms established in Qatar pay tax on their taxable profits at a flat rate of 10%.

Taxable profits
Those derived from sources in Qatar, calculated in accordance with the Income Tax Law No. (21) of 2009 (as amended) and applicable regulations, and exclude profits attributable to Qatari and GCC nationals. There are various exceptions:

- Income from certain activities, such as agriculture and fishing, is exempt;
- Petroleum companies engaged in oil and gas operations are taxed at the rate specified in their development agreements, provided the rate is at least 35%;
- Firms listed on the Qatar Exchange are exempt, but subject to a 2.5% contribution to a special fund to support sporting, cultural, social and charitable activities.
• **Tax Card**

Taxpayers carrying on an activity must register with, and obtain a tax card from, the Public Revenues & Taxes (PRTD). Tax declarations must be filed within four (4) months of the end of the accounting period. Taxpayers should note that if it is necessary to have an accounting period that is not a calendar year (for example, to reflect an overseas corporate group’s financial year-end), the PRTD’s permission is needed. These rules also apply to branches of overseas companies with a permanent establishment in Qatar.

• **QFC Entities**

QFC entities are subject to the separate jurisdiction of the QFC and to a 10% corporation tax on taxable profits (calculated in accordance with QFC tax regulations) arising in or deriving from Qatar. The QFC has separate rules on transfer pricing.

• **Withholding Tax**

Any payments (excluding the payment of dividends) made to a non-resident entity with no permanent establishment in Qatar in respect to activities performed wholly or partially in Qatar are subject to a withholding tax. The rate of withholding tax is 5% for royalties (which includes royalties for the use of intellectual property, and for the use of industrial, commercial or scientific equipment or information) and for managerial, technical and consultancy services. A 7% rate is imposed on commissions, interest, brokerage fees, and on all other services.

• **Customs duties**

Imposed on the import of all goods from outside the GCC, subject to certain exceptions. The standard rate of customs duties (standardized across the GCC) is 5% of the total amount of the goods and their associated insurance and shipment costs, plus a legalization fee if the commercial invoice and certificate of origin have not been attested by the Qatari embassy. Higher tariffs apply to certain products, such as iron bars and rods, cement, musical instruments and tobacco.

• **Value Added Tax (VAT)**

It is expected that Qatar will introduce VAT by 2018 as part of a GCC-wide VAT initiative. It is expected that the rate will be about 3-5%, and that VAT will be chargeable on a broad range of goods and services.

---

**Financing: Overview**

• There is a large selection of local and international banks in Qatar which provide both conventional and Shariah-compliant services.

• The banking sector is overseen by the Qatar Central Bank (QCB) which applies banking standards and regulations for commercial banks.

• The Qatar Development Bank (QDB) is a State-owned bank which provides financial services, banking and loans to Qatar-based companies for the development of the industrial, tourism, educational, health care, agricultural, animal resources and fisheries sectors of the Qatari economy. In addition to providing financial aid, the bank also offers advisory support and guidance to small and medium enterprises regarding start up, growth and expansion of their activities, with the aim of establishing a sustainable economic system. QDB established QBIC- a unique mixed-use business incubation center providing support services to entrepreneurs and companies who either have an idea to start a business or want to grow an existing business.

---

**How Can QTA’s Tourism Investment Promotion Unit Support You?**

- **Provide relevant tourism market information**
  Provide tourism market information and statistics.

- **Connect you with government and business support entities**
  Help connect with institutions including Qatar Development Bank, Qatar Financial Centre and Qatar Chamber of Commerce and Industry who often play a critical role in the success of an investment in areas including company registration, sponsorship and project finance.

- **Provide guidance on permits and licensing procedures**
  Provide detailed guidance in regard to QTA’s tourism license processes and other government permits required.

- **Facilitate connection with land owners**
  Facilitate contact with land owners who may be interested in tourism projects.

- **Provide selected smes with office space**
  Provide dedicated office space and onsite tourism business mentoring via our strong partnership with Qatar Business Incubation Centre (QBIC).

- **Monitor and evaluate**
  Work with investors, developers and operators to ensure the fulfillment of performance targets.
For any queries in relation to investment opportunities in the State of Qatar, please contact:

**Mohamed Al Mahmeed**  
Head of Tourism Investment Promotion  
+974 4499 7479  
malmahmeed@visitqatar.qa

**Jitesh Shah**  
Tourism Investment Promotion Consultant  
+974 4499 7496  
jshah@visitqatar.qa

**Karthik Nathan**  
Tourism Investment Coordinator  
+974 4499 7897  
k Nathan@visitqatar.qa
Doha Bay, Qatar

www.visitqatar.qa