

Directive No (2) year 2020

Regarding the correct interpretation of the time limits for requesting a mutual agreement procedure and informing them of the rights under tax treaties

To Taxpayers and Chartered accountants

After greetings,

With reference to the mutual agreement procedure stipulated in the tax agreements of the State of Qatar;

Kindly note that the General Tax authority will take into consideration the spirit and objectives of Double Tax Agreements, in order to achieve a balance between the time limits for making a mutual agreement and the need to provide assistance in making a mutual agreement for taxpayers who are entitled to the benefits of a tax agreement.

The General Tax Authority will seek to interpret the time limits with the tax agreements in an easy manner for taxpayers and enable them to benefit from any doubt related to these time restrictions, in a way that will not prevent them and may obtain assistance through the mutual agreement procedure without justification.

While the responsibility for submitting an application in a timely manner in order to preserve the use of the mutual agreement procedure rests with the taxpayers who must take all reasonable steps to ensure that the time limit granted to them does not expire, the General Tax Authority will inform the taxpayer of their rights under applicable tax agreements thereto, including any time restrictions in those agreements for the initiation of a mutual agreement.

The provision of the local law, including the time restrictions, will not be an impediment to the taxpayer to enter into a mutual agreement.

Violation of the requirements related to the substantial activities described in this Resolution.

Manipulating the amounts of expenditures and incomes, to inflate incomes or reduce losses related to the activity benefiting from the preferential tax system.