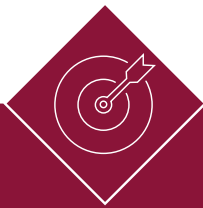




GUIDELINES FOR THE TAX TREATMENT

**of Event and Sports Club
Sponsorship Contracts**





◆ Purpose of the Guide

Clarifying the proper tax treatment of event and sports club sponsorship contracts in Qatar to ensure the full benefit of the available incentive measures supporting sports.

◆ Definition

Sports Sponsorship: It is a legal relationship that involves financial support provided by the sponsoring entity to a sporting event or a specific team, with the aim of achieving mutual benefit — usually in the form of commercial publicity, marketing, or advertising advantages (for example: placing the logo on team jerseys, naming rights, or stadium advertising).

These relationships are governed by contractual terms that define the obligations and rights of both parties. The amounts paid are treated as tax-deductible expenses, provided they meet the conditions for deductible expenses in accordance with the Income Tax Law No. (24) of 2018 and its Executive Regulations.

◆ Conditions for Tax Deduction

01

Relevance to the Taxpayer's Core Activity: The sponsorship must aim to promote the core business activity or increase revenue.

02

Availability of Supporting Documents: A sponsorship contract that specifies the consideration (marketing/advertising rights). Invoices and Receipts Proving Payment.

03

Expense Allocation Across Tax Years: If the contract spans multiple years, the cost must be allocated over the relevant years.

◆ Illustrative Example



A company signed a sponsorship contract with a local sports club valued at QAR 3,000,000 for a period of 3 years, at a rate of one million riyals per year.



Submitted Documents

A contract fulfilling the requirements with payment receipts.



Benefits

Printing the company logo on the club's jerseys

In this case: the amount is considered a deductible expense and is distributed over the three years at QAR 1,000,000 per tax year.

◆ Legal References

- ◆ Law No. (24) of 2018 issuing the Income Tax Law and its amendments (Article 7.)
- ◆ Executive Regulations of the Income Tax Law issued by Council of Ministers' Decision No. (39) of 2019 (Articles 5–3).
- ◆ Law No. (1) of 2016 regulating Sports Clubs and its amendments.

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Support and Technical Assistance:



Within Qatar: 16565 Overseas: +974 4406 9941



Email: support@dhareeba.qa



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