

**Law No. (11) of 2022**

**Amending Several Provisions of Income Tax Law**

**Promulgated by Law No. (24) of 2018**

**We Tamim bin Hamad AL Thani**

**Emir of the State of Qatar**

After perusing the Constitution,

The Tax Income Law promulgated by Law No. (24) of 2018,

Proposal of the Council of Ministers,

Approval of the Shura Council,

**Have decided to approve the following Law:**

**Article (1)**

Provision of Article (2) of Law No. (24) of 2018 referred to above shall be replaced by the following provision:

**Article (2)**

Subject to the provisions of Article (9-second paragraph / Clause 2), and Article (13) of the attached Law, the provisions of the attached Tax Income Law shall not apply to the following:

- 1- Ministries, other government bodies and public authorities and corporations.
- 2- International organizations and their offices and branches operating in the State.
- 3- Salaries, wages, allowances, and the like.
- 4- Legacies, inheritance, and capital profits from selling legacies, share therein or any right included therein.

**Article (2)**

The provisions of Articles (1), (2), (4), (13), (16), (20), (24), (33) and (34) of the Income Tax Law referred to above shall be replaced by the following provisions:

**Article (1):**

In the application of the provisions of this Law and its Executive Regulation, the following words and expressions shall have the meanings assigned to each of them unless the context requires otherwise:

<b>Minister</b>	: Minister of Finance
<b>Authority</b>	: General Tax Authority
<b>President</b>	: President of GTA
<b>Tax</b>	: Income Tax
<b>Person</b>	: Any individual, company, or any other juridical persons
<b>Entity</b>	: Any juridical person, or any legal entity that is considered separate financial accounts.
<b>Activity</b>	: Profession, vocation, trade, industry, speculation, or any business aimed at deriving profit or income, including the exploitation of movable and immovable property.
<b>person in charge</b>	: Chairman of the Board of Directors, managing director, authorized director or any person representing the company, entity or establishment or managing its business, as the case may be.
<b>Non-profit</b>	: Any entity fulfilling the following standards:
<b>Organization</b>	1- It shall be established and active in the State or in a foreign state in which it is resident for tax purposes, in the following cases:

- (A) Exclusively for religious, charity, scientific, artistic, cultural, sports, educational or other similar purposes.
  - (B) As a professional organization, business association, chamber of commerce, worker organization, agriculture organization, civil association or an organization working exclusively to promote social care.
- 2- The Organization's income from the activities mentioned in the previous clause is exempted from Income Tax in the State or the foreign state in which it is resident for tax purposes.
  - 3- There shall not be any shareholders or members who have equity or interest in its income or assets.
  - 4- No private person or profit entity shall claim the income or assets of that Entity. That Entity shall not distribute its income or assets on a private person or a profit entity, unless it is according to the management of charity of that Entity, as paying a reasonable consideration for the provided services, for using the property, or the capital of that Entity, or as a payment representing the fair value in the market for the property bought by the Entity.

5- On closure, dissolution, or liquidation of the Entity, all its assets shall be distributed or returned to a non-profit organization or the government or any other political subdivision (administrative or regional) or any government entity, as the case may be in the State or the foreign state in which it is resident for tax purposes. The assets shall not be distributed or returned to any entity practicing business that is not directly related to the purposes for which that Entity was established, including private associations, charity works, and private foundations of public interest.

- Project** :Any business that generates income or profit.
- Qatari project** :A project managed by a resident in the State.
- Foreign Project** :A project managed by a resident in a foreign state.

**Business** : performing professional services and other independent activities.

**Permanent Establishment** : A fixed place through which the business is performed wholly or partly.

**Immovable property** : Real estate, immovable by destination, and landed property, including the rights to payments in return for the exploitation of natural assets and their resources or the rights related thereto.

**Distributed profits**

- 1- Income from stocks and usufruct stocks, usufruct rights, mining stocks, founders' stocks, or the other rights of profit sharing, other than debt claims.
- 2- Income from other rights in the companies subject to income tax treatment from the stocks themselves under the laws of the state in which the company is distributing.

**Interest**

- 1- Income from debt claims of all kinds, whether it is guaranteed by a mortgage or not, whether it has the right to debtor profit sharing or not, especially income from government securities and income from bonds and debt bonds, including installments and prizes related to these securities, bonds or debt bonds.
- 2- Income from the Islamic Financial Instruments in which the subject of the contract is similar to the loan such as the contracts of Murabaha, Istisna'a, Mudarabah, Musharakah, Ijarah, and Sukuk.

**Royalties**

: payments of any kind made as a consideration for:

- 1- The use of or the right to the use of copyrights related to literary, artistic, or scientific works including films, tapes, or discs used for radio or television broadcasting, patent, trademark, design, model, plan, confidential or practical formula, or as a consideration for the use of or the right to the use of industrial, commercial or scientific equipment.

2- The use of or the right to the use of information related to industrial, commercial, or scientific experience.

**Technical services fees** : Any payments as a consideration for any administrative, technical, or consulting services.

**Resident** : each individual who has an available permanent place of residence in the State, or if he is resident in the State for a period of more than (183) one hundred eighty- three consecutive or Separate days during one year, or if he is a Qatari citizen, and any entity the place of establishment of which is situated in the State, provided that the main and actual place of administration and management is located in the State.



<b>Tax Return</b>	: A return of income, expenses, exemptions, and due tax submitted by the taxpayer according to the form approved by GTA.
<b>Perfect Competition</b>	: A rule by which the transactions between related entities are registered according to the conditions that could have been agreed between independent projects in similar transactions, and under similar circumstances.
<b>Foreign Tax</b>	: A tax that is paid to a foreign country.
<b>Financial Year</b>	: The accounting period about which the project prepares its financial statements. It is the calendar year, or (12) twelve consecutive months ending on the last day of any month except for December by permission from the President.
<b>Gross income</b>	: Total income of the taxpayer in the financial year.
<b>Net income</b>	: Gross income after deducting the allowable deductions under the provisions of this Law.
<b>Taxable income</b>	: Net income after deduction of the losses under the Provisions of this Law.

**Actual Place of Administration** : The place where the executive officials and the senior management officers of the entity make strategic, commercial, administrative, financial and operative decisions of the entity, or practice their daily works, and where officers and other employees perform the daily activities required for running the entity.

**Taxpayer** : Every natural or juridical person or any other entity obliged to pay tax, or perform the other tax duties stipulated in this law and the related regulations and decisions.

**Regulation** : The Executive Regulations of this Law.

**Article (2):**

"An annual tax shall be imposed on the taxable total income of the taxpayer derived from resources in the State during the previous tax year".

**Article (4):**

"Without prejudice to tax exemptions prescribed under special laws or international agreements, or under the provisions of Article (35) of this Law. The following incomes shall be exempted from the tax:

- 1- Incomes of private foundations and institutions, private charitable foundations and institutions, and private institutions of public interest that are established according to the provisions of the law regulating each of them.
- 2- Bank interests or returns due to natural persons who do not carry out a taxable activity in the State, whether they are residents or non-residents therein.
- 3- Interests and returns on public debt securities and Islamic financial securities, issued in accordance with the provisions of the State Financial System Law, and bonds of the public bodies and corporations.
- 4- Capital gains arising from the disposal of real estate or securities achieved by natural persons, provided that the real estate or securities disposed of are not part of the assets of a taxable activity.

- 5- Capital gains arising from the reevaluation of the company's assets when they are presented as an in-kind share in compensation for the contribution to the capital of a joint-stock company resident in the State, provided that the shares corresponding to the in-kind share shall be nominal and shall not to be disposed of before the lapse of five years.
- 6- Capital gains achieved by a Qatari project from the disposal of the following:
  - A. Immovable property located outside the State.
  - B. Movable property constituting part of a permanent establishment owned by the Qatari project abroad, including the capital gains derived from the property transfer of that permanent establishment, individually or with the whole project.
  - C. Stocks, shares, or any other foreign rights.
- 7- Fees of the Board of Directors members and other similar payments obtained by a Qatari project as a Board of Directors member of a company located outside the State.
- 8- Profits of stocks and other incomes arising therefrom, if the amounts distributed during the taxable year are deducted from the following:
  - A. Profits which have been taxed according to the provisions of this Law.
  - B. Profits distributed by a company the profits of which are exempted from tax under the provisions of this Law or other laws.

9- Gross income derived from crafts activities that do not use machinery, the gross income of which does not exceed (200,000) two hundred thousand Riyals per year and the average number of workers does not exceed (3) three workers in the taxable year, and these crafts are carried out through one single establishment.

By a decision of the Council of Ministers, upon the proposal of the Minister, the conditions of the exemptions set forth in this clause may be amended.

10- Gross income derived from agricultural or marine fishing activities.

11- Gross income achieved by the non-Qatari air or sea navigation companies operating in the State, on condition of reciprocity.

12- Gross income of the Qatari natural person resident in the State.

13- Gross income of the juridical person resident in the State and wholly owned by Qatari nationals.

14- The profits of the juridical person resident in the State by the percentage of the profits of the following persons therein:

A. Qatari natural persons

B. Juridical persons wholly owned by Qataris

C. Juridical persons partially owned by Qataris based on their shares in the profits.

The provisions of this clause shall not apply to the profits of juridical persons wholly or partially owned by the State, directly or indirectly, and operating in the field of petroleum operations and petrochemical industries.

- 15- Gross income arising from authorized activities of private authorities registered in the State or registered in another country and licensed to operate in the State, within the limits of the activities they carry out which do not aim at making profits.
- 16- Share of non-Qatari investors in the profits of companies the shares of which are traded in the Stock Exchange.
- 17- Share of non-Qatari investors in the profits of the Investment Funds the units of which are traded in the Stock Exchange.
- 18- Share of non –Qatari investors in profits derived from trading of all securities, including Investment Funds units, listed for trading in the Stock Exchange.

The regulation shall specify the conditions and controls for the exemption of incomes provided for in this Article from the tax.

**Article (13):**

Government authorities, private companies, associations and foundations, charities and private charitable foundations, private foundations of public interest, individual enterprises, and any other entity specified by the Regulation shall notify the GTA of contracts, agreements, and transactions concluded by them in accordance with the limits and periods specified by the Regulation.

The authorities provided for in the preceding paragraph shall, whenever requested, provide the GTA with the information relevant to the tax purposes, subject to the regional and international tax agreements to which the State is a party.

Any person who is resident in the State shall provide the Authority, whenever requested, with a detailed statement of his financial assets outside the State or of his shares in foreign financial assets, if he is suspected, during the tax examination, to have committed the acts stipulated in Article (26) of this Law.

For the previous paragraph, the foreign financial assets include the following assets:

- 1- Financial accounts held with foreign financial institutions.
- 2- Stocks and shares in foreign companies, partnerships, and investment funds.
- 3- Foreign government securities, bonds, debt bonds, and any other debt forms.
- 4- Real estate or real estate rights.

The person who is requested to submit the referred to statement shall report his foreign financial assets or his rights in foreign financial assets even if any of those assets or rights does not influence the tax obligation of that person for the reported financial year.

The referred to statement shall be submitted, according to the controls and on the time specified by the Regulation".

**Article (16):**

Employees of the Authority shall maintain the confidentiality of information and documents that reach their Knowledge or in their possession during or in the performance of their duties.

The employees of the Authority shall be exempt from this obligation when such information and documents are disclosed in the following cases:

- 1- To the taxpayer or his agent, or any government agency subject to the approval of the taxpayer unless the disclosure is prohibited under the provisions of another law.
- 2- At the request of any judicial body.
- 3- Information is provided within the framework of an exchange of information procedure under an international or regional tax agreement to which the State is a party.

Any information obtained by the Authority from a foreign competent authority under an agreement related to administrative assistance and exchange of information for tax purposes shall be confidential. This information may only be disclosed to persons, authorities including courts, the administrative bodies concerned with assessment or collection of tax, law enforcement or prosecution related thereto, adjudication of appeals related thereto, or supervising those competencies.



These persons or authorities may only use that information for the referred-to purposes. They may disclose this information in the public procedures in courts or judicial decisions. The information obtained by a contracting state for other purposes may also be disclosed, if the laws of both states allow using that information for such other purposes, and if the competent authority in the state providing the information allow such use".

**Article (20):**

The taxpayer shall pay the tax due stated in the tax return submitted by him on the same day of the submission of the tax return, and in case of his notification of the Authority's decision of the assessment thru the amendment or estimation, and the period of objection provided for in Article (17) of this Law has expired without an objection being submitted, the taxpayer shall be obliged to pay the tax and the financial sanctions related thereto within thirty days from the date of lapse of the aforementioned period.

Should the taxpayer accept the decision of the Authority issued on the decision on the objection, the taxpayer shall be obliged to pay the tax due within thirty (30) days from the date he is notified of such decision.

In cases other than provided for in the preceding two paragraphs, the tax and the financial sanctions related thereto shall be paid in one lump sum within thirty (30) days from the date of lapse of the period provided for in Article (18) of this law without reply or from the date of notifying the taxpayer or the person in charge of the Authority's response to the objection.

The Authority may, at the request of the concerned party, approve the payment of the tax due and the financial sanctions related thereto by installments as set out in the Regulation. Should the taxpayer fail to pay any of the installments on the specified date, all the remaining installments shall become due immediately.

If the taxpayer pays a foreign tax for a taxable income in the State, the taxpayer may deduct that foreign tax within the limit of the amount of the tax due in the State, subject to the following:

- 1- The foreign tax shall be an income tax imposed by a foreign country or one of its political subdivisions or local authorities.
- 2- The foreign tax shall be an actually paid tax.
- 3- The foreign tax shall be decreased by any amounts recovered by the taxpayer from the foreign country.

Deduction of the foreign tax may not be claimed for an income exempted from the tax in the State".

**Article (24):**

Except for acts constituting an offense in accordance with the provisions of Article (26) of this Law, the President or his authorized representative shall, in cases set forth in the following clauses, impose the following financial sanctions in the cases provided for in the following clauses:

- 1- Every taxpayer who fails to file the tax return within the periods prescribed according to this Law and Regulation shall be fined with a financial sanction of five hundred (500) Riyals per day of delay and up to a maximum of one hundred and eighty thousand (180,000) Riyals.
- 2- Every taxpayer who fails to pay the tax within the periods prescribed under this Law and Regulation, and any natural or juridical person who does not supply the amount of tax deducted from the source at the specified dates, shall be fined with a financial sanction at the rate of (2%) two percent of the due tax amount for each month of delay or part thereof, provided that it does not exceed the amount of the tax due.
- 3- Every taxpayer who contravenes the provisions of registration and notification provided for in this Law and Regulation shall be fined with a financial sanction of (20,000) twenty thousand Riyals.
- 4- Every taxpayer who benefits from a tax exemption and does not submit the tax return and the documents to be attached thereto under the provisions of this Law and Regulation shall be fined with a financial sanction of ten thousand (10,000) Riyals.

- 5- Every taxpayer who contravenes the provisions of submitting the final audited accounts and keeping and maintaining the accounting books provided for in this Law and Regulation shall be fined with a financial sanction of thirty thousand (30,000) Riyals.
- 6- Save for the governmental authorities, each entity that does not notify the Authority of the contracts, agreements, and transactions concluded under the provisions of Article (13) of this Law shall be fined with a financial sanction of ten thousand (10,000) Riyals.
- 7- Every person who does not deduct the tax from the source as per the provisions of Article (9- second paragraph- Clause 2) of this Law, shall be fined with a financial sanction equivalent to the amount of tax not deducted, in addition to the payment of the amount of tax due.
- 8- Every person who contravenes the provision of the decisions issued in accordance with the (second paragraph of Article "34") of this Law, shall be fined with a financial sanction not exceeding (500,000) five hundred thousand Riyals.
- 9- Projects that do not take into consideration the requirements of the physical presence and substantial activity provided for in this Law and Regulation, shall be fined with a financial sanction of (15%) fifteen percent of its net income.

In the application of Clauses (1) and (2) of this Article, the period of delay shall commence from the day following the lapse of the last date for submitting the tax return, and shall end on the date of the submission of the tax return or the payment of the tax, as the case may be.

The concerned person shall be notified of the imposed financial sanctions, as specified in the Regulation".

**Article (33):**

"The Authority may withdraw the tax concession from the taxpayer obtained because of agreements, operations, or transactions, in accordance with the provisions of the Executive Regulation, in case the taxpayer enters into agreements, operations, or transactions one of the main purposes of which is avoiding the payment of tax due.

The Authority may, in any of the cases stipulated in the previous paragraph, take all or some of the following procedures:

- 1- Re- adapting the disposition if its form does not reflect the real substance thereof.
- 2- Adjusting the amount of tax due by the taxpayer or any other person involved in the agreements, operations, or transactions provided for the first paragraph of this Article.

If a Qatari project directly or indirectly participates in managing or controlling a foreign project or contributed to the capital thereof, or if a foreign project directly or indirectly participated in managing or controlling a Qatari project or contributed to the capital thereof, or if the same persons directly or indirectly participated in managing or controlling a Qatari project and a foreign project or contributed to the capitals thereof, and in either of the stated cases, conditions are set or imposed between the two projects related to the commercial and financial relationships and these conditions are different from those that may be set between two independent projects, any profits that could have been derived for either of the two projects may be included within the profits of the Qatari project if these conditions had not been applied, and these profits shall be taxable accordingly.

The entity may not have any exemptions or tax concession unless its actual place of administration is situated in the State".

**Article (34):**

"The application of this Law shall not prejudice any obligations imposed under the international agreements or arrangements, to which the State is a party, in the field of exchanging information for tax purposes or combating international tax avoidance.

The Regulation sets out the provisions required for addressing the requirements resulting from the digitalization of the economy, and specifies a minimum tax on the entities resident in the State based on their excess profits specified in a manner equivalent to the Global Anti-Base Erosion Rules, provided that it shall not be less than (15%) fifteen percent. The Regulation also specifies the scope, conditions, and procedures of its application.

The Minister shall issue the necessary decisions to enforce those obligations, and his decisions in this regard shall be binding on all authorities, and entities in the State, including the bodies applying special tax regimes under the laws regulating them".

### **Article (3)**

**The following provisions shall be added to the aforementioned Income Tax Law:**

#### **Article (2 bis)**

The income of a Qatari project from the real estate located outside the State and the income derived from the direct use of, leasing, or any other use of the immovable property shall be taxable, taking into consideration the following:

- 1- The Qatari project benefiting from the income from the immovable property shall not engage in business in a foreign country where the real estate deriving that income from an existing permanent establishment is located.
- 2- The immovable property for which the income is paid shall not be related to this permanent establishment".

#### **Article (2 bis/1):**

The distributed profits paid by a foreign company resident outside the State to a Qatari project shall be taxable. Moreover, the interest and royalties arising outside the State and paid to a Qatari project shall be taxable, subject to the following:

- 1- The Qatari project benefiting from the distributed profits, interest, or royalties shall not engage in business in a foreign country where the company paying the distributed profits is resident or the interest and royalties are arising from an existing permanent establishment therein.

2- The stocks, shares, or other rights for which the distributed profits are paid, or the debt claim for which the interest is paid, or the rights or property for which the royalties are paid shall not be actually related to this permanent establishment".

**Article (2 bis/2):**

The technical services fees arising outside the State and paid to a Qatari project shall be taxable, subject to the following:

- 1- The Qatari project benefiting from the technical services fees shall not engage in business in the foreign country where the technical services fees are arising from a permanent establishment existing in that foreign country.
- 2- The technical services fees shall not actually be related to that permanent establishment".

**Article (2 bis/3):**

"The profits arising from the disposal of the property outside the State of any Qatari project shall be taxable".



**Article (2 bis/4):**

"If the Qatari project engages in business in a foreign country through a permanent establishment existing therein, the profits attributable to the permanent establishment shall not be taxable, provided that these profits are taxable in that foreign country".

**Article (2 bis/5):**

The taxable income includes the income derived from outside the State from the following services:

- 1- Providing the rights of distributing products or services.
- 2- Payments in consideration for providing services of marketing, procurements, financial intermediation, agency, and other intermediation services.
- 3- Fees paid for obtaining guarantees or similar financial support.
- 4- Providing communication and broadcasting services".

**Article (11 bis):**

The entity that fulfills the standards specified by the Regulation shall submit a report on the minimum indicators of their substantial activities as per the manner and time specified by a decision of the Minister.

Concerning the reported financial year, the entity shall be considered not practicing a substantial activity in the State in the following cases:

- 1- If the entity does not submit the report stipulated in the first paragraph of this Article.
- 2- If the entity does not meet any of the minimum indicators of substantial activities specified by the Regulation.
- 3- If the entity does not provide the Authority, whenever requested, with documentary evidence about those indicators.

If the entity does not have minimum indicators of substantial activities, the Authority may refuse to deliver the entity a Tax Residency Certificate".

**Article (13 bis):**

The Authority has the right to obtain the information and documents for tax examination, or for the purpose of exchanging them with the competent foreign authorities, in accordance with the agreements related to administrative assistance and information exchange for tax purposes from any person or entity that possesses or controls those information and documents.

Obtaining the information to be exchanged with the foreign competent authority does not require that the Authority needs this information for its tax purposes, or that the authority examines the taxpayer who possesses or controls that information, or the person concerned with that information or the acts on which information is required are criminalized in the State.

The Authority has the right to obtain the information for the purposes specified in the first paragraph of this Article in all tax issues, including, the information related to criminal tax issues.

Moreover, the Authority has the right to obtain the information specified in the first paragraph of this Article from any person in the State who possesses or controls that information, regardless of any legal obligation on that person concerning maintaining the confidentiality of information.

The information is controlled by some person, if he has a legal right, power or capacity to obtain the information or documents possessed by another person".

**Article (13 bis/1):**

"The companies and other entities whose headquarters or the actual place of administration is located in the State shall provide the Authority, whenever requested, with the information identifying the legal owners and the beneficial owners of them, including the information on the persons whom the legal owners act on their behalves as authorized representatives, or under any similar arrangements, and the information on the persons existing in the chain of intermediate entities between the company or the other concerned entity and the beneficiary owner.

The partnerships established according to the laws of the State or those practicing their activities in the State shall provide the Authority, whenever requested, with the information identifying the partners and the beneficiary owners of them.

The Investment Funds established under the laws of the State or which are run in the State, or whose treasurer or agent is resident in the State shall provide the Authority, whenever requested, with the information on the identity of their beneficiary owners, including the grantor or the founder, the treasurer or the agent, patron or guarantor, as the case may be, all the beneficiaries, or the beneficiary groups, and any other natural person who, in the long run, actually controls the investment fund.

Non-profit organizations established according to the laws of the State shall provide the Authority with information identifying the founders, the members of the Foundation Board, the existing beneficiaries, and beneficiary owners or persons who have the power of representing them.

Moreover, the information provided by the entities and legal bodies on the identity of the legal owners and beneficiary owners of them shall be adequate, accurate, and updated".

**Article (4)**

All competent authorities, each within its field of competence, shall implement this Law, and it shall be published in the Official Gazette.

**Tamim Bin Hamad Al- Thani**

**Emir of the State of Qatar**

**Issued in the Amiri Diwan on: 28/05/1444 H**

**Corresponding to: 22/12/2022 AD**