الهيئة العامة للضرائب
General Tax Authority
State of Qatar • دولة قطر

BILATERAL ADVANCE PRICING ARRANGEMENT

User Guide

www.gta.gov.qa

A Collaborative Approach to Bilateral Advance Pricing Arrangements

The competent authorities in Qatar and its treaty partner jurisdiction, together with taxpayers, are expected to engage in a principled, fair, objective, and transparent manner throughout the bilateral Advance Pricing Arrangement (APA) process. Each APA request will be evaluated based on its specific facts and merits.

Relevant commentaries on model tax treaties, along with applicable international transfer pricing guidelines, provide the appropriate foundation for adopting a principled approach to bilateral APAs. Accordingly, both competent authorities and taxpayers should base their positions on analyses conducted in accordance with the relevant bilateral tax treaty, applicable domestic laws, and internationally accepted transfer pricing guidance.

The positions adopted by the competent authorities should not be influenced by potential revenue outcomes. Similarly, taxpayers should not base their positions solely on achieving maximum tax savings.

All parties should work towards reaching agreement in line with the arm's length principle, thereby enhancing tax certainty. Where recurring issues arise in bilateral relations, competent authorities may seek to establish consistent treatment of such matters, regardless of variations in individual case facts.

During the APA process, taxpayers are required to file their tax returns in both Qatar and the treaty partner jurisdiction for the covered years, in line with the positions outlined in the APA request.

Guidance on the Bilateral APA Process

Treaty partner jurisdictions that operate bilateral APA programmes should publish clear rules, guidance, and procedures governing access to the APA process. These should outline each stage of the process and be made readily accessible to the public.

Timeline for the Bilateral APA Process

Qatar, its treaty partners, and taxpayers should aim to conclude a bilateral APA within 30 months from the date a complete APA request, containing sufficient information, is received by both competent authorities.

As processes and resources improve, this timeline should be reduced to 24 months.

In certain cases, these timelines may not be achievable. In such instances, the competent authorities may continue discussions or agree with the taxpayer on a reasonable timeframe for resolution. Discussions should continue for cases that exceed, or are expected to exceed, the target timeline.

Senior officials in both jurisdictions should review delayed cases to identify the causes of delay and agree on measures to ensure timely completion.

Afterward, the competent authorities of Qatar and the tax treaty partner jurisdiction should agree on a plan to ensure the efficient completion of the case.

Term of the Bilateral APA

A bilateral APA should generally cover a period of at least five (5) years, including at least two (2) prospective tax years, provided that the underlying facts and circumstances remain unchanged.

Resources of the Competent Authority

The competent authority in the treaty partner jurisdiction should be adequately resourced to effectively manage and administer the bilateral APA programme.

Communication and Transparency

Communication with Taxpayers

Throughout the APA process, case officers, competent authorities, and taxpayers should maintain regular and open communication.

This is particularly important during stages where the taxpayer is not directly involved, including:

- Review of the APA request during the acceptance stage, including addressing any issues identified;
- Preparation and discussion of position papers between competent authorities;
- Finalisation and implementation of the APA, including resolving any obstacles that may delay execution.

Communication Between Competent Authorities

Once an APA request is accepted, the competent authorities in Qatar and the treaty partner jurisdiction should maintain consistent communication on the case. This includes coordination during formal meetings and, where appropriate, joint meetings involving the taxpayer.

Early Engagement and Pre-filing

Taxpayer Engagement

Taxpayers should notify the competent authorities in both Qatar and the treaty partner jurisdiction of their intention to apply for a bilateral APA before submitting a formal request.

While initial discussions may take place with one authority, the other authority should be informed once it becomes clear that a bilateral APA request will be submitted.

Conduct of the Competent Authority

Prior to formal submission or acceptance into the APA programme:

- The competent authority in Qatar will not influence the taxpayer's position on any matter under consideration;
- It will not conduct formal analysis to determine its position on APA-related issues;
- Any preliminary analysis will be limited to identifying relevant issues for the taxpayer's consideration.

The competent authority may highlight areas for review but will not agree on positions with the taxpayer, including transfer pricing methods, comparables, or pricing outcomes.

APA Submission and Acceptance

Submission Requirements

The taxpayer must submit the APA request simultaneously to both competent authorities. Submissions must contain identical information.

Language Requirements

Where a common language is not shared, the APA request and supporting documentation must be submitted in English.

If both competent authorities agree, another language may be used or the translation requirement may be waived.

The language to be used throughout the APA process should be agreed upon by both competent authorities and the taxpayer.

Review and Coordination

Upon receiving the APA request, the competent authority in Qatar will notify the treaty partner jurisdiction and work jointly to:

- Identify criteria for applying the APA;
- Address any immediate issues or additional information requirements;
- Identify any domestic constraints that may affect the application process.

Acceptance Decision

The competent authority in Qatar will aim to decide on acceptance within 30 days of receiving a complete application.

Both the taxpayer and the treaty partner jurisdiction will be notified promptly of the decision. If additional time is required, an expected decision date will be communicated.

Acceptance and Information Gathering APA Work Plan

Once accepted, the competent authorities and the taxpayer(s) will agree on a work plan outlining timelines for each stage of the APA process.

All parties are expected to allocate sufficient resources and meet agreed deadlines. Taxpayers should ensure they are able to provide the required information within the agreed timeframe.

Information Gathering

Competent authorities should coordinate their information requests to avoid duplication.

Where possible, interviews and site visits should be conducted jointly, either in person or virtually. Any records or minutes from such engagements should be shared between authorities.

Provision of Information

Taxpayers must provide all requested information promptly to both competent authorities, regardless of which authority initiated the request.

Information Requests

Competent authorities should request only information that is relevant and necessary for forming their positions on the APA.

Handling Potent ial Disputes

If material disagreements arise during the information-gathering stage, the competent authority in Qatar will promptly communicate its views to the treaty partner authority.

Up-to-date financial information must be used in discussions, including unaudited financials where appropriate, provided they accurately reflect the covered transactions.=

Position papers will be exchanged between competent authorities in advance of discussions. These will not be shared with the taxpayer, and taxpayers will not participate in substantive negotiations between authorities.

Where issues arise, the competent authority in Qatar will provide recommendations for resolution.

The competent authorities will jointly determine responsibility for drafting the bilateral APA and will work together to finalise and implement it as efficiently as possible.

Implementation and Related Matters

Any domestic agreement implementing the bilateral APA must be consistent with its terms, subject to applicable local legal requirements.

The competent authority in Qatar will inform the treaty partner jurisdiction of any audit activity related to the covered transactions, including ongoing or planned audits.

Where appropriate and upon request, renewal of the APA may be considered during the final year of the arrangement, particularly where the underlying facts and circumstances remain unchanged.

Scan the Code

To view the latest update of this guide and all published guides.

or Visit the Dhareeba Platform

www.dhareeba.gov.qa