



100% Financial Penalty Exemption Initiative

User Guide



◆ Introduction

The '100% Financial Penalty Exemption Initiative' aims to support taxpayers' voluntary tax compliance and facilitate the correction of their tax situations. This improves the efficiency of Qatar's tax system and strengthens trust between taxpayers and the General Tax Authority.

The Authority issued this guide to clarify the terms of the initiative and provide illustrative examples, with the express understanding that its content does not constitute an amendment to any prevailing tax laws and regulations within the State of Qatar.

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The initiative will last for

6 Months

starting from March 1, 2025.

Exemption from Financial Penalties

The initiative provides an exemption from all financial penalties outlined in both Income Tax Law No. (24) of 2018 (and its amendments) and Excise Tax Law No. (25) of 2018. Taxpayers shall pledge to maintain tax compliance by submitting tax returns and fulfilling financial obligations within the legally specified deadlines for the next three years.

Eligibility Requirements

To be eligible for the initiative, taxpayers must meet the following conditions:

- 1** Register on the Dhareeba Tax Portal and confirm the accuracy of all provided information, including:
 - ◆ Company name
 - ◆ Partners' names
 - ◆ Type of economic activity
 - ◆ Addresses and contact numbers
 - ◆ Ownership percentages
 - ◆ Partners' nationality
- 2** Submit all accurate tax returns, financial statements, and supporting documents before applying for the initiative.
- 3** Pay all outstanding taxes before applying for the initiative.
- 4** Pledge to submit timely tax returns and pay taxes within the legally specified deadlines for the next three years, and to maintain the accuracy of provided contact information.

◆ Important Note ◆

Failure to comply with tax obligations within the legally specified deadlines during the next three years will result in the forfeiture of any future requests for exemption or reduction of fines or financial dues.

Categories Not Covered by the Initiative

- ◆ Companies against which legal action has been taken for violations of Income Tax or Excise Tax regulations, or for suspected tax evasion.
- ◆ Petroleum companies subject to a tax rate of 35% or higher.
- ◆ Companies with an average annual revenue of QAR 50 million or more between 2014 and 2023.

Terms and Conditions of the Initiative

- ◆ Registration on the Dhareeba system.
- ◆ Updating contact information on the system.
- ◆ Submission of all tax returns.
- ◆ Payment of all outstanding taxes.
- ◆ Pledge to submit accurate tax returns and financial statements.
- ◆ Pledge to comply with tax obligations when submitting future exemption requests.
- ◆ Pledge to cancel the tax registration of companies whose commercial registration has been cancelled or expired (3 or 5 years prior), provided that all outstanding tax returns are submitted, and outstanding taxes are paid.

Procedures for Submitting Applications via the Dhareeba Tax Portal

Applications for financial penalty exemptions shall be submitted exclusively through the Dhareeba Tax Portal, following these steps:

- 1 Login:** Log in to the Dhareeba Tax Portal.
- 2 Dashboard:** From the dashboard, select the Tax Identification Number (TIN) of the entity for which you are submitting the application.
- 3 Create Request:** Navigate to the 'Requests' section, click 'Create,' and select 'Income Tax Exemption for Companies'.
- 4 Read Instructions:** Carefully review the displayed instructions and click 'Start Now' to proceed.
- 5 Complete Application:** Follow the on-screen instructions to complete the required fields, ensuring adherence to all specified terms and conditions.

Frequently Asked Questions (FAQ)

1 What are the objectives of the initiative?

The initiative aims to:

- ◆ Support taxpayers by exempting them from financial penalties resulting from late payment or filing of returns.
- ◆ Encourage all taxpayers to comply with tax regulations and urge them to pay taxes on time.

2 What types of penalties does the initiative include?

The initiative includes an exemption from all financial penalties, subject to specific terms and conditions.

3 Does the exemption apply to all taxpayers?

No, the exemption only applies to taxpayers who meet the specified terms and conditions of the initiative.

4 What categories are excluded from this initiative?

- ◆ Petroleum companies subject to a tax rate of 35% or higher.
- ◆ Companies with an average annual revenue of 50 million QAR or more between 2014 and 2023.
- ◆ Penalties that were paid before the initiative's effective date.
- ◆ Companies facing legal action for violations of Income Tax or Excise Tax regulations, or for suspected tax evasion.

5 What is the deadline for benefiting from the exemption?

Taxpayers can benefit from the exemption between March 1, 2025, and August 31, 2025.

Applications must be submitted within this period.

6 Is it mandatory to pay outstanding taxes to benefit from the exemption?

Yes, taxpayers must pay all outstanding taxes to benefit from the financial penalties exemption initiative. This requirement encourages taxpayers to fully settle their tax obligations.

7 What are the steps for submitting an exemption request?

Taxpayers can apply for the exemption through the Dhareeba Tax Portal. This guide provides detailed instructions on the necessary steps and procedures.

Frequently Asked Questions (FAQ)

8 What if I am unable to pay the taxes due during the exemption period?

Failure to pay the outstanding taxes within the exemption period may result in the re-imposition of financial penalties according to applicable laws and regulations. Therefore, we strongly advise taxpayers to adhere to the specified timeframe to maximize the benefits of this initiative.

9 Can I obtain tax advice to assist me in the application process?

Yes, you can utilize the free tax advisory services provided by the General Tax Authority for guidance and support during the application process.

To contact the tax advisory team, please call the dedicated hotline for the Conditional 100% Financial Penalty Exemption Initiative: 16565.

10 Can I apply if I have existing disputes with the General Tax Authority?

Eligibility for this initiative may depend on the resolution of any existing disputes prior to application. For inquiries regarding procedures in case of ongoing disputes, please contact the Authority via email at Settlement@gta.gov.qa

11 What happens if I do not meet all the conditions by the end of the initiative period?

Failure to meet all eligibility requirements within the specified timeframe will result in disqualification from the initiative. Therefore, we strongly urge you to ensure timely fulfilment of all conditions to guarantee your participation.

12 Will I receive confirmation when my application is accepted?

Yes, the General Tax Authority will notify applicants of their application's approval via email or through their account on the Dhareeba Tax Portal.

13 Are there any benefits to early compliance during the initiative period?

Early compliance guarantees full access to the initiative's benefits and helps avoid potential complications that may arise at the last minute.

Frequently Asked Questions (FAQ)

14 Can I benefit from the penalty exemption if I have an objection to tax differences?

Yes, you can benefit from the penalty exemption initiative, even if you have an objection to tax differences. However, the exemption is contingent upon reaching a settlement agreement with the Authority regarding the tax differences. The Authority has assigned a dedicated team to review each case individually to facilitate a mutually acceptable settlement that allows you to benefit from the initiative. To address objections, please send an email to Settlement@gta.gov.qa attaching all relevant documentation.

15 What are the steps to apply for a settlement if I object to tax differences?

If you object to tax differences, the following steps will be taken:

- ◆ Submit a request via email to Settlement@gta.gov.qa, the designated address for tax difference objections.
- ◆ A meeting will be scheduled to discuss and analyse the objection.
- ◆ Based on the meeting's outcome, a mutually agreed-upon settlement mechanism will be established.
- ◆ Upon completion of the settlement process, you can apply for and benefit from the exemption initiative.

16 Will the Authority resolve my objection before the initiative period ends?

The General Tax Authority will review each case during the initiative period and will make every effort to reach a settlement agreement as quickly as possible. Please submit your request promptly via email to Settlement@gta.gov.qa to expedite the assessment process.

17 Do I have to pay all tax differences before applying for the exemption?

This depends on the settlement agreement reached during the meeting with the Authority, which will determine your eligibility to apply for the penalty exemption.

18 What are the years of the tax compliance pledge?

The tax compliance pledge covers the years 2026, 2027, and 2028.

Illustrative Examples of Cases Eligible for the Initiative

To better clarify the terms and conditions of the initiative and highlight its advantages, we provide the following illustrative examples of cases that can benefit from the exemption from financial penalties.

Illustrative Example (1)

A 100% Qatari-owned company failed to register since commencing operations on June 30, 2022, and has accumulated the following penalties:

- 1 Failure to register: QAR 20,000.
- 2 Failure to submit the 2022 tax return within the specified deadlines: QAR 180,000 (QAR 500 per day, maximum QAR 180,000).
- 3 Failure to submit the 2023 tax return within the specified deadlines: QAR 122,500 (QAR 500 per day, from May 1, 2023, to December 31, 2023).

Therefore, the company must first register through the tax system and submit the overdue tax returns for 2022 and 2023. Subsequently, they can apply to benefit from the initiative.

Total penalties eligible for exemption under the initiative: QAR 322,500.

Illustrative Example (2)

A non-Qatari partner with a 49% ownership stake in a fast-food restaurant began operations in June 2020.

Illustrative Examples of Cases Eligible for the Initiative

The company must first register with the tax system, submit overdue tax returns for the years 2020 to 2023, and pay the original tax amounts due for each year. Subsequently, they can benefit from the exemption from the following penalties:

- 1** Failure to register within the specified deadlines: 20,000 QAR.
- 2** Failure to submit the 2020 tax return within the specified deadlines: 180,000 QAR (500 QAR per day, maximum 180,000 QAR).
- 3** Failure to submit the 2021 tax return within the specified deadlines: 180,000 QAR (500 QAR per day, maximum 180,000 QAR).
- 4** Failure to submit the 2022 tax return within the specified deadlines: 180,000 QAR (500 QAR per day, maximum 180,000 QAR).
- 5** Failure to submit the 2023 tax return within the specified deadlines: 122,500 QAR (500 QAR per day, from May 1, 2024, to December 31, 2024).
- 6** Failure to pay the tax for the year 2020:
 - ♦ Tax due: $500,000 \text{ QAR} \times 49\% \times 10\% = 24,500 \text{ QAR}$.
 - ♦ Financial penalty for late payment: $24,500 \text{ QAR} \times 2 \times 40 \text{ months} = 1,960,000 \text{ QAR}$.
- 7** Failure to pay the tax for the year 2021:
 - ♦ Tax due: $1,000,000 \text{ QAR} \times 49\% \times 10\% = 49,000 \text{ QAR}$.
 - ♦ Financial penalty for late payment: $49,000 \text{ QAR} \times 2 \times 32 \text{ months} = 3,136,000 \text{ QAR}$.
- 8** Failure to pay the tax for the year 2022:
 - ♦ Tax due: $1,000,000 \text{ QAR} \times 49\% \times 10\% = 49,000 \text{ QAR}$.
 - ♦ Financial penalty for late payment: $49,000 \text{ QAR} \times 2 \times 20 \text{ months} = 1,960,000 \text{ QAR}$.
- 9** Failure to pay the tax for the year 2023:
 - ♦ Tax due: $1,000,000 \text{ QAR} \times 49\% \times 10\% = 49,000 \text{ QAR}$.
 - ♦ Financial penalty for late payment: $49,000 \text{ QAR} \times 2 \times 8 \text{ months} = 784,000 \text{ QAR}$.

Total penalties eligible for exemption under the initiative: 7,609,000 QAR.

Illustrative Examples of Cases Eligible for the Initiative

Illustrative Example (3)

A home-based project owned by a Qatari entrepreneur, specializing in air conditioning maintenance services, registered for tax in July 2019. However, the entrepreneur failed to submit the required tax returns until December 2024. Is he eligible to benefit from the initiative?

Yes, the entrepreneur can benefit from the initiative by submitting simplified tax returns for the previous years. This would entitle him to an exemption from the following late filing penalties:

- 1 Failure to file the 2020 tax return within the specified deadlines: 180,000 QAR (500 QAR per day, maximum 180,000 QAR).
- 2 Failure to file the 2021 tax return within the specified deadlines: 180,000 QAR (500 QAR per day, maximum 180,000 QAR).
- 3 Failure to file the 2022 tax return within the specified deadlines: 180,000 QAR (500 QAR per day, maximum 180,000 QAR).
- 4 Failure to file the 2023 tax return within the specified deadlines: 122,500 QAR (500 QAR per day, from May 1, 2024, to December 31, 2024).

Total penalties eligible for exemption under the initiative: 662,500 QAR.

Illustrative Example (4)

In 2025, a company benefited from the initiative to exempt financial penalties resulting from the late submission of tax returns, after pledging to submit returns and pay dues on the specified dates.

The company adhered to this commitment for one year. However, in 2027, the company once again submitted its tax returns and paid its dues late, outside the regular filing period. Consequently, the company forfeited its right to any future financial penalty exemptions, due to its breach of the three-year tax compliance pledge.

Social Media



Contact Center within Qatar
16565



Contact from Outside Qatar
+974 4406 9941



Email:
info@gta.gov.qa
support@dhareeba.qa