

Minister of Finance,

After perusal of the [Qatar Financial Centre Law promulgated by Law No. \(7\) of 2005](#) and the laws amending it;

The [Income Tax Law promulgated by Law No. \(24\) of 2018](#);

Emiri [Decree No. \(77\) of 2018](#) establishing the General Authority for Taxes;

The [Mutual Administrative Assistance Convention](#) in Tax Matters, promulgated by Decree No. (14) of 2019;

The [Executive Regulations of the Income Tax Law](#), issued by the Council of Ministers decision No. (39) of 2019;

The QFC Tax Regulations and Rules;

The comprehensive framework to combat the erosion of the tax base and the transfer of profits, which the State of Qatar joined on 7/11/2017;

and the adoption of this draft decision by the Council of Ministers at its 33rd ordinary meeting of 2020, held on 2/9/2020,

the following has been decided:

Articles

Article 1

In the application of the provisions of this decision, the following terms and words shall have the meaning assigned thereto unless the context requires otherwise:

State: The State of Qatar.

Competent Authority: General Tax Authority (GTA)

Tax Department: The Department competent to issue tax directives in the competent authority or other

Authorized Departments, as the case may be, in accordance with the laws and regulations applicable in the State.

Tax Directive: Any advice or information provided by the Tax Department in writing to a specific taxpayer (or group of

taxpayers) regarding his tax status or any circular, measure, or written arrangement that it makes regarding his tax status, and he is entitled to rely on it.

Tax Directive for

a Specific Taxpayer: A tax directive applicable to a specific taxpayer, issued before or after the transaction, at his request, and to which he is entitled to rely upon

Advanced Tax Directive:

Tax Directive for a specific taxpayer on a planned transaction, including, in particular, the following:

Adjusting the tax results of the transaction to the extent that it corresponds to the facts described by the taxpayer in the request for guidance.

The application or the way of the application of a tax law or tax practice to a transaction.

Determining whether a general tax directive (tax circular) applies to the facts and circumstances of a particular taxpayer.

Tax Directive Relevant to

a Preferential Tax System: A tax directive relating to any system that offers a tax preference compared to the general principles of taxation in the State, whatever the form or amount of the preference.

Transfer Pricing: The process of determining the prices at which an entity transfers tangible or intangible assets or provides services to associated entities.

Pre-arrangement Related to

Transfer Pricing: A unilateral or multilateral arrangement, conducted at the request of an Associated Party, which, before transacting with the Associated Party, establishes for it an appropriate set of criteria, in particular:

1- The pricing method, its appropriate comparison and adjustment elements, and the underlying assumptions for future events, to determine the transfer rates applicable to the transaction over a specified period of time. 2- Attribution of profit according to the item related to commercial profits in tax agreements.

3- Transfer pricing between associated projects.

Unilateral Transboundary Arrangement Related to Transfer Pricing: A prior arrangement for transfer pricing that is made between the tax department and the taxpayer.

Other Unilateral Transboundary Directive Related to Transfer Pricing or to applying its principles: A directive that includes transfer pricing or the application of transfer pricing principles whether it is limited to matters of a legal nature, or is binding only with respect to a particular transaction.

Multilateral Arrangement for Transfer Pricing: A prior arrangement relating to transfer pricing between the competent authority and one or more tax authorities of another country under the mutual agreement procedure provided for in the tax agreement concluded between two countries.

Tax Transboundary Directive for Unilateralism Adjustments Regarding the Reduction of the Taxpayer's Taxable Profit:

A directive to make unilateral adjustments to taxable profits that are not directly reflected in the financial accounts.

Such Directive does not include the following:

- Discount adjustments made after-tax checks if no separate tax directive is issued therefor.
- Unilateral reductions in some income items.

Tax Directive Relevant to the Permanent Establishment: A directive specifying or determining the existence or absence of a permanent establishment, whether within or outside the state, or any directive that includes the amount of profit attributed to the permanent establishment.

Tax Directive Relevant to Associated Parties: Any arrangement relating to money flows or any cross-border income conducted by an entity in the State to another country, directly or indirectly.

Associated Parties: Two persons are considered to be associated in the following two cases:

1- If one of them invests at least 25% in the other.

2- If a third person owns an investment of not less than 25% in each of them.

The acquisition by either of them of a percentage of the voting rights or of the value of the shares of the other directly, or indirectly through investment in other persons shall be deemed as a case of association.

General Taxation Directive

(Tax Circular): Directive applicable to groups or classes of taxpayers, or relating to a specific set of circumstances or activities, as it provides guidance on the position of the tax administration in matters relating to the interpretation and application of law and administrative practice to taxpayers in general, to a specific group of taxpayers, or to specific activities.

These guidelines apply to all taxpayers engaged in activities or transactions within their scope.

The exchange: Mandatory automatic exchange of information associated with tax directives.

Article 2

The provisions of this Law shall apply to the following:

1. Tax directives relating to preferential tax systems.
2. Previous unilateral arrangements related to transfer pricing and other unilateral cross-border approaches (e.g., previous tax directives related to transfer pricing or the application of its principles).
3. Cross-border tax directives to make unilateral adjustments by reducing taxpayers' taxable profits.

4. Tax directives related to the permanent establishment.
5. Tax directives related to the relevant linked parties.
6. Any tax directive issued by the Tax Department, as permitted by the laws and regulations applicable in the State, to a specific taxpayer, at his request, whether before or after the execution of his transactions, provided that the taxpayer or one of the parties associated therewith, his headquarters or his permanent establishments concerned with tax guidance is outside the State.
7. Tax directive issued by the taxpayer's tax administration and agreements concluded by the parties regarding the future profits of the taxpayer, as a result of a tax audit, provided that those directions and agreements fall within any of the categories of tax directions covered by this decision.
8. Any other type of tax directions that are not subject to exchange and that would cause the erosion of the tax base and the transfer of profits or those that are agreed upon within the framework of the "forum of harmful tax practices" that would cause the erosion of the tax and the transfer of profits.

As an exception to the provisions of the preceding paragraph, this decision shall not apply to:

- 1- General Taxation Directive (tax circulars).
- 2- Assessment decisions issued by the Tax Department following a tax audit.
- 3- Agreements made by the Tax Department and a taxpayer regarding the results of the tax audit.

Article 3

The Tax Department shall determine the tax directives issued by it that are covered by the exchange, and shall sort them according to the categories stipulated in the first paragraph of the previous article.

Article 4

The request for a tax directive from the Tax Department shall include the required information about the countries concerned by that directive, in accordance with the following:

Tax directive covered by exchange

Countries to be exchanged with

Tax Directive on Preferential Tax Systems:

1. Countries of domicile of all the parties associated with the taxpayer, or his permanent establishment, as the case may be,
according to which

, the taxpayer conducts a transaction characterized by preferential system, or which results in income from associated parties
or permanent establishments that have a preferential system.

2. Country of domicile of the parent company and the direct parent company.

**Unilateral prearrangement of transfer pricing, and other unilateral cross-border directives related to transfer pricing
or the application of its principles, such as advance tax directives:**

1. Countries of domicile of all associated parties with which the taxpayer engages in a transaction covered by a transfer
pricing arrangement or a unilateral cross-border tax directive.
2. Country of domicile of the parent company and the direct parent company.

**Cross-border taxation directive containing a unilateral adjustment of the taxpayer's taxable profits in the country of
origin of the directive:**

1. Countries of domicile of all parties associated with the taxpayer with which the taxpayer engages in transactions covered by
the Directive.
2. Country of domicile of the parent company and the direct parent company.

Permanent Establishment Tax Directive:

1. The country of the headquarters, the country of the place of the permanent establishment, as the case may be.
2. Country of domicile of the parent company and the direct parent company.

Tax guidance related to the relevant linked parties:

1. The country of domicile of any associated party making payments to the relevant linked party (directly or indirectly).
2. Country of domicile of the original beneficial owner of the payments made to the relevant linked party.
3. The country of domicile of the parent company, and the direct parent company, in the event that it is not possible to
identify the beneficial owner in accordance with the previous clause.

Article 5

The Tax Department shall take the necessary measures to ensure that information specifying the countries with which information on tax directives shall be exchanged is obtained and shall endeavor to obtain information that is not in its possession regarding the countries to exchange with from the available accessible sources.

The Tax Department publishes general tax directives (tax circulars issued by it) and counts the various tax directives on the basis of the number of countries affected by such directives, and as per the number of directives themselves.

Article 6

The request for tax directive shall be submitted in writing, accompanied by a file that includes, in addition to the data stipulated in the following paragraph, a full description of the facts of the transaction in question, the methods of determining its value, and any additional data that the tax administration looks forward to.

The tax directive shall include information regarding the requesting taxpayer, including his name, tax headquarters, C.R. No., tax ID No., and the identity of his tax advisor, as well as the countries with which information about the directive is required to be exchanged.

Article 7

The Tax Department shall establish a mechanism of review and supervision to ensure that all relevant information covered by the interchange is obtained as appropriate.

Within a period not exceeding (30) thirty days from the date of issuance of the tax directive, the Tax Department shall provide the competent authority with a summary and basic information on the tax directive, in accordance with the form attached hereto. The inclusion of the data in that form shall follow the instructions contained in Annex C of the OECD version referred to.

The information sent by the Tax Department to the competent authority shall include all the information required in the mandatory fields indicated in the form annexed hereto or in any other form approved by the OECD.

Article 8

The Tax Department shall provide the competent authority, if requested to do so, with a copy of the issued tax directives, or an update on the status of such directives, within a period not exceeding (30) thirty days from the date of receipt of the request.

The Tax Department, if it is not affiliated with the competent authority, shall refer all draft tax directives and updates to the competent authority for approval before issuing them.

Article 9

Within a period not exceeding ninety (90) days from the date of receipt of the tax directives, the competent authority shall exchange information thereon with its counterparts in the countries affected by such directives.

Article 10

The Tax Department and the competent authority shall establish an appropriate mechanism to ensure that information relating to tax directives is collected and transmitted to the competent authority in a safe and expeditious manner.

Article 11

The competent authority shall establish and periodically review a list of countries committed to the implementation of the transparency framework and the automatic exchange of information

Article 12

This decision shall be applied to tax directives issued as of 1/9/2018.

Article 13

All competent authorities, each within its competence, shall implement this decision. It shall enter into force on the day following the date of its publication in the Official Gazette.